

# Reliance Industries

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR1,328**      **TP: INR1,655 (+25%)**      **Buy**

## Energy profitability weak; resilient consumer business softens the blow

Bloomberg	RELIANCE IN
Equity Shares (m)	13532
M.Cap.(INRb)/(USDb)	17969 / 190.6
52-Week Range (INR)	1612 / 1288
1, 6, 12 Rel. Per (%)	-10/-1/3
12M Avg Val (INR M)	18806

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	10,572	11,845	12,173
EBITDA	1,789	1,973	2,166
Adj PAT	719	786	854
EPS (INR)	53.1	58.1	63.1
EPS Gr. (%)	3.2	9.4	8.7
BV/Sh. (INR)	334	720	776

### Ratios

Net D/E	0.4	0.3	0.2
RoE (%)	8.2	8.4	8.4
RoCE (%)	8.0	8.2	8.6

### Valuations

P/E (x)	25.0	22.9	21.0
P/BV (x)	4.0	1.8	1.7
EV/EBITDA (x)	12.0	10.7	9.5
Div Yield (%)	0.5	0.5	0.5

### Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	49.1	49.1	49.1
DII	19.2	18.8	16.8
FII	20.7	20.8	23.9
Others	11.1	11.3	10.2

FII Includes depository receipts

- RIL reported a subdued 4Q, with consolidated EBITDA declining 4% QoQ (flat YoY) to INR441b (vs. our/consensus estimates of INR484b/INR469b), primarily driven by weaker profitability in Energy business due to the disruptions caused by the West Asia conflict. RIL's consumer-facing businesses remained resilient.
- Reliance Retail's (RR) revenue growth picked up to 11% YoY, though EBITDA growth was modest at ~3% YoY (flat QoQ, 6% beat), as margins contracted ~60bp YoY (in line) due to the ramp-up of low-margin hyper-local deliveries.
- RJio EBITDA was up ~2.1% QoQ (in line, 14% YoY) driven by ~9.1m net sub adds and stable ARPU (despite two fewer days QoQ). RIL's digital services EBITDA was up 3.7% QoQ (+16% YoY, in line).
- Consol. O2C EBITDA declined 12% QoQ (down 4% YoY, 20% miss) due to increased crude sourcing premium and higher freight and insurance costs.
- Consol. E&P EBITDA declined 14% QoQ (-18% YoY, 9% miss) due to the natural decline in well production and higher refurbishment costs.
- Attributable 4Q PAT declined 12% YoY to INR170b (-7% QoQ), and was 17% below our estimate due to weaker EBITDA and lower other income.
- Committed capex in 4Q jumped to INR405b (vs. INR338b QoQ, +13% YoY). RIL's reported net debt rose ~INR76b QoQ to INR1,247b (vs. INR1,171b YoY).

### FY26 performance summary:

- RIL's consolidated EBITDA grew 8% YoY to INR1,789b, while adjusted attributable PAT grew by a modest ~3% YoY to INR719b, due to higher interest and depreciation expenses.
- FY26 committed capex increased ~10% YoY to INR1,443b, while cash capex moderated ~12% YoY to INR1,229b (~20% YoY lower RJio capex).
- Calculated debt (including spectrum liabilities and creditors for capex etc.) inched up by ~INR58b in FY26 to INR2,818b, on our estimates.
- Consol FCF for FY26 improved to INR406b (vs. INR66b), boosted by Asian Paints stake sale. Even **excluding other/interest income, RIL's consolidated FCF improved to ~INR180b (vs. outflow of INR98b YoY)**, driven by improvement in RJio's FCF generation (INR213b vs. INR39b YoY).
- We cut our FY27E EBITDA and PAT by 3-4% due to the challenges in the Energy business and delays in tariff hikes in RJio. Overall, we build in a CAGR of 9-10% in RIL's consolidated EBITDA/adj. PAT over FY26-28E.
- **We reiterate our BUY rating with a revised TP of INR1,655 (earlier INR1,715).** While the energy business weakness drives the near-term earnings downgrade, sustained mid-to-high teen growth in RR and a tariff hike, along with impending JPL IPO, remain the key triggers for RIL's stock price.

### Reliance Retail – Growth picks up; margin moderates due to QC ramp-up

- RRVL net revenue grew 11% YoY (vs. 9% YoY in 3Q) and was higher at ~14% YoY on a comparable basis (adjusted for FMCG demerger from Dec'25).
- Quick commerce (QC) offering, JioMart, has scaled up rapidly, with the number of daily average orders rising 29% QoQ (4x YoY) as hyperlocal deliveries scaled up to electronics and fashion & lifestyle categories, with 2-hour delivery promise.

- Store additions remained calibrated, with 181 net additions (333 additions, 152 closures); retail area inched up 1% YoY to 78.3msf (+0.2msf QoQ).
- Operating EBITDA rose by a modest 3% YoY (5% beat) due to an accelerated scale-up of lower-margin hyperlocal deliveries (margin -60bp YoY, in line).
- Despite subdued net area additions, RRVL's cash capex rose to INR291b (vs. INR187b), while gross block additions remained steady YoY at INR229b.
- FY26 OCF (post interest and leases) improved to INR218b (vs. INR176b YoY), aided by improved profitability and working capital release. FCF outflow rose to INR69b (vs. INR8b outflow YoY) due to elevated capex.
- As a result, RRVL's effective net debt rose ~INR30b YoY to INR357b.
- We expect store pickup additions and increased momentum in QC to support double-digit revenue growth for RR over the medium term. However, near-term profitability is likely to be adversely impacted by losses in QC.
- We fine-tune our FY27-28 estimates and now project a ~12%/10% CAGR in RR's revenue and EBITDA over FY26-28.
- **Reliance Consumer Brands** (RIL's FMCG arm) delivered INR75b in revenue (2x YoY). Campa surpassed ~INR47b in FY26, sustaining its double-digit market share in key markets. Independence brand delivered INR26b in revenue.

#### RJio – Largely in line; FCF generation picks up as capex moderates

- RJio's standalone revenue grew ~2% QoQ (+11% YoY), driven by ~9.1m subscriber net adds. ARPU remained stable (despite two fewer days QoQ).
- EBITDA grew ~2% QoQ (+14% YoY) to INR181b (in line), driven by lower network opex (+1% QoQ, 1% below).
- EBITDA margin expanded ~10bp QoQ to 54.3% (~10bp beat) with incremental EBITDA margin at ~59% (slightly higher vs. our estimate of ~55%).
- JPL's non-mobility revenue and EBITDA continued to see acceleration, with 8% and 44% QoQ growth, benefitting from rising FWA base and traction in B2B.
- FY26 cash capex (incl. payment of creditors for capex and principal component of spectrum repayments) declined ~20% YoY to INR372b (vs. INR462b YoY), while gross block additions (a proxy for committed capex) in FY26 declined modestly to INR412b (vs. ~INR422b YoY).
- FY26 FCF (post interest, leases and spectrum repayments) improved significantly to INR213b (vs. INR39b in FY25), driven by moderation in capex.
- Effective net debt (including spectrum debt and creditors for capex) declined by INR223b in FY26 to INR1.65t.
- Management expects ~4-5% YoY ARPU growth, driven by customer uptrading and bundling of value-added services in the absence of a tariff hike.
- We cut our FY27 revenue and EBITDA estimates by ~1-2%, led by delays in the tariff hike and rising share of M2M subs in the mix. We continue to build in the next round of tariff hikes (~15% or INR50/month on the base pack) in 2QFY27, but note that there could be a delay of few months to 3Q.
- We expect FY26-28E revenue/EBITDA/PAT CAGR of ~15%/18%/24% for RJio, driven by tariff hike flow-through in wireless and acceleration in FWA offerings. JPL's IPO is imminent and its valuations remain a key near-term monitorable.

### Standalone: Weak O2C and E&P performance drive miss

- Revenue stood at INR1,418b (+7% YoY). EBITDA came in 34% below our estimate at INR120b (est. INR181b; -21% YoY). Reported PAT also stood 38% below our estimate at INR74b (-34% YoY).
- **As of 31st Mar'26**, RIL's standalone CWIP stood at INR1,376b (vs. INR824b on 31st Mar'25). Net debt stood at INR688b (vs. INR619b as of 31st Mar'25). **In FY26**, the company generated CFO of INR791b (flat YoY).
- **O2C SA**: 4Q EBITDA declined 15% YoY to INR105b, despite strong fuel cracks, as margin gains were offset by higher crude premiums, freight, insurance and fuel costs. Consumer-focused actions (LPG diversion, KGD6 allocation, stable retail fuel prices) led to under-recoveries, while SAED on exports and weak polymer spreads further weighed on profitability.
- Production meant for sale decreased 4% YoY. The Jio-BP network added 283 new outlets in the last 12 months, resulting in robust YoY volume growth of 24%/37% in HSD/MS. Polymer margins declined amid rise in naphtha prices, with PE/PP margins down 4%/28% YoY and PVC margin up 2% YoY. Consol. O2C EBITDA (incl. other income) decreased 4% YoY to INR145b.
- **E&P**: 4Q revenue declined 8.9% YoY, driven by lower gas realizations in KGD6 and CBM, along with reduced KGD6 volumes (down 6% YoY at 59.6BCFe). KGD6 prices fell to USD9.63/mmbtu (vs. USD10.09/mmbtu), while CBM prices declined to USD9.01/mmbtu (vs. USD10.36/mmbtu). EBITDA dropped 18.1% YoY to ~INR42b due to lower revenue and higher operating costs from maintenance and government levies.

#### Near-term dynamics:

- Energy markets are likely to remain volatile, driven by geopolitics and trade tensions.
- Oil demand is expected to decline marginally by ~0.08 mb/d in CY26.
- Constrained refining capacity and prolonged disruptions should keep fuel cracks elevated, with gradual normalization as supply recovers.
- The board has recommended a dividend of INR6/sh (FV: INR10/sh).

#### Valuation and view

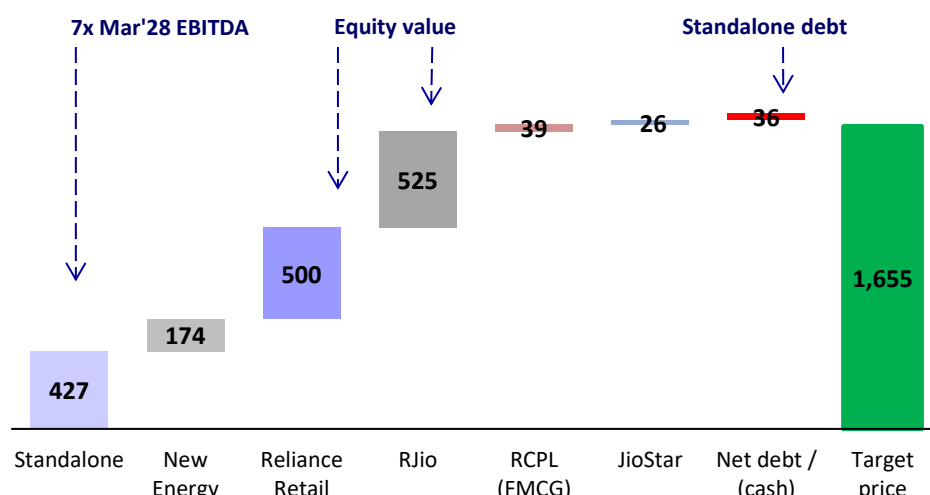
- We cut our FY27E EBITDA and PAT by 3-4%, due to challenges in the Energy business and delays in tariff hikes in RJio.
- We expect RJio to remain the biggest growth driver (digital to contribute ~80% of RIL's incremental EBITDA), with 18% EBITDA CAGR over FY26-28E, driven by the wireless tariff hike (~15% in 2Q), market share gains in wireless, and the continued ramp-up of Homes and Enterprise offerings.
- We expect RR to deliver ~12% revenue CAGR over FY26-28E, driven by a mix of store rollouts, improved productivity and scale-up of hyper-local offerings. However, the faster ramp-up of lower-margin businesses could weigh on blended EBITDA margin, driving ~10% EBITDA CAGR over FY26-28E.
- After a subdued FY25, RIL's O2C EBITDA improved in FY26 but was hit by higher crude premiums and high freight and insurance costs due to the West Asia conflict. Going ahead, we expect only a modest recovery over FY26-28E. Our FY28E consolidated EBITDA for O2C and E&P is broadly similar to FY24.
- Overall, we build in a CAGR of ~9-10% in RIL's consolidated EBITDA and PAT over FY26-28E.

- We model an annual consolidated capex of INR1.25t for RIL over FY26-28E (similar to FY25) as we believe the peak of capex is likely behind, which should lead to healthy FCF generation (~INR1t over FY26-28E) and a corresponding decline in consol. net debt.
- For **RR**, we ascribe a blended EV/EBITDA multiple of 28x (30x for core retail and ~6x for connectivity) to arrive at an EV of ~INR8.5t (or ~USD91b) for RRVL and an attributable value of INR500/share (earlier INR550/share) for RIL's stake in RRVL. Sustained mid-teen revenue growth in RR remains the key for RIL's re-rating.
- We value **RJio** on DCF implied ~11.6x Mar'28E EV/EBITDA to arrive at our enterprise valuation of INR11.3t (USD120b) and assign ~USD8b (INR740b) valuation to other non-mobility offerings under JPL to arrive at **INR12t (or ~USD128b) enterprise valuation for RIL's digital services segment**. Factoring in net debt and ~33.5% minority stake, the attributable equity value for RIL comes to **INR525/share** (vs. INR540 earlier).
- Using the SoTP method, we value the O2C/E&P segments at 7.5x/5.0x Mar'28E EV/EBITDA to arrive at an enterprise value of INR5.8t (or ~INR427/sh) for the standalone business. We ascribe an equity valuation of INR525/sh and INR500/sh to RIL's stake in JPL and RRVL, respectively. We assign INR174/sh (~INR2.4t equity value) to the New Energy business, INR26/sh (~INR350b) to RIL's stake in JioStar and INR39/sh (~INR530b, based on 2x FY28 gross sales) to RCPL (RIL's FMCG arm). **We reiterate our BUY rating with a revised TP of INR1,655 (earlier INR1,715).**

**Consolidated - Quarterly earnings summary**

(INR b)

Y/E March	FY25				FY26				FY25	FY26	FY26 4QE	Var v/s Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>2,318</b>	<b>2,315</b>	<b>2,400</b>	<b>2,614</b>	<b>2,436</b>	<b>2,546</b>	<b>2,649</b>	<b>2,941</b>	<b>9,647</b>	<b>10,572</b>	<b>2,928</b>	<b>0.4%</b>
YoY Change (%)	11.7	-0.2	6.6	10.5	5.1	10.0	10.4	12.5	7.1	9.6		
<b>EBITDA</b>	<b>388</b>	<b>391</b>	<b>438</b>	<b>438</b>	<b>429</b>	<b>459</b>	<b>460</b>	<b>441</b>	<b>1,654</b>	<b>1,789</b>	<b>484</b>	<b>-8.9%</b>
Margins (%)	16.7	16.9	18.2	16.8	17.6	18.0	17.4	15.0	17.1	16.9	16.5	-0.1
Depreciation	136	129	132	135	138	144	146	148	531	577	151	-2.0%
Interest	59	60	62	62	70	68	66	66	243	271	70	-6.3%
Other Income	40	49	42	49	62	45	49	44	180	200	52	-14.3%
<b>PBT before EO expense</b>	<b>232</b>	<b>250</b>	<b>286</b>	<b>291</b>	<b>282</b>	<b>291</b>	<b>297</b>	<b>272</b>	<b>1,060</b>	<b>1,142</b>	<b>315</b>	<b>-13.6%</b>
Extra-Ord expense	0	0	0	0	-89	0	0	0	0	-89	0	
<b>PBT</b>	<b>232</b>	<b>250</b>	<b>286</b>	<b>291</b>	<b>371</b>	<b>291</b>	<b>297</b>	<b>272</b>	<b>1,060</b>	<b>1,232</b>	<b>315</b>	<b>-13.6%</b>
Tax Rate (%)	24.9	23.7	23.9	22.9	17.4	24.0	25.4	24.2	23.8	22.4	23.3	
Minority Interest & Profit/Loss of Asso. Cos.	23.1	25.4	32.6	30.3	36.9	39.8	35.2	36.5	111.4	148.4	36.5	
<b>Reported PAT</b>	<b>151</b>	<b>166</b>	<b>185</b>	<b>194</b>	<b>270</b>	<b>182</b>	<b>186</b>	<b>170</b>	<b>696</b>	<b>808</b>	<b>205</b>	<b>-17.2%</b>
<b>Adj PAT</b>	<b>151</b>	<b>166</b>	<b>185</b>	<b>194</b>	<b>181</b>	<b>182</b>	<b>186</b>	<b>170</b>	<b>696</b>	<b>719</b>	<b>205</b>	<b>-17.2%</b>
YoY Change (%)	-5.5	-4.8	7.4	2.4	19.4	9.7	0.6	-12.6	0.0	3.2		
Margins (%)	6.5	7.2	7.7	7.4	7.4	7.1	7.0	5.8	7.2	6.8	7.0	

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

**Exhibit 2: We ascribe a TP of INR1,655/share for RIL based on SoTP valuation (on FY28 basis)**

EV-based valuation	EBITDA (INR b)	Multiple (X)	Value (INR b)	Value (INR/share)	Value (USD b)
<b>Energy</b>			<b>8,133</b>	<b>601</b>	<b>87</b>
Consol O2C+E&P	824	7.0	5,774	427	61
New Energy			2,359	174	25
<b>Digital services</b>			<b>7,976</b>	<b>589</b>	<b>85</b>
JPL	1,036	~12	12,007	887	128
Minority interest			(4,031)	(298)	(43)
<b>Organized retail</b>			<b>7,135</b>	<b>527</b>	<b>76</b>
RRVL	309	~28	8,544	631	91
Minority interest			(1,409)	(104)	(15)
<b>RCPL (FMCG)</b>			<b>529</b>	<b>39</b>	<b>6</b>
<b>JioStar</b>			<b>347</b>	<b>26</b>	<b>4</b>
<b>Total Enterprise Value</b>			<b>24,121</b>	<b>1,783</b>	<b>257</b>
Consol attributable net debt			1,725	127	18
<b>Equity value</b>			<b>22,396</b>	<b>1,655</b>	<b>238</b>

Source: MOFSL, Company

**Exhibit 3: RIL's consolidated EBITDA declined ~4% QoQ due to weaker profitability in standalone business (O2C and E&P)**

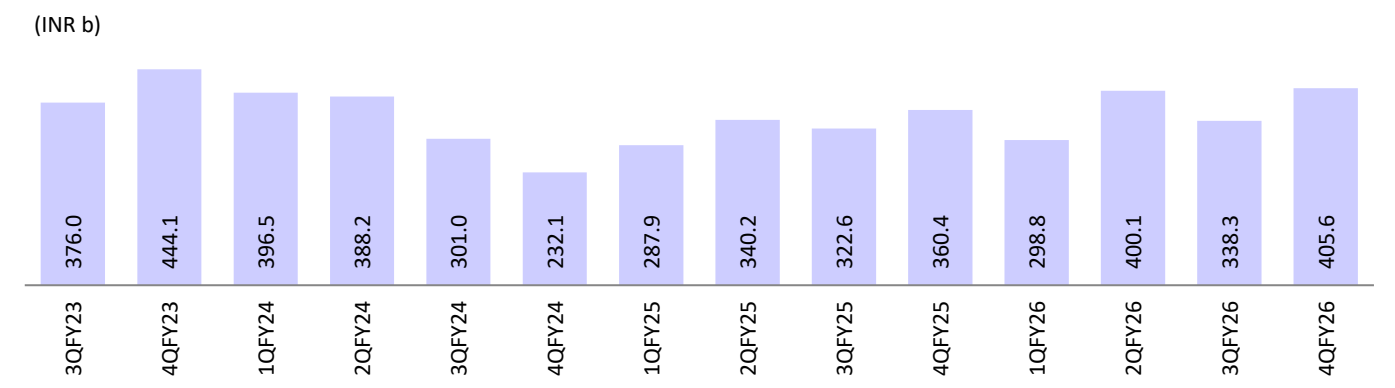
	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs. estimate
<b>Consol. EBITDA (INR b)</b>												
O2C	131	124	144	151	145	150	165	145	(3.7)	(12.0)	181	(19.7)
E&P	52	53	56	51	50	50	49	42	(18.1)	(13.6)	46	(9.1)
Retail	57	59	68	67	64	68	69	69	3.0	0.1	65	6.1
Digital	149	161	166	173	183	189	193	200	16.0	3.7	198	1.2
Others	20	21	21	23	26	28	28	27	21.0	(0.2)	27	1.0
<b>Segmental EBITDA</b>	<b>409</b>	<b>418</b>	<b>456</b>	<b>465</b>	<b>468</b>	<b>485</b>	<b>504</b>	<b>484</b>	<b>4.2</b>	<b>(3.8)</b>	<b>518</b>	<b>(6.4)</b>
Eliminations	(22)	(28)	(18)	(26)	(39)	(26)	(43)	(43)			(33)	
<b>Reported EBITDA</b>	<b>388</b>	<b>391</b>	<b>438</b>	<b>438</b>	<b>429</b>	<b>459</b>	<b>460</b>	<b>441</b>	<b>0.7</b>	<b>(4.1)</b>	<b>484</b>	<b>(8.9)</b>

Source: MOFSL, Company

**Exhibit 4: RIL's reported net debt inched up by ~INR76b QoQ to INR1.25t**

INR b	Dec'23	Mar'24	Jun'24	Sept'24	Dec'24	Mar'25	June'25	Sept'25	Dec'25	Mar'26
Gross Debt	3,117	3,246	3,049	3,363	3,505	3,475	3,384	3,482	3,469	3,744
Cash & Cash equivalent	1,924	2,083	1,926	2,199	2,350	2,304	2,209	2,297	2,298	2,497
<b>Net Debt</b>	<b>1,194</b>	<b>1,163</b>	<b>1,123</b>	<b>1,164</b>	<b>1,155</b>	<b>1,171</b>	<b>1,176</b>	<b>1,185</b>	<b>1,171</b>	<b>1,247</b>

; Source: MOFSL, Company

**Exhibit 5: RIL's reported consol capex increased ~20% QoQ to INR406b (up ~13% YoY)**


Source: MOFSL, Company

**Exhibit 6: RIL's calculated consol net debt inched up ~INR60b YoY to INR2.82t as increase in standalone net debt offsets reduction in RJio's net debt**

Debt analysis (INR b)	Consol		Standalone		RJio		RRVL		Other subsidiaries	
	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
Borrowings	3,475	3,744	1,988	2,314	705	678	544	542	238	211
Deferred payment liabilities	1,044	996	0	0	1,091	1,045	0	0	-47	-50
Other financial liabilities	901	1,261	424	797	353	336	63	61	62	67
<b>Gross debt</b>	<b>5,420</b>	<b>6,000</b>	<b>2,412</b>	<b>3,110</b>	<b>2,150</b>	<b>2,059</b>	<b>607</b>	<b>603</b>	<b>252</b>	<b>228</b>
Cash and equivalents	1,065	1,460	825	1,082	63	97	166	17	11	264
Investments	1,239	1,037	571	505	193	250	100	101	376	182
Other financial assets	356	685	354	574	25	67	14	128	-37	-84
<b>Net debt</b>	<b>2,760</b>	<b>2,818</b>	<b>662</b>	<b>949</b>	<b>1,869</b>	<b>1,646</b>	<b>327</b>	<b>357</b>	<b>-97</b>	<b>-133</b>
Net change	-13	58	7	287	-221	-223	97	30	104	-36

Source: MOFSL, Company

**Exhibit 7: RIL's consol FCF post interest and leases stood at INR406b, boosted by Asian Paints stake sale and capex moderation in RJio**

Cashflow analysis (INR b)	Consol		Standalone		RJio		RRVL		Other subsidiaries	
	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
<b>Operational cashflows</b>	<b>1,550</b>	<b>1,796</b>	<b>498</b>	<b>537</b>	<b>604</b>	<b>699</b>	<b>223</b>	<b>261</b>	<b>225</b>	<b>299</b>
Interest + leases	-440	-465	-147	-111	-169	-180	-50	-49	-75	-124
Change in working capital	237	125	296	253	58	52	3	6	-120	-186
<b>OCF post interest and leases</b>	<b>1,347</b>	<b>1,456</b>	<b>647</b>	<b>679</b>	<b>494</b>	<b>571</b>	<b>176</b>	<b>218</b>	<b>30</b>	<b>-12</b>
Capex	-1,445	-1,277	-373	-341	-462	-372	-187	-291	-424	-271
Interest income	164	226	141	187	8	15	3	4	14	21
<b>FCF post interest and leases</b>	<b>66</b>	<b>406</b>	<b>415</b>	<b>525</b>	<b>39</b>	<b>213</b>	<b>-8</b>	<b>-69</b>	<b>-380</b>	<b>-263</b>

Source: MOFSL, Company

**Exhibit 8: RIL's consol cash capex moderated 12% YoY to INR1,277b, driven by moderation in RJio and other subsidiaries, while gross block additions also lower at INR1,545b (-17% YoY), largely due to lower additions in other subsidiaries**

Capex analysis (INR b)	Consol		Standalone		RJio		RRVL / RRL		Other subsidiaries	
	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
Cash capex	1,445	1,277	373	341	462	372	187	291	424	271
Gross block additions	1,865	1,545	502	683	422	412	221	229	720	221

; Source: MOFSL, Company

**Exhibit 9: RIL Consolidated – summary of changes to our estimates (INR b)**

RIL Consol	FY26E	FY27E	FY28E
<b>Revenue</b>			
Old		11,746	11,540
Actual/New	10,572	11,845	12,173
Change (%)		1%	5%
<b>EBITDA</b>			
Old		2,033	2,174
Actual/New	1,789	1,973	2,166
Change (%)		-3%	0%
<b>PAT</b>			
Old		820	855
Actual/New	719	786	854
Change (%)		-4%	0%

Source: Company, MOFSL

**Exhibit 10: RIL Standalone – summary of changes to our estimates (INR b)**

RIL Standalone	FY26E	FY27E	FY28E
<b>Revenue</b>			
Old		5,881	5,130
Actual/New	5,056	5,476	4,806
Change (%)		-7%	-6%
<b>EBITDA</b>			
Old		621	573
Actual/New	544	582	564
Change (%)		-6%	-2%
<b>PAT</b>			
Old		402	360
Actual/New	349	375	362
Change (%)		-7%	1%

Source: Company, MOFSL

**Exhibit 11: Rjio – summary of changes to our estimates (INR b)**

Rjio	FY26E	FY27E	FY28E
<b>Revenue (INR b)</b>			
Old		1,490	1,696
Actual/New	1,289	1,473	1,713
Change (%)		-1.2%	1.0%
<b>EBITDA (INR b)</b>			
Old		828	961
Actual/New	698	810	971
Change (%)		-2.2%	1.0%
<b>EBITDA margin (%)</b>			
Old		55.5	56.7
Actual/New	54.2	55.0	56.7
Change (bp)		(55.8)	1.6
<b>PAT (INR b)</b>			
Old		346	427
Actual/New	282	335	435
Change (%)		-3.2%	1.9%

Source: Company, MOFSL

**Exhibit 12: RRVL – summary of changes to our estimates**

RRVL - (INR b)	FY26E	FY27E	FY28E
<b>Revenue</b>			
Old		3,648	4,082
Actual/New	3,271	3,676	4,135
Change (%)		0.8	1.3
<b>EBITDA</b>			
Old		274	310
Actual/New	257	275	309
Change (%)		0.3	-0.3
<b>EBITDA margin (%)</b>			
Old		7.52	7.60
Actual/New	7.84	7.48	7.48
Change (bps)	-	(3)	(12)
<b>PAT</b>			
Old		142	164
Actual/New	137	144	163
Change (%)		1.0	-0.2

Source: Company, MOFSL

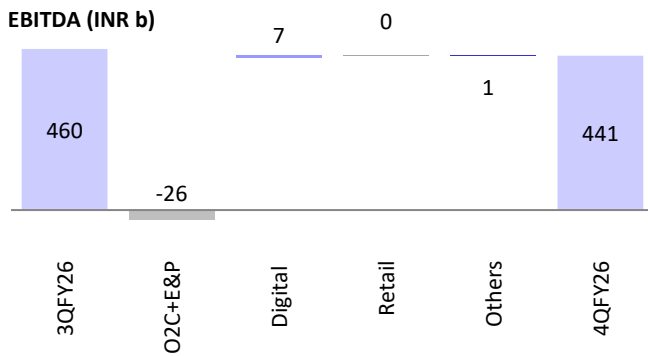
**Exhibit 13: We expect ~10% CAGR in RIL's consolidated EBITDA over FY26-28E, driven largely by Digital services**

RIL EBITDA build-up	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY26-28 CAGR
O2C	382	527	621	624	550	605	677	661	4.5
E&P	3	55	136	202	212	191	164	163	-7.5
Digital services	340	403	503	567	650	766	893	1,068	18.1
Organized retail	98	124	180	231	251	270	288	324	9.5
Others	63	79	56	86	85	109	120	122	5.8
<b>Segment EBITDA</b>	<b>886</b>	<b>1,187</b>	<b>1,495</b>	<b>1,710</b>	<b>1,748</b>	<b>1,940</b>	<b>2,142</b>	<b>2,337</b>	<b>9.7</b>
Eliminations	-79	-83	-74	-88	-94	-151	-170	-172	6.6
<b>Reported EBITDA</b>	<b>807</b>	<b>1,105</b>	<b>1,422</b>	<b>1,622</b>	<b>1,654</b>	<b>1,789</b>	<b>1,973</b>	<b>2,166</b>	<b>10.0</b>

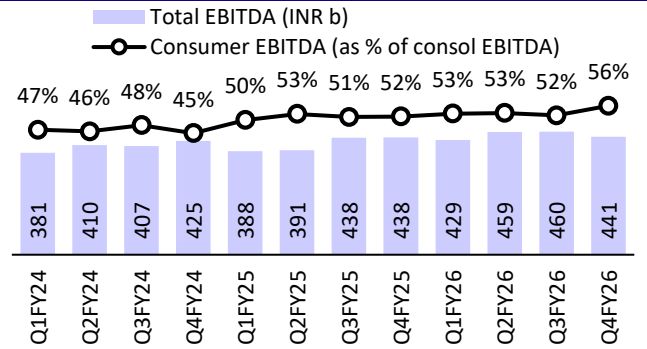
Source: MOFSL, Company

## RIL – story in charts

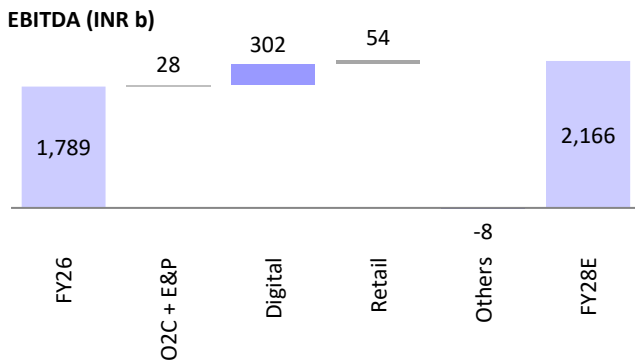
**Exhibit 14: Sequential quarterly EBITDA movement**



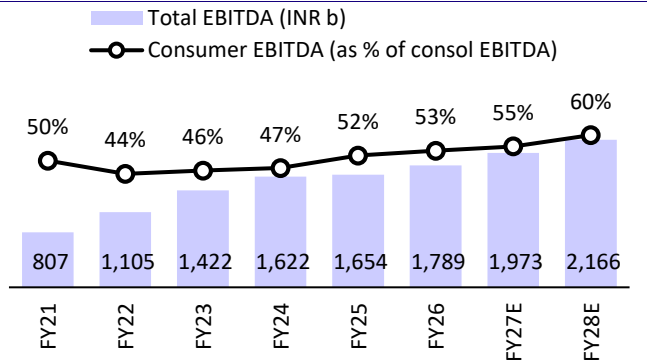
**Exhibit 15: Consumer businesses contributed ~56% of RIL's segmental EBITDA in 4QFY26**



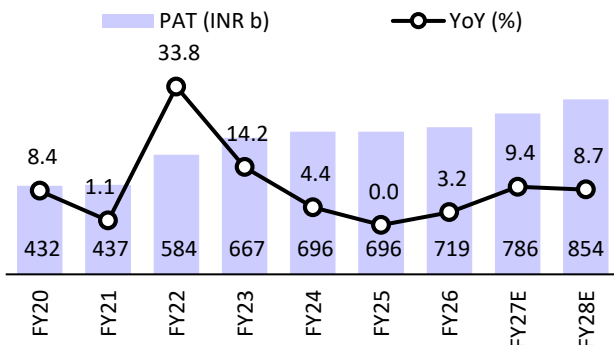
**Exhibit 16: Annual EBITDA movement over FY26-28E**



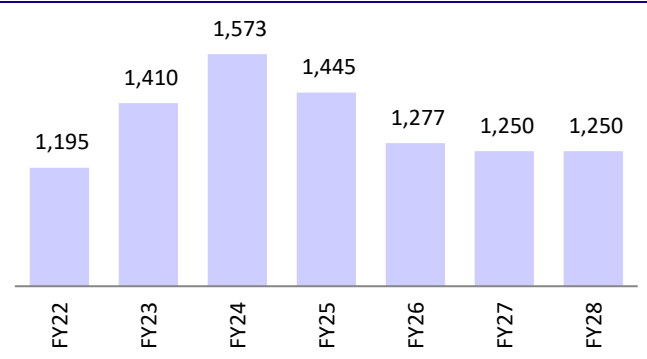
**Exhibit 17: Share of consumer businesses in EBITDA on the rise**



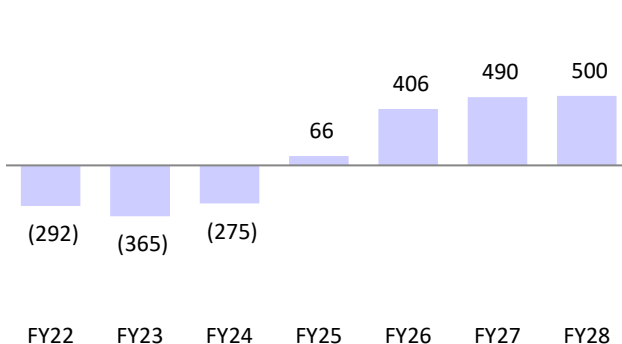
**Exhibit 18: Expect ~9% consolidated Adjusted PAT CAGR over FY26-28E**



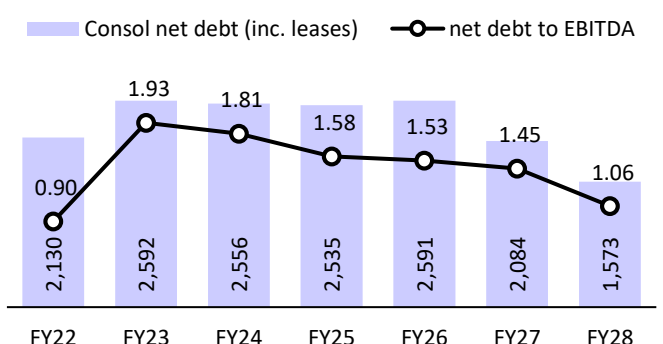
**Exhibit 19: Model ~INR1.3t capex annually over FY26-28E**



**Exhibit 20: Expect ~INR1t FCF generation over FY26-28E**



**Exhibit 21: Expect net debt to decline over FY26-28E**



Source: Company, MOFSL

Source: Company, MOFSL



## 4Q in line; robust FCF generation in FY26 as capex declines sharply

- RJio's standalone revenue at INR334b was up 1.9% QoQ (+11.2% YoY, in line), driven by 9.1m overall net adds. ARPU remained stable QoQ (despite two fewer days QoQ).
- Among key expenses, network opex was up 1% QoQ (+2.5% YoY), while SG&A and other costs rose 4.3% QoQ (+19.1% YoY). Interconnect charges increased 1.7% QoQ (~50% YoY), and employee costs rose 2.5% QoQ (5.4% YoY).
- EBITDA grew 2.1% QoQ (+14.3% YoY) to INR181.1b (inline). EBITDA margin expanded ~10bp QoQ to 54.3% (+145bp YoY, 10bp ahead).
- Incremental EBITDA margin for the quarter stood at ~59% (vs. 52.5% in 3QFY26, higher vs. our estimate of ~55%).
- D&A expenses at INR67.1b grew 0.8% QoQ (+13.2% YoY), while interest cost at INR22.4b was up 5.5% QoQ (+66.3% YoY, ~3% above our estimate), likely due to capitalization of 700MHz spectrum.
- Reported PAT at INR73.2b was up 2% QoQ (+10.2% YoY, in line).
- For FY26, RJio's revenue/EBITDA/PAT grew 13%/16%/14%, driven by ~36m net subscriber additions (+7% YoY) and ~8% YoY ARPU growth.
- However, FY26 pre-IND AS EBITDA growth was likely lower at ~12-13% YoY, as lease repayments surged ~70% YoY to INR60.3b.

## FCF generation picks up as capex moderates; net debt down by ~INR223b

- FY26 cash capex (incl. payment of creditors for capex and principal component of spectrum repayments) stood at INR372b (vs. INR462b YoY, INR224b in 1H).
- Gross block additions (a proxy for committed capex) in FY26 stood at INR412b (vs. ~INR422b YoY and INR251b in 1HFY26).
- FY26 FCF (post interest, leases and spectrum repayments) improved to INR213b (vs. INR39b in FY25), driven by strong operating performance.
- Effective net debt (including spectrum debt and creditors for capex) declined by INR223b in FY26 to INR1.64t (INR146b decline vs. 1HFY26).

## ARPU stable QoQ; 5G now accounts for ~54-55% of wireless subs/data traffic

- Overall EoP subscriber net adds came in at ~9.1m (vs. our estimate of 8.7m QoQ), taking the total subscriber base to 524.4m.
- 5G user base increased further to 268m (from 253m QoQ), with 5G now accounting for ~54-55% of overall wireless subs and data traffic.
- We note RJio witnessed a pickup in M2M SIM additions in 4Q. Excluding M2M and HBB subs, the consumer wireless base rose by a modest ~3.8m QoQ.
- Home Broadband net adds at ~1.8m connections moderated QoQ due to the rollout of non-line of sight devices.
- Jio AirFiber user base rose to ~13m (vs. 11.5m QoQ) and overall HBB connections reached 27.1m.

### Non-mobility revenue up 8% QoQ; EBITDA jumps ~44% QoQ

- JPL's non-mobility revenue grew ~8% QoQ to ~INR49b (up ~23% YoY), likely driven by higher contributions from content bundling and cloud services.
- JPL's non-mobility EBITDA at INR12.9b grew ~44% QoQ (+56% YoY) as EBITDA margin expanded ~660bp QoQ to 26.4% (+555bp YoY), driven by operating leverage.
- Non-mobility business now accounts for 12.75%/6.6% of JPL's consolidated revenue/EBITDA.

### Valuation: Ascribe INR10.7t (~USD114b) equity value to JPL

- We cut our FY27 revenue and EBITDA estimates by ~1-2%, led by delays in tariff hike and rising share of M2M subs in the mix.
- We continue to build in the next round of tariff hikes (~15% or INR50/month on the base pack) in 2QFY27, though there could be a delay of few months to 3Q.
- We expect FY26-28E revenue/EBITDA/PAT CAGR of ~15%/18%/24% for RJio, driven by tariff hike flow-through in wireless and acceleration in FWA offerings.
- We value RJio on DCF implied ~11.6x Mar'28 EV/EBITDA to arrive at our enterprise valuation of INR11.3t (USD120b) for RJio (Wireless + Home broadband). We assign ~USD8b (INR740b) valuation to other non-mobility offerings under JPL to arrive at **INR12t (or ~USD128b) enterprise valuation**.
- Factoring in net debt, our equity valuation for JPL stands at INR10.7t (~USD114b). The attributable equity value for RIL, after adjusting for ~33.5% minority stake, comes to **INR525/share**.

#### Exhibit 22: We ascribe enterprise value of ~USD128b to JPL (implies INR525/share attributable value for RIL)

Digital services (Sep'27 basis)	EBITDA	Implied multiple	Value (INR b)	Value (USD b)
<b>RJIL</b>	<b>971</b>	<b>11.6</b>	<b>11,264</b>	<b>120</b>
Wireless	843	11.6	9,775	104
Homes	128	11.6	1,489	16
JPL and others	65	11.6	743	8
<b>Enterprise value</b>	<b>1,036</b>	<b>11.6</b>	<b>12,007</b>	<b>128</b>
Net debt			1,315	14
<b>Equity value</b>			<b>10,692</b>	<b>114</b>
Attributable to RIL (66.48% stake)			7,103	76
<b>RIL's stake value (INR/share)</b>			<b>525</b>	

Source: Company, MOFSL

## **RJio – Key takeaways from the management meeting**

### **JPL IPO and the key priorities over the medium term**

- RIL is advancing steadily toward the listing of Jio Platforms (JPL) as the key regulatory approval for lower minimum float is now in place.
- The key priority areas over the medium term are: a) gain some more market share in the mobility business, b) continue to accelerate home broadband (HBB) rollouts through innovations to increase the addressable market, c) drive market share gains in Enterprise through differentiated and proprietary services, and d) scale up digital services. Management expects next few years to be very exciting for JPL.

### **5G adoption and data usage momentum remain strong; focus remains on organic ARPU growth (for now)**

- RJio's total subscriber base increased to ~524m in 4QFY26, with sustained leadership in net additions (36m+ net adds).
- 5G adoption continues to scale rapidly (~75m net additions in FY26), leading to ~54% of RJio's mobility users now using 5G.
- Data traffic grew sharply in FY26 (+30.8% YoY), driven by higher 5G penetration and increased fixed broadband usage.
- Per capita data consumption increased to ~42.3 GB/month in 4Q (vs. ~40.7 GB QoQ), reflecting deeper engagement.
- ARPU improved marginally to INR214 (vs. INR213.7 QoQ), despite two fewer days QoQ, supported by subscriber mix improvements and higher engagement.
- Management indicated that even without a tariff hike, ARPU should continue to grow ~4-5% YoY, driven by uptrading and bundling of value-added services.

### **HBB net adds moderate in 4Q; innovations in HBB to expand TAM**

- RJio's fixed broadband base crossed ~27m subscribers, with ~9.6m net additions in FY26, with Jio AirFiber contributing over 75% of net adds during FY26.
- The net additions moderated during 4Q, due to the change in devices to non-line of sight (nLOS). However, management noted that this will widen the total addressable market for HBB.

### **Enterprise growth accelerating with integrated digital solutions**

- RJio continues to expand its managed services portfolio, including connectivity, WiFi, security, and cloud solutions through proprietary solutions.
- Strong traction in large enterprise deals across retail, manufacturing, BFSI, and government sectors. As per management, Meghraj cloud contract has further scaled up.
- Deployment of high-capacity backbone for hyper scalers across metro and NLD network helps to increase RJio's share in deal wins.
- The growth in JPL is likely to remain higher than RJio (albeit on a lower base) with higher incremental margins, as the cost of delivering services does not rise in line with revenue growth, providing operating leverage.

### **Digital ecosystem driving engagement and monetization**

- RJio is leveraging its network to act as a distribution gateway for digital services and partner platforms.
- Bundling strategy across content, connectivity, and devices driving ARPU uplift and customer stickiness.

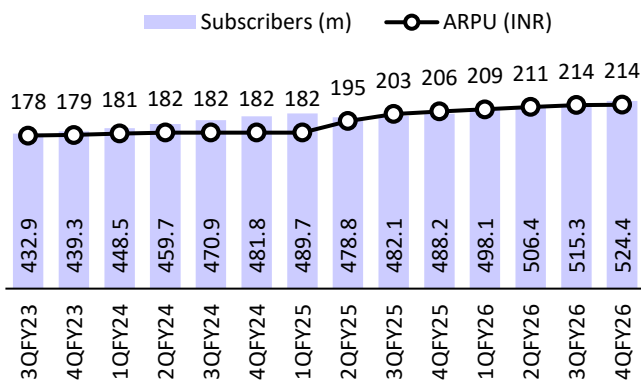
- Strong ecosystem play across entertainment, broadband, and enterprise solutions enhancing lifetime value.
- Continued focus on AI-native network operations improving efficiency and customer experience.
- Monetization of digital services supported by deeper engagement and premium service offerings.

**Exhibit 23: RJio – Quarterly performance**

Quarterly performance	4QFY25	3QFY26	4QFY26	YoY%	QoQ%	4QFY26E	Var (%)
<b>Revenue</b>	<b>300.2</b>	<b>327.5</b>	<b>333.8</b>	<b>11.2</b>	<b>1.9</b>	<b>333.6</b>	<b>0.1</b>
Interconnect	4.9	7.3	7.4	49.6	1.7	6.4	16.1
LF/SUC	27.8	29.5	30.2	8.5	2.5	30.4	-0.7
Network operating costs	84.1	85.6	86.2	2.5	0.8	86.9	-0.8
Employee costs	5.0	5.2	5.3	5.4	2.5	5.3	-0.6
SG&A and other costs	19.8	23	24	19.1	4.3	23.8	-1.0
<b>EBITDA</b>	<b>158.5</b>	<b>177.4</b>	<b>181.1</b>	<b>14.3</b>	<b>2.1</b>	<b>180.8</b>	<b>0.2</b>
Other income	3.4	6.6	6.6	95.8	-0.9	6.6	-0.3
Finance cost	13.5	21.2	22.4	66.3	5.5	21.6	3.4
Depreciation and amortization	59.3	66.5	67.1	13.2	0.8	67.9	-1.2
<b>Profit before taxes</b>	<b>89.2</b>	<b>96.3</b>	<b>98.3</b>	<b>10.2</b>	<b>2.0</b>	<b>97.9</b>	<b>0.4</b>
Deferred tax	22.8	24.6	25.1	10.3	2.0	25.0	0.6
<b>Net income</b>	<b>66.4</b>	<b>71.7</b>	<b>73.2</b>	<b>10.2</b>	<b>2.0</b>	<b>72.9</b>	<b>0.3</b>
<b>Adjusted net income</b>	<b>66.4</b>	<b>71.7</b>	<b>73.2</b>	<b>10.2</b>	<b>2.0</b>	<b>72.9</b>	<b>0.3</b>
Operational metrics	4QFY25	3QFY26	4QFY26	YoY%	QoQ%	4QFY26E	Var (%)
<b>EOP subscribers (m)</b>	<b>488.2</b>	<b>515.3</b>	<b>524.4</b>	<b>7.4</b>	<b>1.8</b>	<b>524.0</b>	<b>0.1</b>
Average subscribers (m)	485.2	510.9	519.9	7.2	1.8	519.6	0.0
<b>ARPU (INR/month)</b>	<b>206.2</b>	<b>213.7</b>	<b>214.0</b>	<b>3.8</b>	<b>0.2</b>	<b>214.0</b>	<b>0.0</b>
<b>EBITDA margins (%)</b>	<b>52.8</b>	<b>54.2</b>	<b>54.3</b>	<b>145 bps</b>	<b>8 bps</b>	<b>54.2</b>	<b>8 bps</b>
Data consumption inc. FTTH (b GB)	48.9	62.3	66.0	35.0	5.9	66.0	-0.1
<b>Data consumption inc. FTTH per user (GB/month)</b>	<b>33.6</b>	<b>40.7</b>	<b>42.3</b>	<b>26.0</b>	<b>4.1</b>	<b>42.4</b>	<b>-0.1</b>
Voice consumption (b min)	1,490	1,530	1,540	3.4	0.7	1,568	-1.8
<b>Voice consumption per user (min/month)</b>	<b>1,024</b>	<b>998</b>	<b>987</b>	<b>-3.5</b>	<b>-1.1</b>	<b>1,006</b>	<b>-1.8</b>
Net subscriber additions (m)	6.1	8.9	9.1			8.7	
<b>Incremental EBITDA margin</b>	<b>52.6</b>	<b>52.5</b>	<b>58.6</b>			<b>54.6</b>	

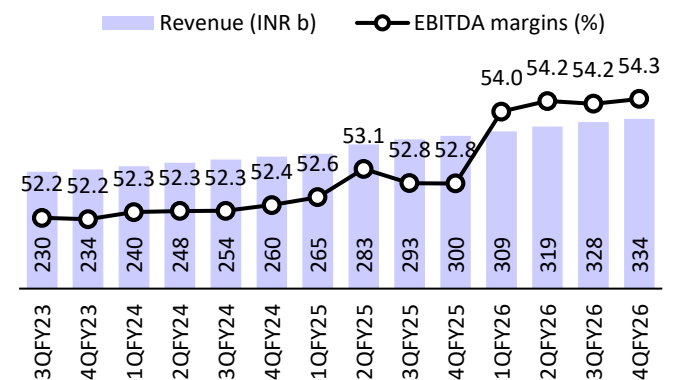
Source: MOFSL, Company

**Exhibit 24: ARPU stable QoQ at INR214; overall subscriber base inched up to 524.4m (+9.1m net adds)**



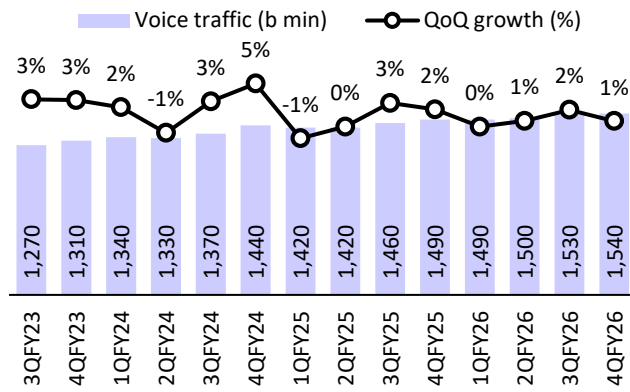
Source: MOFSL, Company

**Exhibit 25: Revenue grew ~2% QoQ; EBITDA margin improved ~10bp QoQ**



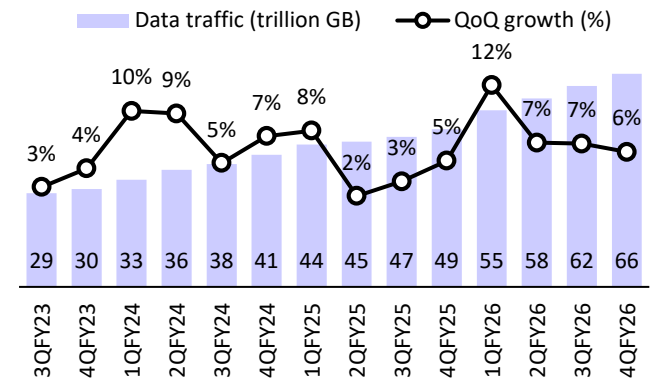
Source: MOFSL, Company

**Exhibit 26: RJio – Voice traffic inched up 1% QoQ**



Source: MOFSL, Company

**Exhibit 27: RJio – Data traffic grew 6% QoQ**



Source: MOFSL, Company

**Exhibit 28: Share of non-mobility revenue and EBITDA in JPL’s mix on a rising trend; EBITDA rise sharply in 4Q**

Jio Platforms	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY	QoQ
<b>Key financials</b>										
Revenues	294	317	331	340	350	363	373	383	12.6	2.7
EBITDA	146	159	166	170	181	188	193	201	17.9	3.9
JPL EBITDA margin (%)	49.7	50.2	50.1	50.1	51.8	51.6	51.8	52.4	236 bps	63 bps
Finance cost	(11)	(11)	(13)	(14)	(21)	(21)	(21)	(23)	66.2	5.7
Depreciation and amortization	(59)	(60)	(61)	(62)	(65)	(67)	(69)	(72)	15.3	3.1
Profit before taxes	77	88	92	94	96	99	102	106	12.6	4.1
Net income	57	65	69	70	71	74	76	79	13.0	4.0
<b>Operational metrics</b>										
<b>Non-mobility revenues</b>	<b>29.7</b>	<b>33.7</b>	<b>37.7</b>	<b>39.7</b>	<b>41.5</b>	<b>44.8</b>	<b>45.1</b>	<b>48.8</b>	<b>22.9</b>	<b>8.1</b>
<b>Non-mobility EBITDA</b>	<b>6.2</b>	<b>7.1</b>	<b>7.9</b>	<b>8.3</b>	<b>8.3</b>	<b>8.8</b>	<b>9.0</b>	<b>12.9</b>	<b>55.7</b>	<b>44.0</b>
Non-mobility EBITDA margin	20.7	20.9	20.9	20.9	20.1	19.7	19.8	26.4	556 bps	658 bps
Non-mobility PAT	2.5	3.1	3.8	3.8	4.0	4.0	4.6	6.2	62.2	35.5
<b>Non-mobility as % of JPL revenue</b>	<b>10.1</b>	<b>10.6</b>	<b>11.4</b>	<b>11.7</b>	<b>11.8</b>	<b>12.3</b>	<b>12.1</b>	<b>12.7</b>	<b>107 bps</b>	<b>64 bps</b>
<b>Non-mobility as % of JPL EBITDA</b>	<b>4.2</b>	<b>4.5</b>	<b>4.8</b>	<b>5.0</b>	<b>4.8</b>	<b>4.9</b>	<b>4.8</b>	<b>6.6</b>	<b>168 bps</b>	<b>184 bps</b>
<b>Non-mobility as % of JPL PAT</b>	<b>4.4</b>	<b>4.7</b>	<b>5.5</b>	<b>5.4</b>	<b>5.6</b>	<b>5.5</b>	<b>6.0</b>	<b>7.8</b>	<b>236 bps</b>	<b>181 bps</b>

Source: MOFSL, Company

**Exhibit 29: Financial snapshot of RIL’s digital services segment**

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY (%)	QoQ (%)
<b>Digital services (INR b)</b>											
Gross revenues	347.4	354.7	380.6	397.3	408.6	419.5	436.2	446.5	459.5	12.4	2.9
EBITDA	146.4	149.4	161.4	166.4	172.8	183.1	188.8	193.3	200.4	16.0	3.7
DD&A	60.4	61.4	62.8	63.9	64.8	69.0	68.2	72.1	74.3	14.7	3.1
EBIT	86.0	88.1	98.6	102.5	108.0	114.2	120.7	121.2	126.1	16.8	4.1
<b>Digital services (ex-JPL)</b>											
Revenue	9.1	9.2	9.4	9.8	10.1	8.9	9.7	9.7	10.2	0.9	4.8
EBITDA	2.8	3.1	2.1	0.6	2.6	1.8	1.3	0.2	(0.2)	(107)	(186)
EBITDA margin (%)	31.3	33.2	22.2	5.6	26.0	19.8	13.0	2.3	(1.9)	(107)bps	(182)bps

Source: MOFSL, Company

**Exhibit 30: RJio – summary of the changes to our estimates**

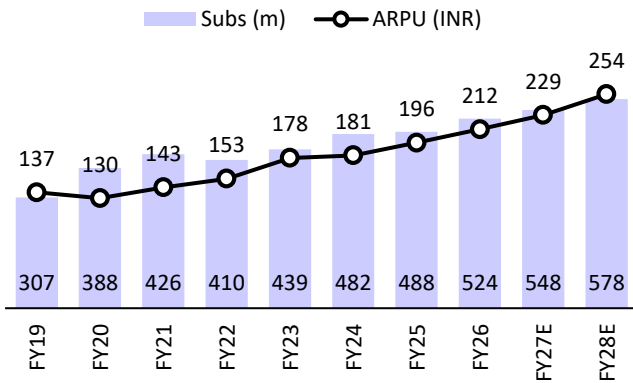
	FY26E	FY27E	FY28E
<b>Total subs (m)</b>			
Old		545.0	568.0
Actual/New	524.4	548.1	578.0
Change (%)		0.6%	1.8%
<b>Overall ARPU (INR)</b>			
Old		232	254
Actual/New	212	229	254
Change (%)		-1.5%	-0.2%
<b>Revenue (INRb)</b>			
Old		1,490	1,696
Actual/New	1,289	1,473	1,713
Change (%)		-1.2%	1.0%
<b>EBITDA (INRb)</b>			
Old		828	961
Actual/New	698	810	971
Change (%)		-2.2%	1.0%
<b>EBITDA margin (%)</b>			
Old		55.5	56.7
Actual/New	54.2	55.0	56.7
Change (bp)		(55.8)	1.6
<b>Net Profit (INRb)</b>			
Old		346	427
Actual/New	282	335	435
Change (%)		-3.2%	1.9%

**Exhibit 31: Key assumptions for RJio standalone**

Key operating and financial metrics	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
EoP wireless subs (m)	424	405	431	471	471	497	510	530
<b>Wireless ARPU (INR/month)</b>	<b>141</b>	<b>150</b>	<b>173</b>	<b>176</b>	<b>190</b>	<b>203</b>	<b>218</b>	<b>237</b>
EoP Broadband (inc. FWA) subs (m)	3	5	8	11	17	27	38	48
Blended broadband ARPU (INR/month)	662	496	503	402	397	406	400	451
<b>Overall subscribers at end-period (m)</b>	<b>426</b>	<b>410</b>	<b>439</b>	<b>482</b>	<b>488</b>	<b>524</b>	<b>548</b>	<b>578</b>
<b>Blended ARPU (INR/month)</b>	<b>143</b>	<b>153</b>	<b>178</b>	<b>181</b>	<b>196</b>	<b>212</b>	<b>229</b>	<b>254</b>
<b>Financials (INR b)</b>								
Revenue	699	770	908	1,001	1,141	1,289	1,473	1,713
<b>EBITDA</b>	<b>309</b>	<b>376</b>	<b>467</b>	<b>524</b>	<b>603</b>	<b>698</b>	<b>810</b>	<b>971</b>
Overall EBITDA margins (%)	44.2	48.9	51.4	52.4	52.8	54.2	55.0	56.7
<b>Net income</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>248</b>	<b>282</b>	<b>335</b>	<b>435</b>
<b>Balance sheet</b>								
Net-worth	1,830	1,978	2,160	2,364	2,614	2,846	3,181	3,615
<b>Effective net debt</b>	<b>511</b>	<b>971</b>	<b>1,979</b>	<b>2,090</b>	<b>1,869</b>	<b>1,646</b>	<b>1,315</b>	<b>850</b>
Invested capital	2,295	3,227	4,682	5,299	5,762	6,188	6,577	6,975
<b>Cash flow</b>								
<b>Operating cash flow (after interest and leases)</b>	<b>275</b>	<b>233</b>	<b>404</b>	<b>351</b>	<b>436</b>	<b>519</b>	<b>607</b>	<b>751</b>
Working capital	19	-64	-2	30	58	52	-13	-13
Capital expenditure inc. DPL repayments	-261	-481	-336	-534	-461	-372	-384	-389
<b>Free cash flow</b>	<b>34</b>	<b>-313</b>	<b>66</b>	<b>-153</b>	<b>32</b>	<b>199</b>	<b>211</b>	<b>349</b>
<b>Returns (%)</b>								
RoAE	6.8	7.8	8.8	9.0	10.0	10.3	11.1	12.8
<b>RoACE</b>	<b>6.4</b>	<b>6.7</b>	<b>5.9</b>	<b>5.4</b>	<b>6.2</b>	<b>7.2</b>	<b>8.6</b>	<b>10.7</b>
CRoCI	11.5	9.8	8.5	8.5	8.9	9.8	10.6	11.9

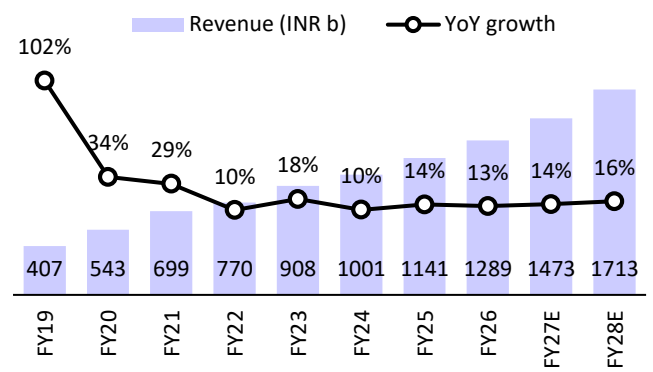
Source: MOFSL, Company

**Exhibit 32: Expect 9%/5% CAGR in Subs/ARPU over FY26-28E**



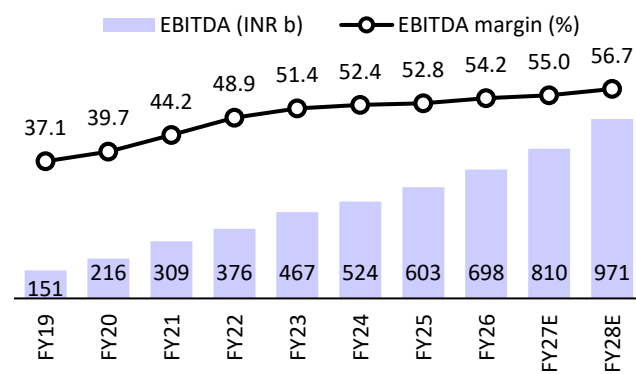
Source: MOFSL, Company

**Exhibit 33: Expect revenue CAGR of ~15% over FY26-28**



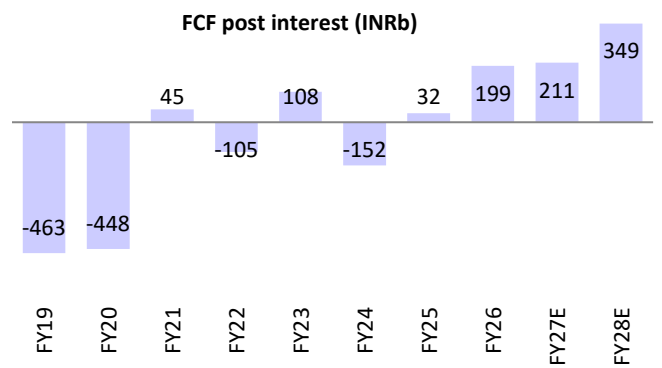
Source: MOFSL, Company

**Exhibit 34: Expect 18% CAGR in EBITDA over FY26-28**



Source: MOFSL, Company

**Exhibit 35: Expect ~INR560b cumulative FCF generation over FY26-28E driven by tariff hikes and stable capex**



Source: MOFSL, Company



## Revenue growth picks up (14% YoY, excl. RCPL demerger impact), though margins continue to moderate

- Reliance Retail's (RR) consolidated **net revenue grew 11% YoY** to INR873b (vs. our est. of INR840b). Excluding the impact of RCPL demerger (from Dec'25), the growth on **comparable basis was ~14% YoY**.
- In 4Q, RR added 333 new stores (closed 152 stores), leading to net 181 store adds to reach 20,160 stores (added 820 net stores in FY26). Net area grew by a modest ~0.2m sqft QoQ to 78.3m sqft (1% YoY).
- Transactions grew 62% YoY to 585m (up 12% QoQ), driven by the strong ramp-up in hyperlocal offerings. RR's registered customer base grew 11% YoY to 387m.
- Operational **EBITDA inched up only ~3% YoY to INR67b (~5% beat)** as EBITDA margins contracted by ~60bp YoY to 7.7% (largely in line).
- Depreciation stood at INR15.8b (up 13% YoY), while interest costs declined 23% YoY to INR5.2b and investment income grew 15% YoY to INR2.3b.
- Consequently, PAT at INR35.6b was largely stable YoY.
- For FY26, RRVL **consol revenue/EBITDA/PAT grew 12%/8%/12% YoY**. Revenue growth, excluding FMCG demerger, would likely be a few percentage points higher.
- RRVL's FY26 OCF (post interest and leases) stood at INR218b (vs. INR176b YoY), aided by improved profitability and working capital release. Nevertheless, high capex at INR291b (vs. INR187b YoY) resulted in FCF outflow of INR69b (vs. INR8b outflow YoY).
- As a result, RRVL's net debt increased by INR30b YoY to INR357b.

## JioMart expands in non-grocery categories; RCPL revenue jumps ~2.2x YoY

- JioMart continues to expand its reach across 5,100+ pin-codes in 1,200+ cities, serviced by a network of 3,100+ stores.
- In 4Q, the platform added 5.8m new customers (+98% YoY) while delivering strong order momentum. 4Q average daily orders surged 300%+ YoY and 29% QoQ.
- The platform strengthened its marketplace ecosystem, growing its seller base by 22% YoY.
- Expanded non-grocery quick hyper-local commerce network to ~680 electronics stores and 1.7k F&L stores with two-hour delivery promise.
- Reliance Consumer Products (RCPL, FMCG arm demerged from RR) delivered ~INR74b in revenue (2.2x YoY), with Independence/Campa revenue surpassing INR26b/INR47b in FY26. **Campa became India's #4 largest CSD brand with double-digit market share in key markets.**

## Valuation and view: Ascribe ~INR8.5t EV to RRVL (INR500/share for RIL)

- We expect store pickup additions and increased momentum in QC to support double-digit revenue growth for RR over the medium term. However, near-term profitability is likely to be adversely impacted by losses in QC.
- We fine-tune our FY27-28 estimates and now project a CAGR of ~12%/10% in RR's revenue/EBITDA over FY26-28.

- We ascribe a 28x Mar'28E blended EV/EBITDA multiple (~30x for core retail and ~6x for connectivity) to arrive at an EV of ~INR8.5t for RRVL and an attributable value of INR500/share for RIL's stake in RRVL. Sustained mid-teen revenue growth in RR remains the key trigger for RIL's stock price.

**Exhibit 36: Ascribe EV of INR8.5t to RR, implying INR500/share valuation for RIL's stake**

RRVL valuation	EBITDA (INR b)	multiple (x)	Value
<b>Core EBITDA</b>	<b>279</b>	<b>30</b>	<b>8,380</b>
Connectivity	30	6	164
<b>Enterprise Value (INR b)</b>	<b>309</b>	<b>28</b>	<b>8,544</b>
Less Net Debt			439
<b>Equity Value (INR b)</b>			<b>8,105</b>
No of Shares (b)			13.5
<b>Equity value (INR/sh)</b>			<b>599</b>
RIL stake in RRVL			83.5%
<b>RRVL value in RIL SOTP (INR/sh)</b>			<b>500</b>

**Reliance Retail – Key takeaways from the management meeting**

- **Growth:** RRVL's revenue growth picked up to ~11% YoY in 4Q (vs. ~9% YoY in 3Q), driven by mid-to-high single-digit SSSG in grocery, fashion & lifestyle categories. Management indicated that growth on comparable basis was likely higher at ~14% YoY. RRVL delivered ~12% YoY growth in FY26, despite FMCG demerger wef Dec'25, driven by broad-based growth across consumption baskets and ramp-up of hyperlocal deliveries in JioMart.
- **Store expansion:** The business added 333 new stores during 4Q (181 net stores), bringing the total store count to 20,160 with 78.3m sqft. (+1% YoY) of retail space.
- **JioMart/Hyperlocal Commerce:** JioMart continues to expand its reach across India, serviced by a network of 3,100+ stores. Customer acquisition accelerated in 4Q with the addition of 5.8m new customers, expanding the registered base by 98% YoY. 4Q average daily orders surged 29% QoQ (~4x YoY). The platform strengthened its marketplace ecosystem, growing the seller base by 22% YoY and pivoting to 2-hour delivery for select Electronics and F&L merchandize.
- **Margins:** Operating EBITDA inched up only ~3% YoY (and ~8% YoY in FY26) due to the adverse impact from the scale-up of lower-margin hyperlocal deliveries. Management indicated that margin trajectory would be a function of relative growth between offline and online businesses.
- **Fashion & Lifestyle:** The business delivered broad-based growth across categories, led by strong customer demand and outperformance in men's fashion. Strategic refresh and digital enablement of over 1.5k stores boosted customer experience. The business operates 1.7k fashion & lifestyle stores with 2-hour delivery promise in key locations.
- **AJIO & Digital Fashion:** AJIO delivered steady growth, driven by higher platform engagement with among the highest ABVs in the industry. AJIO Rush expanded its reach to 600+ cities, with 4-hour delivery promise. **AJIO Luxe brand** portfolio grew 24% YoY, with option count up 11% YoY. **SHEIN** maintained revenue growth momentum, supported by strong user traction.
- **Jewelry:** The business delivered another quarter of strong performance. Average bill value grew 53% YoY, driven by rising gold prices with a marginal reduction in volume amid a continued strong customer demand during festive and wedding seasons.

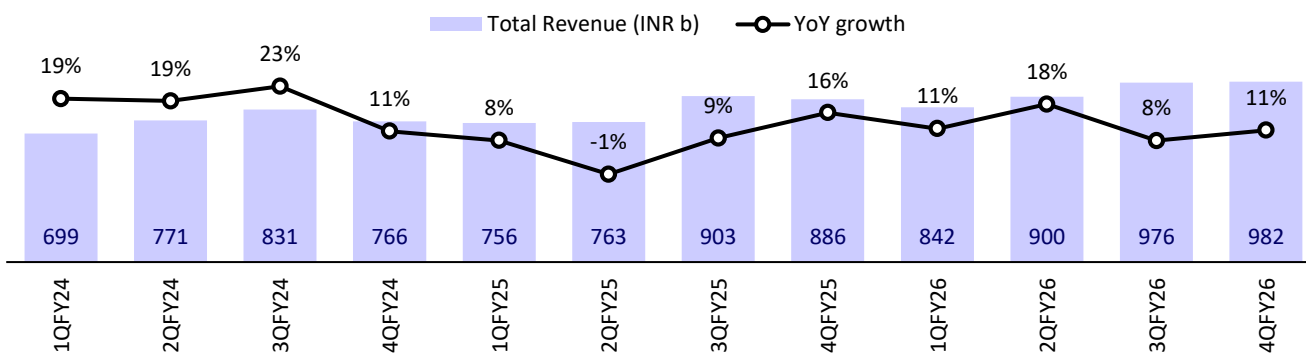
- **Consumer Electronics:** The stores maintained revenue momentum, driven by successful campaigns and broad-based growth across categories led by Laptops, Mobiles, and TVs. The Digital India Sale registered strong traction, delivering 30% YoY growth (INR5b in a single day). The resQ service arm delivered steady revenue growth, scaling up the service network to 1,621 locations (+9% YoY). The business operates 1,400+ electronics stores with 2-hour delivery promise.
- **Grocery & Metro:** RRVL reached 1k big-box retail stores in grocery segment. Big-box stores maintained steady performance, driven by festive demand and continued growth in everyday consumption baskets. Metro delivered strong growth, driven by higher customer count and improved ABV.
- **Reliance Consumer Products:** The FMCG vertical, now operating as an independent and focused organization following its demerger from RRVL, delivered strong performance in FY26.
  - Beverages grew 1.6x YoY, with **Campa brand** achieving INR4.7b in gross sales in FY26, establishing itself as **India's 4th largest CSD brand**. Overall beverage revenue stood at ~INR6b.
  - **Independence brand** crossed INR2.6b in annual sales, with daily essentials forming ~40% of RCPL's sales.
  - Water business scaled up to establish RCPL as India's 3rd largest branded water player.
  - Strategic acquisitions strengthened the portfolio—RCPL acquired majority stakes in Goodness Group Global (Nexba) for international beverage expansion and Manna for specialty health food products.
  - Ongoing bottling capacity expansion and food park investments should further enhance scale across the RCPL portfolio.

**Exhibit 37: Quarterly performance of RRVL**

(INR b)	4QFY25	3QFY26	4QFY26	YoY%	QoQ%	4QFY26E	vs. est %
Net Revenue	786	870	873	11.1	0.5	840	4.0
Reported EBITDA	67.1	69.2	69.2	3.1	0.1	65.2	6.1
Operating EBITDA	65.1	67.7	66.9	2.8	-1.2	64.0	4.5
EBITDA Margin (%)	8.3%	7.8%	7.7%	-62bps	-13bps	7.6%	4bps
Retail Area (m sqft)	77.4	78.1	78.3	1.2	0.3	78.7	-0.5
Stores	19,340	19,979	20,160	4.2	0.9	20,150	0.0
PAT	35.2	35.6	35.6	1.3	0.1	31.5	13.0

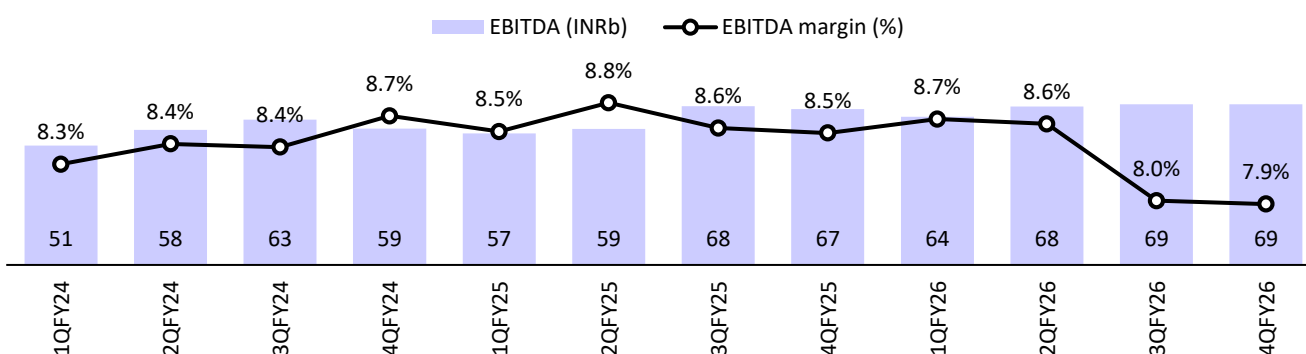
E: MOFSL estimates

**Exhibit 38: RRVL – net revenue grew 11% YoY, and ~14% YoY adjusted for RCPL de-merger**



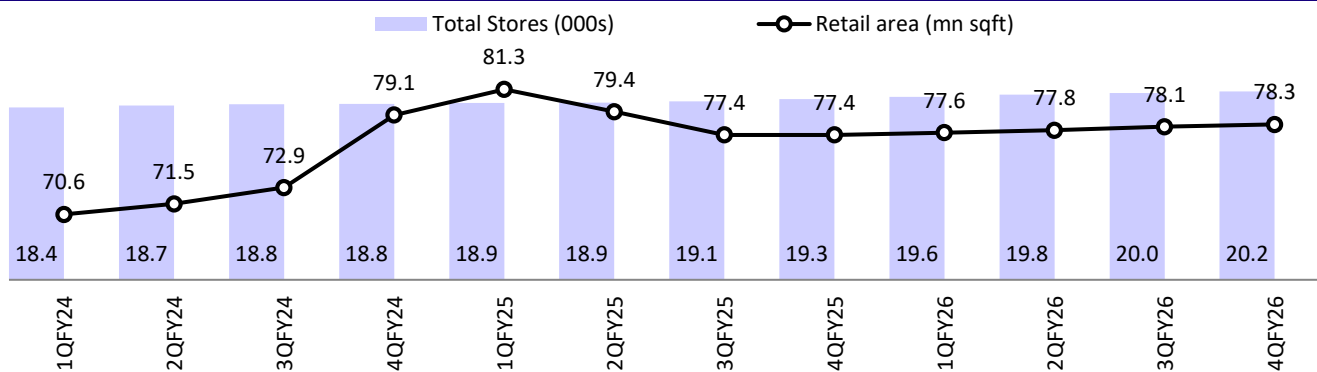
Source: Company, MOFSL

**Exhibit 39: RRVL – Reported EBITDA (incl. investment income) up 3% YoY, margins hurt by the ramp-up of QC offerings**



Source: Company, MOFSL

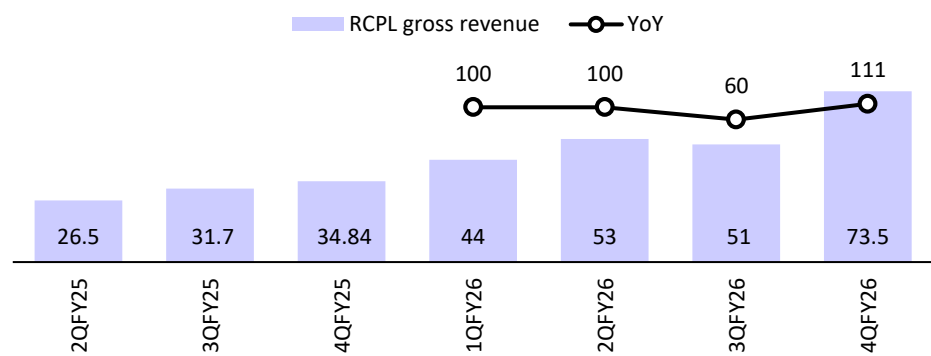
**Exhibit 40: RRVL – A modest ~0.2m sqft area addition in 4QFY26 (up 1% YoY)**



Source: Company, MOFSL

**Exhibit 41: KPIs for 4QFY26 – Registered customer base grew to 387m (+11% YoY), while transactions grew 62% YoY due to QC ramp-up**

(Fig in m)	4QFY25	3QFY26	4QFY26	YoY (%)	QoQ (%)
Customer base	349	378	387	11%	2%
Transactions	361	524	585	62%	12%

**Exhibit 42: RCPL's growth remains robust**


Source: MOFSL, Company

**Exhibit 43: Key assumptions for Reliance Retail**

Key financial metrics (INR b)	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Gross revenue</b>	<b>1,576</b>	<b>1,997</b>	<b>2,604</b>	<b>3,068</b>	<b>3,309</b>	<b>3,700</b>	<b>4,131</b>	<b>4,646</b>
Core retail	736	1,073	1,514	1,866	1,938	2,152	2,361	2,588
Connectivity	841	924	1,090	1,202	1,371	1,548	1,769	2,058
<b>Net revenue</b>	<b>1,391</b>	<b>1,750</b>	<b>2,309</b>	<b>2,731</b>	<b>2,910</b>	<b>3,271</b>	<b>3,676</b>	<b>4,135</b>
Core retail	678	965	1,383	1,710	1,746	1,957	2,174	2,388
Connectivity	713	785	926	1,021	1,164	1,314	1,502	1,747
<b>EBITDA</b>	<b>83</b>	<b>108</b>	<b>174</b>	<b>219</b>	<b>239</b>	<b>257</b>	<b>275</b>	<b>309</b>
Core retail	69	95	159	202	220	235	250	280
Connectivity	14	13	15	17	19	22	25	29
<b>YoY revenue growth (%)</b>								
<b>Gross revenue</b>	<b>(3.3)</b>	<b>26.7</b>	<b>30.4</b>	<b>17.8</b>	<b>7.9</b>	<b>11.8</b>	<b>11.6</b>	<b>12.5</b>
Core retail	(24.7)	45.8	41.1	23.3	3.8	11.1	9.7	9.6
Connectivity	28.8	9.9	17.9	10.3	14.1	12.9	14.3	16.3
<b>Net revenue</b>	<b>(4.8)</b>	<b>25.8</b>	<b>32.0</b>	<b>18.3</b>	<b>6.6</b>	<b>12.4</b>	<b>12.4</b>	<b>12.5</b>
Core retail	(25.3)	42.3	43.4	23.6	2.1	12.1	11.1	9.8
Connectivity	28.7	10.1	17.9	10.3	14.0	12.9	14.3	16.3
<b>EBITDAM on net revenue (%)</b>	<b>6.0</b>	<b>6.2</b>	<b>7.5</b>	<b>8.0</b>	<b>8.2</b>	<b>7.8</b>	<b>7.5</b>	<b>7.5</b>
Core retail	10.2	9.8	11.5	11.8	12.6	12.0	11.5	11.7
Connectivity	2.0	1.7	1.7	1.7	1.7	1.7	1.7	1.7

Source: MOFSL, Company

**Exhibit 44: RRVL – Summary of our revised estimates**

(INR b)	FY26E	FY27E	FY28E
<b>Revenue</b>			
Old		3,648	4,082
Actual/New	3,271	3,676	4,135
Change (%)		0.8	1.3
<b>EBITDA</b>			
Old		274	310
Actual/New	257	275	309
Change (%)	0.0	0.3	-0.3
<b>EBITDA margin (%)</b>			
Old		7.52	7.60
Actual/New	7.84	7.48	7.48
Change (bp)	-	(3)	(12)
<b>Net Profit</b>			
Old		142	164
Actual/New	137	144	163
Change (%)		1.0	-0.2

Source: Company, MOFSL

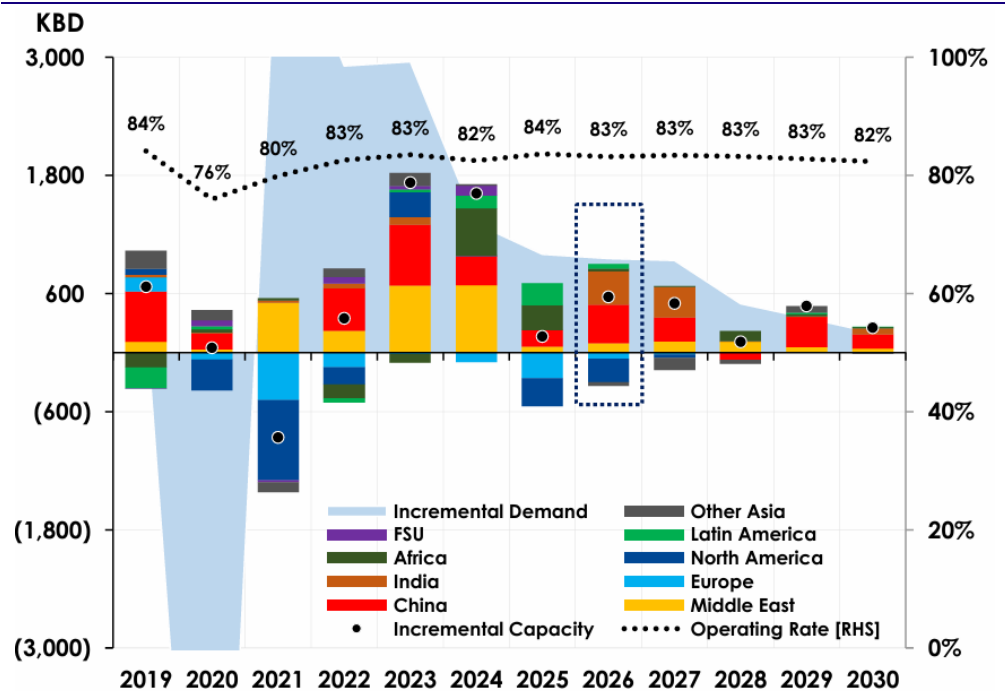
**Standalone: Volatility weighs on standalone performance**

**O2C: Weak 4Q performance due to high costs**

- **O2C SA EBITDA down 15% YoY in 4Q:** 4Q EBITDA declined 15% YoY to INR105b, despite strong fuel cracks, as margin gains were offset by higher crude premiums, freight, insurance and fuel costs. Consumer-focused actions (LPG diversion, KGD6 allocation, stable retail fuel prices) led to under-recoveries, while SAED on exports and weak polymer spreads further weighed on profitability.
- Production meant for sale decreased 4% YoY. The Jio-BP network added 283 new outlets in the last 12 months, resulting in robust YoY volume growth of 24%/37% in HSD/MS. Polymer margins declined amid rise in naphtha prices, with PE/PP margins down 4%/28% YoY and PVC margin up 2% YoY. Consol. O2C EBITDA (incl. other income) decreased 4% YoY to INR145b.
- **Jio-BP continues to deliver strong performance:** Jio-BP expanded its network to 2,199 fuel outlets (vs. 1,916 in 4QFY25). Its quarterly sales grew 24% YoY for HSD and 37% YoY for MS, significantly outperforming the industry growth rates of 6.1% for HSD and 6.5% for MS.
- **Global oil demand** rose by 0.5mb/d YoY to 103.4mb/d, with steady demand across gasoline, diesel and jet/kero. Global refinery crude throughput was higher by 0.3 mb/d YoY at 82.5 mb/d in 4Q.

Jio-BP's HSD/MS sales grew 24%/37% YoY.

**Exhibit 45: Global net refining capacity additions vs. additional demand**



Source: Thai Oil, MOFSL

**Standalone - Quarterly earnings model**

(INR b)

Y/E March	FY25				FY26E				FY25	FY26	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>1,299</b>	<b>1,301</b>	<b>1,244</b>	<b>1,330</b>	<b>1,163</b>	<b>1,263</b>	<b>1,212</b>	<b>1,418</b>	<b>5,173</b>	<b>5,056</b>	<b>1,573</b>	<b>-10%</b>
YoY Change (%)	5.9	-5.3	-2.6	-9.4	-10.4	-2.9	-2.6	6.7	-3.2	-2.3	18.3	
<b>EBITDA</b>	<b>143</b>	<b>134</b>	<b>152</b>	<b>151</b>	<b>132</b>	<b>144</b>	<b>149</b>	<b>120</b>	<b>581</b>	<b>544</b>	<b>181</b>	<b>-34%</b>
Margin (%)	11.0	10.3	12.2	11.4	11.3	11.4	12.3	8.4	11.2	10.8	11.5	
Depreciation	47	44	45	45	41	45	44	41	180	171	46	
Interest	30	27	24	21	22	18	15	15	101	69	17	
Other Income	35	38	32	56	45	34	34	34	161	148	39	
<b>PBT before EO expense</b>	<b>101</b>	<b>102</b>	<b>116</b>	<b>142</b>	<b>114</b>	<b>116</b>	<b>124</b>	<b>98</b>	<b>461</b>	<b>452</b>	<b>158</b>	<b>-38%</b>
Extra-Ord expense / (gain)	0	0	0	0	-89	0	0	0	0	-89	0	
<b>PBT</b>	<b>101</b>	<b>102</b>	<b>116</b>	<b>142</b>	<b>203</b>	<b>116</b>	<b>124</b>	<b>98</b>	<b>461</b>	<b>541</b>	<b>158</b>	<b>-38%</b>
Tax	25	25	29	30	24	25	30	24	109	102	38	
Rate (%)	25.0	24.5	24.8	20.8	11.8	21.2	24.2	24.1	23.6	18.9	24.0	
<b>Reported PAT</b>	<b>76</b>	<b>77</b>	<b>87</b>	<b>112</b>	<b>179</b>	<b>91</b>	<b>94</b>	<b>74</b>	<b>353</b>	<b>439</b>	<b>120</b>	<b>-38%</b>
<b>Adj PAT</b>	<b>76</b>	<b>77</b>	<b>87</b>	<b>112</b>	<b>90</b>	<b>91</b>	<b>94</b>	<b>74</b>	<b>353</b>	<b>349</b>	<b>120</b>	<b>-38%</b>
YoY Change (%)	-20.9	-31.2	-12.1	-0.6	18.0	18.4	7.7	-33.8	-16.1	-1.0	6.9	
Margin (%)	5.9	5.9	7.0	8.4	7.7	7.2	7.8	5.2	6.8	6.9	7.6	
<b>Key Assumptions</b>												
Production meant for sale (mmt)	17.7	17.7	17.9	17.9	17.3	18.1	18.2	17.2	71.2	70.8	17.7	-3%

**Exhibit 46: O2C operating performance**

Feedstock (mmt)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY % change
Throughput	19.8	20.2	20.2	20.3	19.1	20.8	20.6	19.5	-4%
<b>Production meant for sale</b>	<b>17.7</b>	<b>17.7</b>	<b>17.9</b>	<b>17.9</b>	<b>17.3</b>	<b>18.1</b>	<b>18.2</b>	<b>17.2</b>	<b>-4%</b>
Transportation fuels	11.6	11.2	11.9	12	11.4	12.1	12.2	11.1	-8%
Polymers	1.4	1.5	1.5	1.6	1.5	1.6	1.6	1.4	-13%
Fiber Intermediates	0.7	0.8	0.8	0.8	0.7	0.8	0.7	0.9	13%
Polyesters	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0%
Chemicals and Others	3.3	3.5	3.0	2.8	3.0	2.9	3.1	3.1	11%

Source: Company, MOFSL

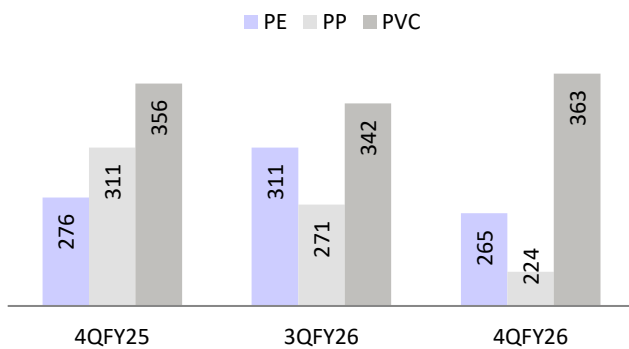
**Petchem: Mixed margins and demand trends across polymers; cost pressure and ME disruptions weigh on chemical margins**

PVC margin up 2% YoY, while PE/PP margins down 4%/28% YoY in 4Q.

- In the **polymers segment**, margins witnessed mixed trends amid higher naphtha prices in 4Q. PVC margins increased by 2%, while PE and PP margins fell by 4% and 28% YoY. In FY26, PE/PVC margins were up 2%/1% YoY, while PP margins were down 5% YoY. In FY26, EDC prices fell 30% to USD206/mt.
- During 4QFY26, domestic **polymer** demand inched up 0.3% YoY. Demand for PP/PE increased by 3.3%/3.2%, supported by segments such as raffia, furniture, household goods, appliances, paints, automotive, and packaging. In contrast, PVC demand declined by 10%, impacted by weaker pipe demand in the agriculture and construction sectors, along with reduced import availability.
- In 4Q, on a YoY basis, domestic **polyester** demand rose by 0.7%. PSF demand grew by 4.9%, while PFY demand saw a marginal decline of 1.8%. Downstream textile demand turned largely need-based in Mar'26 amid heightened price volatility, limited ability of fabric producers to pass on higher yarn costs, and constrained gas availability. PET demand increased by 4.5%, driven by the beverage segment in preparation for the summer season.

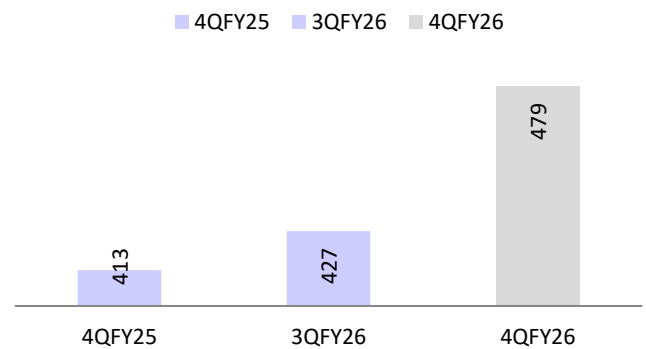
- In the **polyester chain**, margins declined marginally YoY to USD446/mt in FY26, while they were 16% up YoY at USD479/mt in 4QFY26.
- US ethane prices averaged at USD23.5cpg, down 14% YoY in 4Q, in line with lower US natural gas prices. However, US ethane prices averaged at USD24.3cpg, up 16% YoY in FY26.
- In 4QFY26, downstream chemical deltas remained under pressure amid 13% higher Naphtha prices and weak demand trends. ME disruption in feedstock, products, along with damage to infrastructure significantly tightened the markets in Mar'26, with several producers declaring Force Majeure.

**Exhibit 47: Polymer deltas for the quarter (USD/mt)**



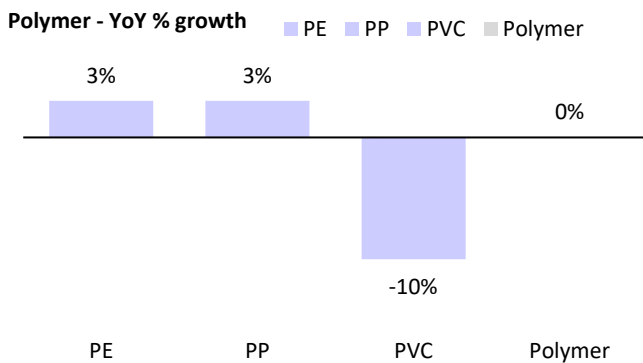
Source: Company, MOFSL

**Exhibit 48: Polyester chain margins for the quarter (USD/mt)**



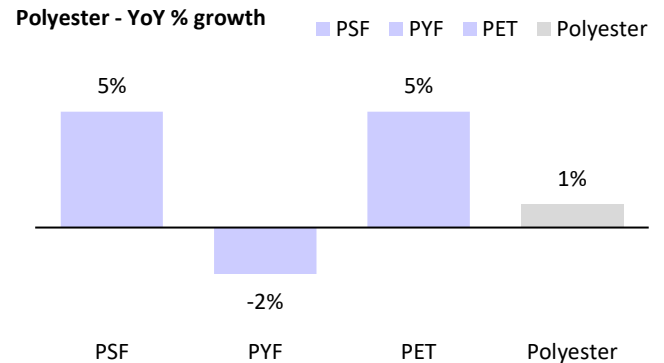
Source: Company, MOFSL

**Exhibit 49: Domestic demand growth – Polymer**



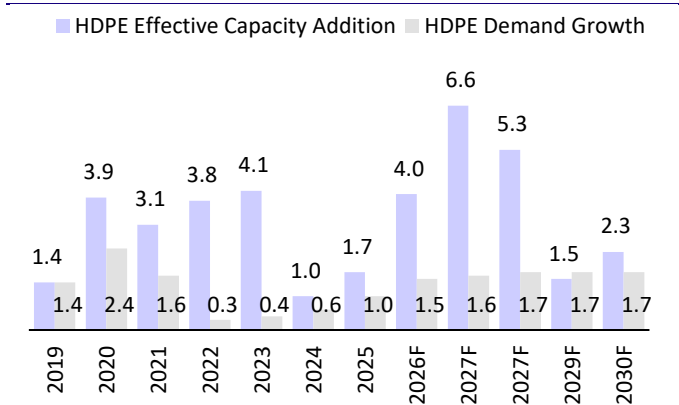
Source: Company, MOFSL

**Exhibit 50: Domestic demand growth – Polyester**



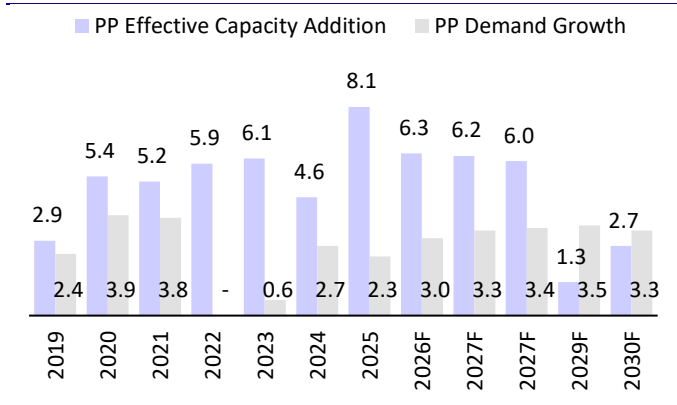
Source: Company, MOFSL

**Exhibit 51: Global HDPE capacity addition vs. demand growth (in mt)**



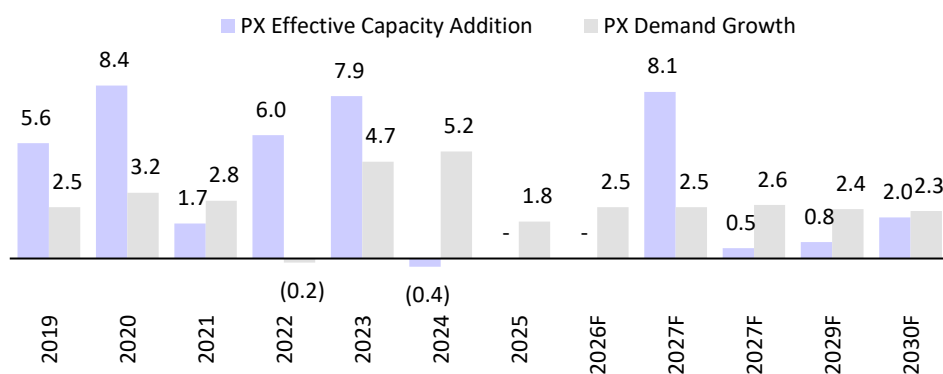
Source: Thai Oil, MOFSL

**Exhibit 52: Global PP capacity addition vs. demand growth (in mt)**



Source: Thai Oil, MOFSL

**Exhibit 53: Global PX capacity addition vs. demand growth (in mt)**



Source: Thai Oil, MOFSL

At KGD6, average production stood at 25.2mmscmd of gas and ~17,310 bbl/day of oil and condensate in 4QFY26.

**E&P: Muted volumes and soft realization**

- **4QFY26** revenue declined 8.9% YoY, driven by lower gas realizations in KGD6 and CBM, along with reduced KGD6 volumes (down 6% YoY at 59.6BCFe). KGD6 prices fell to USD9.63/mmbtu (vs USD10.09/mmbtu), while CBM prices declined to USD9.01/mmbtu (vs USD10.36/mmbtu). EBITDA dropped 18.1% YoY to ~INR42b due to lower revenue and higher operating costs from maintenance and government levies.
- **FY26** revenue declined 5.4% YoY, primarily due to lower gas and oil/condensate from KGD6. Revenue was further hit by weaker realizations for CBM gas and KGD6 crude, partly offset by improved price realizations for KG-D6 gas. EBITDA declined by 10.1% YoY to INR190.5b with lower revenue and higher costs.
- Ceiling price applicable for KGD6 gas **declined to USD8.9/mmbtu** for 1HFY27.
- At CBM, the second phase of the multilateral well (MLW) campaign is underway to boost production. Drilling of 23 out of 40 planned MLW wells has been completed, of which 21 have been connected to the production system. Current production stands at 0.91mmscmd.

**Exhibit 54: Gas production profile and unit price realization**

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY change	QoQ change
Revenue (INR b)	61.8	62.2	63.7	64.4	61.0	60.6	58.3	58.7	-9%	1%
EBITDA (INR b)	52.1	52.9	55.7	51.2	50.0	50.0	48.6	42.0	-18%	-14%
EBITDA margin (%)	84.3%	85.0%	87.4%	79.5%	81.9%	82.6%	83.3%	71.5%	-10%	-14%
<b>Production- BCFe (RIL share)</b>										
KG D6	69.4	69.3	68.5	63.7	63.9	63.5	61.8	59.6	-6%	-4%
CBM	2.3	2.6	2.7	2.7	2.8	2.8	2.8	2.9	8%	3%
<b>Price Realization</b>										
KG D6 (GCV) (USD/mmbtu)	9.3	9.6	9.7	10.1	10.0	10.0	9.7	9.6	-5%	0%
CBM (GCV) (USD/mmbtu)	11.6	11.4	10.6	10.4	9.9	9.5	9.3	9.0	-13%	-3%

Source: Company, MOFSL

**New Energy: Scaling up the integrated renewable energy ecosystem**

- Solar manufacturing giga factory:** The company has **commissioned and operationalized** various lines of **solar PV module and cell manufacturing** and is targeting a **scale-up to ~20GWp (fully integrated) over the next few quarters**. Solar module lines are operational, while solar cell lines (HJT technology) commissioned last quarter are ramping up to full capacity, offering large-format, high-efficiency cells. The facility has also achieved ALMM approval for HJT modules.
- In the upstream value chain, **pilot lines for ingot and wafer are operational**, with phased commissioning of giga-scale facilities underway. Polysilicon and glass manufacturing units are progressing well, with commissioning targeted during the year.
- Battery business:** Scaling on track, with 40GWh BESS assembly and cell manufacturing capacity expected to be commissioned in phases during CY26. All key equipment has been received, with a roadmap to scale up to ~100GWh annual capacity.
- Renewable energy project at Kutch (~150GWp+) is progressing rapidly, with land development, infrastructure, engineering, and transmission work underway. Installations are expected to begin in the next few quarters, alongside the ramp-up of evacuation capacity to Jamnagar.
- The company has also signed a ~USD3b, 15-year green ammonia supply agreement with Samsung C&T, commencing CY29.
- RE generation capacity target remains at ~300BU, with capex in new energy continuing to scale. Utility-scale renewable investments are likely to be pursued via JV structures to optimize balance sheet impact.

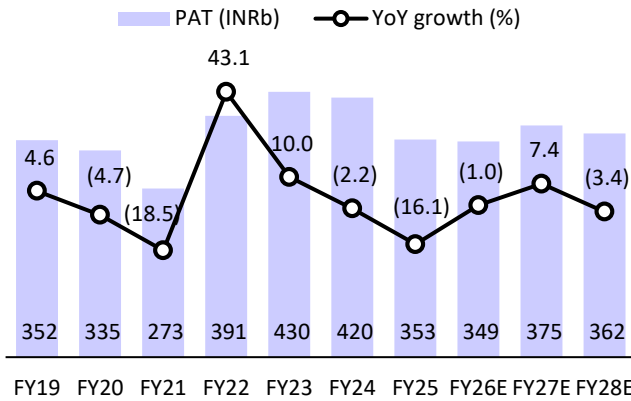
**We estimate RIL's SA EBITDA to remain flat YoY in FY27/28**

- Range-bound O2C earnings performance over FY27-28:** Despite recent strength in diesel/gasoline/jet fuel cracks, Reliance is expected to report muted O2C performance due to higher crude premiums and high freight, insurance and fuel costs. Consumer-focused actions such as LPG diversion, KGD6 allocation and stable retail fuel prices might lead to sequential under-recoveries, while SAED on exports and weak polymer spreads could further weigh on profitability.
- Overall, we see a range-bound EBITDA performance in the standalone business over FY27-28.** We are not building in any earnings contribution from new petchem expansion projects until FY28.

- **KG-D6 EBITDA under pressure from natural decline and some pricing pressure:**  
We are building in a slight decline in production volumes from KG D6, given the natural decline. We maintain our gas realization for 1HFY27 at USD8.9/mmbtu (KG D6 ceiling price).
- **New Energy can be a significant growth driver after FY30:** Reliance continues to progress on the 40GWh battery GIGA factory, which is set to commence operations in CY26. For both the integrated solar cell and module manufacturing business and the battery business, we assume only captive consumption until FY27 and assume 25%/75%/100% of sales in FY28/29/30 to external customers. We maintain our New Energy business valuation for RIL at INR174/sh and estimate FY30 New Energy EBITDA at INR169b, ~8% of FY28 consol. EBITDA, and believe New Energy can be a significant growth driver after FY30.

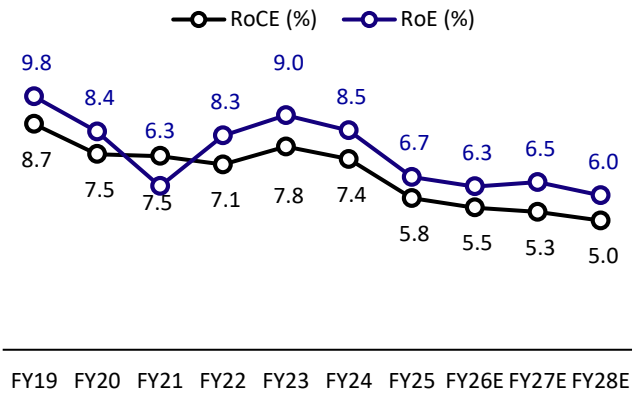
**Standalone business – Story in charts**

**Exhibit 55: Standalone PAT profile**



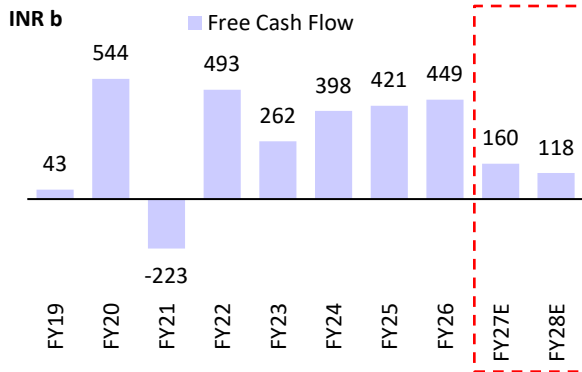
Source: Company, MOFSL

**Exhibit 56: Return ratios to stabilize going forward**



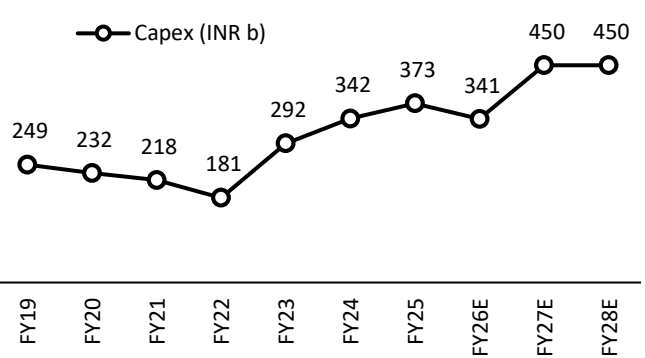
Source: Company, MOFSL

**Exhibit 57: Standalone business FCF trend over FY19-28E**



Note: including investments in New Energy for FY27/28  
Source: Company, MOFSL

**Exhibit 58: INR450b capex to be incurred p.a. in FY27/28**



Note: includes investments in New Energy for FY27/28  
Source: Company, MOFSL

## Reliance Jio Infocomm: Financials and valuations

Consolidated - Income Statement							(INR b)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Total Income from Operations</b>	<b>699</b>	<b>770</b>	<b>908</b>	<b>1,001</b>	<b>1,141</b>	<b>1,289</b>	<b>1,473</b>	<b>1,713</b>
Change (%)	28.7	10.1	17.9	10.3	14.0	12.9	14.3	16.3
Tower Rental Cost	221	250	285	306	329	341	370	408
Spectrum and License Costs	78	91	91	92	105	117	133	155
Access and Roaming Charge	46	8	9	11	17	25	34	35
Employees Cost	13	14	16	19	20	20	22	23
Other Expenses	32	30	39	49	68	87	104	120
<b>Total Expenditure</b>	<b>390</b>	<b>393</b>	<b>441</b>	<b>477</b>	<b>539</b>	<b>590</b>	<b>663</b>	<b>742</b>
% of Sales	55.8	51.1	48.6	47.6	47.2	45.8	45.0	43.3
<b>EBITDA</b>	<b>309</b>	<b>376</b>	<b>467</b>	<b>524</b>	<b>603</b>	<b>698</b>	<b>810</b>	<b>971</b>
Margin (%)	44.2	48.9	51.4	52.4	52.8	54.2	55.0	56.7
Depreciation	115	136	185	214	231	260	286	318
<b>EBIT</b>	<b>194</b>	<b>240</b>	<b>281</b>	<b>310</b>	<b>372</b>	<b>439</b>	<b>524</b>	<b>653</b>
Int. and Finance Charges	38	44	41	40	48	86	105	102
Other Income	5	2	4	5	9	25	30	32
<b>PBT after EO Exp.</b>	<b>161</b>	<b>199</b>	<b>244</b>	<b>275</b>	<b>333</b>	<b>378</b>	<b>449</b>	<b>583</b>
Total Tax	41	50	62	70	85	97	115	149
Tax Rate (%)	25.3	25.4	25.5	25.5	25.5	25.6	25.5	25.5
<b>Reported PAT</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>248</b>	<b>282</b>	<b>335</b>	<b>435</b>
<b>Adjusted PAT</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>248</b>	<b>282</b>	<b>335</b>	<b>435</b>
Change (%)	116.0	23.3	22.9	12.4	21.2	13.6	18.8	29.9
Margin (%)	17.2	19.2	20.1	20.4	21.7	21.9	22.7	25.4

Consolidated - Balance Sheet							(INR b)	
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	450	450	450	450	450	450	450	450
Total Reserves	1,380	1,528	1,710	1,914	2,164	2,396	2,731	3,165
<b>Net Worth</b>	<b>1,830</b>	<b>1,978</b>	<b>2,160</b>	<b>2,364</b>	<b>2,614</b>	<b>2,846</b>	<b>3,181</b>	<b>3,615</b>
Total Loans	300	797	1,529	1,656	1,922	1,861	1,521	1,030
<b>Capital Employed</b>	<b>2,129</b>	<b>2,775</b>	<b>3,689</b>	<b>4,020</b>	<b>4,536</b>	<b>4,707</b>	<b>4,702</b>	<b>4,646</b>
Gross Block	1,965	2,555	2,867	3,031	4,315	5,615	6,107	6,602
Less: Accum. Deprn.	253	389	615	828	953	1,212	1,498	1,816
<b>Net Fixed Assets</b>	<b>1,712</b>	<b>2,165</b>	<b>2,252</b>	<b>2,203</b>	<b>3,363</b>	<b>4,403</b>	<b>4,609</b>	<b>4,785</b>
Capital WIP	170	479	1,660	2,079	1,110	222	122	32
<b>Total Investments</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>36</b>	<b>204</b>	<b>261</b>	<b>261</b>	<b>261</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>604</b>	<b>524</b>	<b>529</b>	<b>556</b>	<b>564</b>	<b>606</b>	<b>562</b>	<b>513</b>
Account Receivables	14	43	24	15	10	12	27	47
Cash and Bank Balance	6	6	9	14	63	97	37	9
Loans and Advances	584	475	496	527	491	497	497	457
<b>Curr. Liability &amp; Prov.</b>	<b>371</b>	<b>410</b>	<b>768</b>	<b>855</b>	<b>705</b>	<b>785</b>	<b>852</b>	<b>946</b>
Account Payables	22	20	34	43	43	43	43	43
Other Current Liabilities	323	313	595	601	366	348	301	304
Provisions	26	78	140	210	296	393	507	598
<b>Net Current Assets</b>	<b>233</b>	<b>114</b>	<b>-240</b>	<b>-299</b>	<b>-141</b>	<b>-179</b>	<b>-290</b>	<b>-433</b>
<b>Appl. of Funds</b>	<b>2,129</b>	<b>2,775</b>	<b>3,689</b>	<b>4,020</b>	<b>4,536</b>	<b>4,707</b>	<b>4,702</b>	<b>4,646</b>

## Reliance Jio Infocomm: Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>2.7</b>	<b>3.3</b>	<b>4.0</b>	<b>4.5</b>	<b>5.5</b>	<b>6.3</b>	<b>7.4</b>	<b>9.7</b>
Cash EPS	5.2	6.3	8.2	9.3	10.6	12.0	13.8	16.7
BV/Share	40.7	44.0	48.0	52.5	58.1	63.2	70.7	80.3
<b>Valuation (x)</b>								
FCF per share	1.5	0.6	3.2	0.4	0.7	4.4	4.7	7.8
<b>Return Ratios (%)</b>								
RoE	6.8	7.8	8.8	9.0	10.0	10.3	11.1	12.8
RoCE	6.9	7.4	6.6	6.1	6.6	7.5	8.8	10.9
RoIC	7.6	8.5	9.8	11.9	11.0	9.0	9.3	11.3
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.3
Asset Turnover (x)	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.4
Debtor (Days)	7	20	10	6	3	3	7	10
Creditor (Days)	12	10	13	16	14	12	11	9
<b>Leverage Ratio (x)</b>								
Current Ratio	1.6	1.3	0.7	0.7	0.8	0.8	0.7	0.5
Interest Cover Ratio	5.0	5.5	6.9	7.8	7.7	5.1	5.0	6.4
Net Debt/Equity	0.2	0.4	0.7	0.7	0.6	0.5	0.4	0.2

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	161	199	244	275	333	378	449	583
Depreciation	115	136	185	214	231	260	286	318
Interest & Finance Charges	38	44	41	40	48	86	105	102
Direct Taxes Paid	-1	-1	13	-1	1	(1)	-	(58)
(Inc)/Dec in WC	19	-64	-2	30	58	52	-13	-13
<b>CF from Operations</b>	<b>332</b>	<b>313</b>	<b>482</b>	<b>558</b>	<b>671</b>	<b>775</b>	<b>827</b>	<b>932</b>
Others	-6	0	-1	-4	-177	-204	-233	-194
<b>CF from Operating incl EO</b>	<b>326</b>	<b>313</b>	<b>481</b>	<b>553</b>	<b>494</b>	<b>571</b>	<b>594</b>	<b>738</b>
(Inc)/Dec in FA	-257	-288	-335	-533	-461	-372	-384	-389
<b>Free Cash Flow</b>	<b>69</b>	<b>25</b>	<b>146</b>	<b>20</b>	<b>32</b>	<b>199</b>	<b>211</b>	<b>349</b>
(Pur)/Sale of Investments	14	-1	1	-16	-162	-153		
Others	0	0	0	1	8	15	30	72
<b>CF from Investments</b>	<b>-243</b>	<b>-288</b>	<b>-334</b>	<b>-548</b>	<b>-616</b>	<b>-410</b>	<b>-354</b>	<b>-317</b>
Issue of Eq/Pref.Shares	0	0	0	0	0	-50	0	0
Inc/(Dec) in Debt	-120	106	-107	172	172	-77	-300	-450
Interest Paid	-23	-130	-38	-172	0	0	0	0
Others	-8	0	0	0	0	0	0	0
<b>CF from Fin. Activity</b>	<b>-152</b>	<b>-24</b>	<b>-145</b>	<b>0</b>	<b>172</b>	<b>-127</b>	<b>-300</b>	<b>-450</b>
<b>Inc/Dec of Cash</b>	<b>-69</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>50</b>	<b>34</b>	<b>-59</b>	<b>-29</b>
Opening Balance	71	2	2	4	10	59	93	34
<b>Closing Balance</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>59</b>	<b>93</b>	<b>34</b>	<b>5</b>
Other Bank Balance	4	4	4	4	4	4	4	4
<b>Total balance</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>14</b>	<b>63</b>	<b>97</b>	<b>37</b>	<b>9</b>

## Reliance Retail Ventures: Financials and valuations

### Consolidated - Income Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Total Income from Operations</b>	<b>1391</b>	<b>1750</b>	<b>2309</b>	<b>2731</b>	<b>2910</b>	<b>3271</b>	<b>3676</b>	<b>4135</b>
Change (%)	-4.9	25.8	32.0	18.3	6.6	12.4	12.4	12.5
<b>Total Expenditure</b>	<b>1,308</b>	<b>1,642</b>	<b>2,135</b>	<b>2,512</b>	<b>2,671</b>	<b>3,015</b>	<b>3,401</b>	<b>3,826</b>
% of Sales	94.0	93.8	92.5	92.0	91.8	92.2	92.5	92.5
<b>EBITDA</b>	<b>83</b>	<b>108</b>	<b>174</b>	<b>219</b>	<b>239</b>	<b>257</b>	<b>275</b>	<b>309</b>
Margin (%)	6.0	6.2	7.5	8.0	8.2	7.8	7.5	7.5
Depreciation	18	22	40	56	60	62	70	78
<b>EBIT</b>	<b>65</b>	<b>86</b>	<b>135</b>	<b>163</b>	<b>179</b>	<b>194</b>	<b>205</b>	<b>231</b>
Int. and Finance Charges	5	7	18	26	25	23	25	26
Other Income	15	16	4	12	11	14	13	15
<b>PBT bef. EO Exp.</b>	<b>75</b>	<b>95</b>	<b>121</b>	<b>149</b>	<b>166</b>	<b>185</b>	<b>194</b>	<b>220</b>
EO Items	0	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>75</b>	<b>95</b>	<b>121</b>	<b>149</b>	<b>166</b>	<b>185</b>	<b>194</b>	<b>220</b>
Total Tax	19	25	29	38	42	47	49	55
Tax Rate (%)	26.1	25.8	24.5	25.5	25.3	25.3	25.2	25.2
<b>Reported PAT</b>	<b>55</b>	<b>71</b>	<b>91</b>	<b>111</b>	<b>124</b>	<b>138</b>	<b>145</b>	<b>164</b>
<b>Adjusted PAT</b>	<b>55</b>	<b>71</b>	<b>92</b>	<b>111</b>	<b>123</b>	<b>137</b>	<b>144</b>	<b>163</b>
Change (%)	1.1	27.8	29.1	20.8	11.2	11.7	4.8	13.5
Margin (%)	4.0	4.0	4.0	4.0	4.2	4.2	3.9	3.9

### Consolidated - Balance Sheet

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	69	69	69	70	70	70	70	70
Total Reserves	747	817	901	1181	1289	1,388	1,533	1,697
<b>Net Worth</b>	<b>816</b>	<b>910</b>	<b>998</b>	<b>1282</b>	<b>1393</b>	<b>1,494</b>	<b>1,638</b>	<b>1,803</b>
Total Loans	90	223	495	456	589	588	588	588
<b>Capital Employed</b>	<b>934</b>	<b>1150</b>	<b>1518</b>	<b>1776</b>	<b>2037</b>	<b>2,174</b>	<b>2,319</b>	<b>2,483</b>
Gross Block	229	393	896	1204	1292	1,409	1,589	1,769
Less: Accum. Deprn.	62	89	129	185	245	307	377	455
<b>Net Fixed Assets</b>	<b>168</b>	<b>303</b>	<b>767</b>	<b>1019</b>	<b>1047</b>	<b>1,102</b>	<b>1,212</b>	<b>1,314</b>
Capital WIP	115	251	268	208	340	453	453	453
<b>Total Investments</b>	<b>437</b>	<b>275</b>	<b>166</b>	<b>212</b>	<b>311</b>	<b>311</b>	<b>311</b>	<b>311</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>295</b>	<b>468</b>	<b>490</b>	<b>604</b>	<b>596</b>	<b>610</b>	<b>690</b>	<b>799</b>
Inventory	131	215	271	243	223	246	276	311
Account Receivables	62	91	61	63	51	56	63	71
Cash and Bank Balance	5	6	6	109	166	17	48	99
Loans and Advances	96	156	152	189	157	291	302	317
<b>Curr. Liability &amp; Prov.</b>	<b>101</b>	<b>175</b>	<b>201</b>	<b>294</b>	<b>284</b>	<b>330</b>	<b>375</b>	<b>421</b>
Account Payables	70	138	165	253	227	265	302	340
Other Current Liabilities	30	35	34	38	50	51	58	65
Provisions	1	2	2	3	6	14	15	17
<b>Net Current Assets</b>	<b>195</b>	<b>293</b>	<b>289</b>	<b>310</b>	<b>313</b>	<b>280</b>	<b>315</b>	<b>377</b>
<b>Appl. of Funds</b>	<b>934</b>	<b>1150</b>	<b>1518</b>	<b>1776</b>	<b>2037</b>	<b>2,174</b>	<b>2,319</b>	<b>2,483</b>

## Reliance Retail Ventures: Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Basic (INR)</b>								
EPS	9.2	11.8	15.3	18.4	20.5	22.9	24.0	27.2
<b>Return Ratios (%)</b>								
RoE	11.0	8.2	9.6	9.7	9.2	9.5	9.2	9.5
RoCE	10.3	7.4	8.0	8.1	7.6	7.7	7.6	8.0
RoIC	18.0	13.1	12.4	10.7	11.1	11.4	10.9	11.3
<b>Working Capital Ratios</b>								
Inventory (Days)	34	45	43	32	28	27	27	27
Debtor (Days)	16	19	10	8	6	6	6	6
Creditor (Days)	18	29	26	34	29	30	30	30
<b>Leverage Ratio (x)</b>								
Current Ratio	2.9	2.7	2.4	2.1	2.1	1.8	1.8	1.9
Interest Cover Ratio	12.4	13.0	7.3	6.3	7.3	8.5	8.3	8.7
Net Debt/Equity	-0.4	-0.1	0.3	0.1	0.1	0.2	0.1	0.1

### Consolidated Cashflow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	75	95	121	149	166	185	194	220
Depreciation	18	22	40	56	60	62	70	78
Interest & Finance Charges	-2	-9	14	18	17	15	12	12
Direct Taxes Paid	-17	-20	-28	-25	-17	3	-49	-55
(Inc)/Dec in WC	-66	-75	-58	124	3	6	-4	-11
<b>CF from Operations</b>	<b>9</b>	<b>14</b>	<b>88</b>	<b>322</b>	<b>229</b>	<b>271</b>	<b>223</b>	<b>243</b>
Others	-7	0	0	-3	-3	-4	0	0
<b>CF from Operating incl EO</b>	<b>2</b>	<b>15</b>	<b>88</b>	<b>319</b>	<b>226</b>	<b>267</b>	<b>223</b>	<b>243</b>
(Inc)/Dec in FA	-100	-271	-457	-210	-186	-288	-180	-180
<b>Free Cash Flow</b>	<b>-98</b>	<b>-256</b>	<b>-369</b>	<b>109</b>	<b>40</b>	<b>-21</b>	<b>43</b>	<b>63</b>
(Pur)/Sale of Investments	0	241	89	-31	-4	-1	0	0
Others	-465	-87	36	-45	-64	-138	13	15
<b>CF from Investments</b>	<b>-565</b>	<b>-116</b>	<b>-333</b>	<b>-286</b>	<b>-254</b>	<b>-426</b>	<b>-167</b>	<b>-165</b>
Issue of Shares	612	0	0	171	0	0	0	0
Inc/(Dec) in Debt	44	109	267	-53	131	61	0	0
Interest Paid	-5	-7	-22	-47	-44	-44	-25	-26
Others	-88	0	36	-5	-5	-6	0	0
<b>CF from Fin. Activity</b>	<b>563</b>	<b>103</b>	<b>281</b>	<b>66</b>	<b>82</b>	<b>12</b>	<b>-25</b>	<b>-26</b>
<b>Inc/Dec of Cash</b>	<b>0</b>	<b>1</b>	<b>36</b>	<b>99</b>	<b>54</b>	<b>-147</b>	<b>31</b>	<b>51</b>
Opening Balance	5	5	6	6	109	166	20	51
<b>Closing Balance</b>	<b>5</b>	<b>6</b>	<b>42</b>	<b>105</b>	<b>163</b>	<b>20</b>	<b>51</b>	<b>102</b>
<b>Other Bank Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>
<b>Net Closing balance</b>	<b>5</b>	<b>6</b>	<b>42</b>	<b>109</b>	<b>167</b>	<b>17</b>	<b>48</b>	<b>99</b>

## RIL: Standalone financials and valuations

### Standalone - Income Statement

(INR b)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Total Income from Operations</b>	<b>5,393</b>	<b>5,345</b>	<b>5,173</b>	<b>5,056</b>	<b>5,476</b>	<b>4,806</b>
Change (%)	27.3	-0.9	-3.2	-2.3	8.3	-12.2
<b>EBITDA</b>	<b>668</b>	<b>743</b>	<b>581</b>	<b>544</b>	<b>582</b>	<b>564</b>
Margin (%)	12.4	13.9	11.2	10.8	10.6	11.7
Depreciation	112	177	180	171	189	199
<b>EBIT</b>	<b>556</b>	<b>566</b>	<b>401</b>	<b>373</b>	<b>392</b>	<b>366</b>
Int. and Finance Charges	126	134	101	69	74	74
Other Income	111	121	161	148	175	185
<b>PBT after EO Exp.</b>	<b>553</b>	<b>553</b>	<b>461</b>	<b>541</b>	<b>494</b>	<b>477</b>
Total Tax	111	132	109	102	118	114
Tax Rate (%)	20.1	23.9	23.6	18.9	24.0	24.0
<b>Reported PAT</b>	<b>442</b>	<b>420</b>	<b>353</b>	<b>439</b>	<b>375</b>	<b>362</b>
<b>Adjusted PAT</b>	<b>430</b>	<b>420</b>	<b>353</b>	<b>349</b>	<b>375</b>	<b>362</b>
Change (%)	10.0	-2.2	-16.1	-1.0	7.4	-3.4
Margin (%)	8.0	7.9	6.8	6.9	6.9	7.5

### Standalone - Balance Sheet

(INR b)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	68	68	135	135	135	135
Total Reserves	4,723	5,083	5,296	5,527	5,814	6,082
<b>Net Worth</b>	<b>4,791</b>	<b>5,151</b>	<b>5,431</b>	<b>5,662</b>	<b>5,950</b>	<b>6,217</b>
Total Loans	2,158	2,118	1,988	2,314	2,314	2,314
Deferred Tax Liabilities	340	363	374	363	363	363
<b>Capital Employed</b>	<b>7,289</b>	<b>7,631</b>	<b>7,793</b>	<b>8,340</b>	<b>8,627</b>	<b>8,894</b>
Gross Block	4,481	4,831	5,125	5,257	5,822	6,202
Less: Accum. Deprn.	1,658	1,835	2,015	2,186	2,380	2,579
<b>Net Fixed Assets</b>	<b>2,823</b>	<b>2,996</b>	<b>3,110</b>	<b>3,071</b>	<b>3,441</b>	<b>3,623</b>
Capital WIP	544	616	824	1,376	1,266	1,336
<b>Total Investments</b>	<b>3,511</b>	<b>3,701</b>	<b>3,904</b>	<b>4,146</b>	<b>4,146</b>	<b>4,146</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>2,298</b>	<b>2,040</b>	<b>2,174</b>	<b>2,859</b>	<b>3,143</b>	<b>2,991</b>
Inventory	848	851	892	1,049	1,125	922
Account Receivables	241	147	156	166	180	158
Cash and Bank Balance	610	692	825	1,082	1,255	1,390
Loans and Advances	599	349	301	561	582	522
<b>Curr. Liability &amp; Prov.</b>	<b>1,887</b>	<b>1,722</b>	<b>2,219</b>	<b>3,112</b>	<b>3,370</b>	<b>3,202</b>
Account Payables	1,864	1,695	2,190	3,068	3,322	3,160
Provisions	23	27	29	44	48	42
<b>Net Current Assets</b>	<b>411</b>	<b>318</b>	<b>-45</b>	<b>-253</b>	<b>-227</b>	<b>-211</b>
<b>Appl. of Funds</b>	<b>7,289</b>	<b>7,631</b>	<b>7,793</b>	<b>8,340</b>	<b>8,627</b>	<b>8,894</b>

## RIL: Standalone financials and valuations

### Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Basic (INR)</b>						
<b>EPS</b>	<b>31.8</b>	<b>31.1</b>	<b>26.1</b>	<b>25.8</b>	<b>27.7</b>	<b>26.8</b>
Cash EPS	40.0	44.1	39.3	38.5	41.7	41.5
BV/Share	354.0	380.7	401.3	418.4	439.7	459.4
<b>Valuation (x)</b>						
P/E	41.9	42.8	51.1	51.6	48.0	49.7
Cash P/E	33.2	30.2	33.8	34.6	31.9	32.1
P/BV	3.8	3.5	3.3	3.2	3.0	2.9
EV/Sales	3.6	3.6	3.7	3.8	3.5	3.9
EV/EBITDA	29.3	26.2	33.0	35.4	32.8	33.6
Dividend Yield (%)	0.3	0.4	0.4	0.5	0.5	0.5
FCF per share	19.3	29.4	31.1	33.2	11.8	8.7
<b>Return Ratios (%)</b>						
RoE	9.0	8.5	6.7	6.3	6.5	6.0
RoCE	7.8	7.4	5.8	5.5	5.3	5.0
RoIC	18.0	16.4	12.6	15.2	16.1	14.0
<b>Working Capital Ratios</b>						
Fixed Asset Turnover (x)	1.2	1.1	1.0	1.0	0.9	0.8
Asset Turnover (x)	0.7	0.7	0.7	0.6	0.6	0.5
Inventory (Days)	57	58	63	76	75	70
Debtor (Days)	16	10	11	12	12	12
Creditor (Days)	126	116	155	221	221	240
<b>Leverage Ratio (x)</b>						
Current Ratio	1.2	1.2	1.0	0.9	0.9	0.9
Interest Cover Ratio	4.4	4.2	4.0	5.4	5.3	4.9
Net Debt/Equity	0.3	0.3	0.2	0.2	0.2	0.1

### Standalone - Cash Flow Statement

(INR b)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	556	553	461	541	494	477
Depreciation	112	177	180	171	189	199
Interest & Finance Charges	126	134	101	69	74	74
Direct Taxes Paid	-49	-92	-92	-83	-118	-114
(Inc)/Dec in WC	-60	78	296	253	147	118
Others	-131	-110	-152	-161	-175	-185
<b>CF from Operations</b>	<b>553</b>	<b>740</b>	<b>794</b>	<b>791</b>	<b>610</b>	<b>568</b>
(Inc)/Dec in FA	-292	-342	-373	-341	-450	-450
<b>Free Cash Flow</b>	<b>262</b>	<b>398</b>	<b>421</b>	<b>449</b>	<b>160</b>	<b>118</b>
(Pur)/Sale of Investments	-10	-170	-100	-311	0	0
Others	223	129	192	148	175	185
<b>CF from Investments</b>	<b>-78</b>	<b>-383</b>	<b>-281</b>	<b>-505</b>	<b>-275</b>	<b>-265</b>
Inc/(Dec) in Debt	117	-44	-167	157	0	0
Interest Paid	-140	-169	-146	-111	-74	-74
Dividend Paid	-51	-61	-68	-74	-88	-95
<b>CF from Fin. Activity</b>	<b>-74</b>	<b>-275</b>	<b>-381</b>	<b>-29</b>	<b>-162</b>	<b>-169</b>
<b>Inc/Dec of Cash</b>	<b>401</b>	<b>82</b>	<b>132</b>	<b>257</b>	<b>174</b>	<b>134</b>
Opening Balance	217	610	692	825	1,082	1,255
<b>Closing Balance</b>	<b>610</b>	<b>692</b>	<b>825</b>	<b>1,082</b>	<b>1,255</b>	<b>1,390</b>

## RIL: Consolidated financials and valuations

### Consolidated - Income Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Total Income from Operations</b>	<b>4,669</b>	<b>7,000</b>	<b>8,795</b>	<b>9,011</b>	<b>9,647</b>	<b>10,572</b>	<b>11,845</b>	<b>12,173</b>
Change (%)	-21.8	49.9	25.6	2.5	7.1	9.6	12.0	2.8
<b>EBITDA</b>	<b>807</b>	<b>1,105</b>	<b>1,429</b>	<b>1,622</b>	<b>1,654</b>	<b>1,789</b>	<b>1,973</b>	<b>2,166</b>
Margin (%)	17.3	15.8	16.2	18.0	17.1	16.9	16.7	17.8
Depreciation	266	298	403	508	531	577	638	694
<b>EBIT</b>	<b>542</b>	<b>807</b>	<b>1,026</b>	<b>1,114</b>	<b>1,123</b>	<b>1,213</b>	<b>1,335</b>	<b>1,472</b>
Int. and Finance Charges	212	146	196	231	243	271	299	303
Other Income	163	149	118	161	180	200	234	249
<b>PBT bef. EO Exp.</b>	<b>493</b>	<b>810</b>	<b>948</b>	<b>1,043</b>	<b>1,060</b>	<b>1,142</b>	<b>1,270</b>	<b>1,418</b>
EO Items	56	28	0	0	0	89	0	0
<b>PBT after EO Exp.</b>	<b>549</b>	<b>839</b>	<b>948</b>	<b>1,043</b>	<b>1,060</b>	<b>1,232</b>	<b>1,270</b>	<b>1,418</b>
Total Tax	17	163	207	257	252	276	313	351
Tax Rate (%)	3.1	19.4	21.8	24.6	23.8	22.4	24.7	24.7
Minority Interest	41	69	74	90	111	148	171	213
<b>Reported PAT</b>	<b>491</b>	<b>607</b>	<b>667</b>	<b>696</b>	<b>696</b>	<b>808</b>	<b>786</b>	<b>854</b>
<b>Adjusted PAT</b>	<b>437</b>	<b>584</b>	<b>667</b>	<b>696</b>	<b>696</b>	<b>719</b>	<b>786</b>	<b>854</b>
Change (%)	1.1	33.8	14.2	4.4	0.0	3.2	9.4	8.7
Margin (%)	9.4	8.3	7.6	7.7	7.2	6.8	6.6	7.0

### Consolidated - Balance Sheet

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	64	68	68	68	135	135	135	135
Total Reserves	6,937	7,727	8,144	7,867	8,297	8,905	9,603	10,362
<b>Net Worth</b>	<b>7,002</b>	<b>7,795</b>	<b>8,212</b>	<b>7,935</b>	<b>8,432</b>	<b>9,040</b>	<b>9,738</b>	<b>10,498</b>
Minority Interest	993	1,095	1,130	1,323	1,664	1,818	1,989	2,202
Total Loans	2,426	3,192	4,524	4,590	4,787	5,025	4,985	4,945
Deferred Tax Liabilities	370	496	603	722	835	980	980	980
<b>Capital Employed</b>	<b>10,790</b>	<b>12,578</b>	<b>14,469</b>	<b>14,570</b>	<b>15,718</b>	<b>16,863</b>	<b>17,692</b>	<b>18,624</b>
Gross Block	7,802	8,938	10,289	11,321	13,981	15,773	18,299	19,805
Less: Accum. Deprn.	2,492	2,790	3,193	3,701	4,233	4,810	5,447	6,141
<b>Net Fixed Assets</b>	<b>5,310</b>	<b>6,148</b>	<b>7,096</b>	<b>7,620</b>	<b>9,749</b>	<b>10,963</b>	<b>12,852</b>	<b>13,663</b>
Goodwill on Consolidation	102	130	137	150	245	285	285	285
Capital WIP	1,260	1,725	2,938	3,389	2,624	2,377	1,100	845
<b>Total Investments</b>	<b>3,648</b>	<b>3,943</b>	<b>3,366</b>	<b>2,257</b>	<b>1,355</b>	<b>2,483</b>	<b>2,483</b>	<b>2,483</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>2,892</b>	<b>3,051</b>	<b>3,598</b>	<b>4,145</b>	<b>4,796</b>	<b>3,481</b>	<b>4,192</b>	<b>4,725</b>
Inventory	817	1,078	1,400	1,528	1,461	1,669	1,870	1,922
Account Receivables	190	236	285	316	421	585	655	673
Cash and Bank Balance	174	362	747	972	1,065	1,460	1,927	2,397
Loans and Advances	1,711	1,375	1,167	1,329	1,849	-233	-261	-268
<b>Curr. Liability &amp; Prov.</b>	<b>2,422</b>	<b>2,419</b>	<b>2,666</b>	<b>2,990</b>	<b>3,051</b>	<b>2,726</b>	<b>3,220</b>	<b>3,378</b>
Account Payables	1,089	1,593	1,472	1,784	1,868	1,588	1,780	1,829
Other Current Liabilities	1,277	788	1,157	1,164	1,113	868	1,138	1,238
Provisions	56	38	38	42	70	270	302	311
<b>Net Current Assets</b>	<b>470</b>	<b>632</b>	<b>932</b>	<b>1,155</b>	<b>1,745</b>	<b>755</b>	<b>972</b>	<b>1,347</b>
<b>Appl. of Funds</b>	<b>10,790</b>	<b>12,578</b>	<b>14,469</b>	<b>14,570</b>	<b>15,718</b>	<b>16,863</b>	<b>17,692</b>	<b>18,624</b>

## RIL: Consolidated financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>EPS</b>	<b>33.9</b>	<b>43.2</b>	<b>49.3</b>	<b>51.4</b>	<b>51.5</b>	<b>53.1</b>	<b>58.1</b>	<b>63.1</b>
Cash EPS	54.5	65.2	79.1	89.0	45.4	47.9	105.2	114.4
BV/Share	543.2	576.1	606.8	586.4	311.6	334.0	719.6	775.8
DPS	3.2	3.5	3.9	5.0	5.5	6.0	6.5	7.0
Payout (%)	8.4	7.8	8.0	9.7	10.7	10.1	11.2	11.1
<b>Valuation (x)</b>								
P/E	41.8	32.8	28.7	27.5	27.5	25.0	22.9	21.0
Cash P/E	26.0	21.7	17.9	15.9	31.2	27.7	12.6	11.6
P/BV	2.6	2.5	2.3	2.4	4.5	4.0	1.8	1.7
EV/Sales	4.6	3.1	2.6	2.5	2.4	2.0	1.8	1.7
EV/EBITDA	26.5	19.9	16.1	14.0	13.8	12.0	10.7	9.5
Dividend Yield (%)	0.2	0.2	0.3	0.4	0.2	0.2	0.5	0.5
FCF per share	-120.0	-8.4	-24.8	24.8	27.0	48.2	28.4	26.0
<b>Return Ratios (%)</b>								
RoE	7.6	7.9	8.3	8.6	8.5	8.2	8.4	8.4
RoCE	8.0	7.5	7.5	7.6	7.7	8.0	8.2	8.6
RoIC	10.7	10.6	11.5	10.9	9.2	8.9	8.9	8.8
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.6	0.8	0.9	0.8	0.7	0.7	0.6	0.6
Asset Turnover (x)	0.4	0.6	0.6	0.6	0.6	0.6	0.7	0.7
Inventory (Days)	64	56	58	62	55	58	58	58
Debtor (Days)	15	12	12	13	16	20	20	20
Creditor (Days)	85	83	61	72	71	55	55	55
<b>Leverage Ratio (x)</b>								
Current Ratio	1.2	1.3	1.3	1.4	1.6	1.3	1.3	1.4
Interest Cover Ratio	2.6	5.5	5.2	4.8	4.6	4.5	4.5	4.9
Net Debt/Equity	0.3	0.4	0.5	0.5	0.4	0.4	0.3	0.2

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
PBT	555	839	948	1,043	1,060	1,232	1,270	1,418
Depreciation	266	298	403	508	531	577	638	694
Tax paid	-32	-38	-207	-257	-252	-276	-313	-351
Change in deferred tax liability	0	0	0	119	112	145	0	0
Change in net working capital	-507	7	-196	64	237	125	211	54
Misc	-19	1	202	110	98	118	-171	-213
<b>Operating cash flow</b>	<b>262</b>	<b>1,107</b>	<b>1,150</b>	<b>1,588</b>	<b>1,787</b>	<b>1,921</b>	<b>1,634</b>	<b>1,602</b>
Capex	-1,035	-1,163	-1,318	-1,420	-1,422	-1,268	-1,250	-1,250
Change in investments	-473	3	294	170	-118	31	0	0
Misc	92	-124	154	107	164	226	0	0
<b>Investing cash flows</b>	<b>-1,416</b>	<b>-1,285</b>	<b>-870</b>	<b>-1,143</b>	<b>-1,375</b>	<b>-1,011</b>	<b>-1,250</b>	<b>-1,250</b>
Change in borrowings	-837	99	381	266	163	-37	0	0
Misc	-241	-285	-231	-372	-414	-553	171	213
Issuance of equity	2,136	402	5	0	0	0	0	0
Others	1,895	117	-225	-372	-414	-553	171	213
Dividend paid	-39	-43	-51	-61	-68	74	-88	-95
<b>Financing cash flow</b>	<b>1,019</b>	<b>173</b>	<b>105</b>	<b>-166</b>	<b>-319</b>	<b>-515</b>	<b>83</b>	<b>118</b>
Net change in cash	-135	-5	385	278	93	395	467	470
<b>Closing cash balance</b>	<b>174</b>	<b>169</b>	<b>747</b>	<b>972</b>	<b>1,065</b>	<b>1,460</b>	<b>1,927</b>	<b>2,397</b>

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