

# Reliance Industries

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR2,960**      **TP: INR3,245 (+10%)**      **Buy**

## Standalone businesses fuel operating performance

Bloomberg	RELANCE IN
Equity Shares (m)	6766
M.Cap.(INRb)/(USD\$b)	20025.6 / 240.2
52-Week Range (INR)	3025 / 2139
1, 6, 12 Rel. Per (%)	1/14/12
12M Avg Val (INR M)	16664

### Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	9,011	9,815	10,726
EBITDA	1,622	1,794	2,015
Adj PAT	696	796	919
EBITDA (%)	18%	18%	19%
EPS (INR)	102.9	117.7	135.9
EPS Gr. (%)	4%	14%	15%
BV/Sh. (INR)	1,231	1,347	1,480

### Ratios

Net D/E	0.3	0.3	0.2
RoE (%)	8.6	9.6	10.1
RoCE (%)	8.4	9.0	9.6

### Valuations

P/E (x)	28.8	25.2	21.8
P/BV (x)	2.4	2.2	2.0
EV/EBITDA (x)	13.9	12.5	10.9
Div Yield (%)	0.2	0.3	0.3
FCF Yield (%)	0.5	0.0	0.0

### Shareholding pattern (%)

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

FII Includes depository receipts

- Reliance Industries (RIL)'s 4QFY24 consolidated revenue, EBITDA, and PAT grew 11%, 11%, and remained flat YoY at INR2.4t, INR425b, and INR190b (8% miss, 10% beat, and 8% beat), respectively, led by growth across segments. EBITDA and PAT were above estimates primarily due to the growth in the O2C segment, which was partly offset by lower-than-estimated performance in the retail segment.
- RJio's revenue/EBITDA/PAT increased 2%/3%/2% QoQ (in line) in 4QFY24, led by 2% subscriber additions, while ARPU was flat QoQ. The company's capex stood at INR533b in FY24, which led to a free cash outflow of INR152b.
- Reliance Retail posted soft revenue growth of 10% YoY (10% miss), even though the area additions were robust at 21% YoY. EBITDA growth of 18% YoY (6% miss) was offset by higher depreciation and interest costs. Consequently, PAT grew 12% YoY during the quarter.
- Standalone EBITDA stood at INR200b in 4QFY24 (10% above our estimate), supported by better feedstock sourcing, higher domestic product placement, and increased sales volume QoQ. O2C's earnings in 1QFY25 may see some pressure as volume is expected to be flat QoQ, while SG GRM in Apr'24 has been down 44% vs. 4QFY24 average. Overall though, we are building in healthy O2C profitability over the next 1.5 years as: 1) the refining net capacity additions in CY24 (at 0.6mnobpd) are trailing oil demand growth of 1.2mnobpd (IEA); and 2) CY23 was the last year of substantial supply growth (~5%; CY20-24) for olefins. RIL also announced that the development plan for incremental production from the KG-D6 fields has been approved by the government, and the company expects to add 4-5mmcmd to overall volumes in the next few years.
- Net debt improved sequentially to INR1,163b from INR1,194b. Capex for the quarter narrowed down sequentially to INR232b vs. INR301b.
- OCF for FY24 improved to INR1,563b (+38% YoY) due to an increase in EBITDA (+14% YoY) and release of working capital. Capex rose 4% YoY to INR1,376b, which resulted in an FCF generation of INR187b (vs. -INR182b in FY23).
- Using our SoTP approach, we value the Refining and Petrochemical segment at 8x FY26E EV/EBITDA to arrive at a valuation of INR1,029/sh for the Standalone business. We ascribe an equity valuation of INR810/sh to RJio and INR1,593/sh to Reliance Retail as well as INR37/sh towards the new energy business. Consequently, **we reiterate our BUY rating on RIL with a TP of INR3,245.**

### RJio – growth driven by strong subscriber additions (in line)

- RJio's revenue/EBITDA rose 2%/3% QoQ (in line) in 4QFY24, led by 2% subscriber additions (10.9m additions), while ARPU was flat QoQ at INR182. PAT was up 2% QoQ, in line with the EBITDA growth.

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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.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Capex was elevated at INR533b (vs. Bharti India's estimated capex of ~INR331b for FY24) due to the 5G rollout. The majority of the 5G rollout is complete, and we expect capex to decline in FY25/26 to INR392b/INR356b.
- We expect a revenue/EBITDA CAGR of 12%/14% over FY24-26, factoring in 8%/3% CAGR for subs/ARPU over the same period. The long-term outlook remains intact with market share gains from VIL, tariff hikes, and new growth opportunities such as Jiofiber, Airfiber, and JioBharat, along with other digital avenues triggered by the 5G rollout.

#### **Reliance Retail – soft revenue growth; margin sustained**

- Reliance Retail posted soft revenue growth of 10% YoY (10% miss), though area additions were robust at 21% YoY. Revenue per sqft declined 9% YoY. EBITDA growth of 18% YoY (6% miss) was offset by higher depreciation and interest costs. Consequently, PAT grew 12% YoY during the quarter.
- The growth was propelled by footprint additions. Overall footfalls grew 24% YoY to 272m across formats, and the customer base jumped 22% YoY to 304m. However, the number of transactions slowed down to 311m (+6% YoY).
- We have cut our revenue/EBITDA estimates by 5% each for FY25/26 owing to soft growth. We expect revenue and EBITDA to register 22% and 25% CAGR, respectively, over FY24-26 fueled by accelerated store additions across segments, a recovery in store productivity, and an aggressive foray into digital & new commerce.

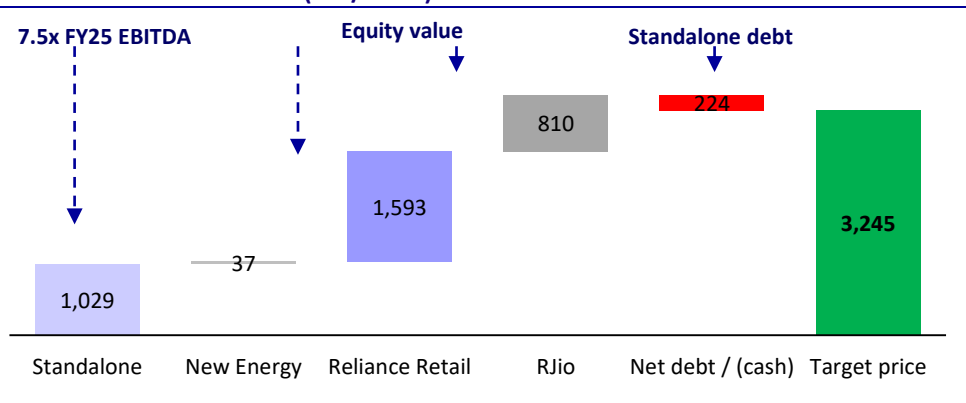
#### **Standalone: Beat led by better feedstock sourcing, ethane cracking, and higher domestic product placement**

- Revenue stood at INR1,468b (+13% YoY); EBITDA was at INR200b (est. of INR183b, +5% YoY); while EBITDA/mt stood at ~USD100 (-8% YoY; our est. at USD91/mt) with polymer prices and margins contracting YoY due to subdued global demand.
- Production meant for sale was at 17.1mmt (flat YoY). Reported PAT stood at INR113b (est. of IN100b, -18% YoY).
- Gas price realization for KG-D6 gas declined to USD9.53/mmBtu in 4QFY24 from USD11.39/mmBtu in 4QFY23. EBITDA for Oil & Gas exploration increased 50% YoY to INR57.4b during the quarter.
- **For FY24**, revenue stood at INR5,345b (-1% YoY), EBITDA was at INR743b (+11% YoY), and adj. PAT stood at INR420b (-2% YoY). Production meant for sale was at 67.8mmt (+2% YoY); while EBITDA/mt stood at USD95.9 (-4% YoY).
- **Key macro performance highlights:**
  - Global oil demand in 4QFY24 rose 1.6mnbopd YoY to 102mnbopd, with strong demand mainly from the Americas and Asia.
  - Global refinery throughput was higher by 0.2mb/d YoY at 81.8mb/d in 4QFY24.
  - Crude oil benchmarks improved YoY, as the trend in demand remained positive despite tanker constraints due to the Red Sea crisis.
- Oil prices were further supported by voluntary cuts by OPEC+ and the reduced availability of Russian production.

### Valuation and view

- Segment-wise, the Consumer business continues to post double-digit EBITDA growth, with both RJio and Reliance Retail likely to record 14% and 25% EBITDA CAGR over FY24-26, respectively. The growth would be driven by footprint additions, new categories in the retail sector, the focused approach to subscriber growth, and the expected tariff hikes in the telecom business. In O2C, we see Refining and Petchem segments picking up from the current levels, as net capacity additions for both segments are tapering off on a YoY basis. Moreover, FY25 would witness the full benefit of the ramped-up volumes at the MJ Field.
- We value Reliance Retail's core business at 40x EV/EBITDA on FY26E and connectivity at 5x to arrive at our valuation of INR1,812. Reliance Retail's value in RIL share comes to **INR1,593** (for its 87.9% stake). Our premium valuation multiples capture the opportunity for rapid expansion in its retail business and the aggressive rollouts of the digital platforms.
- We are factoring in 12%/14% revenue/EBITDA CAGR during FY24-26. RJio is valued at an EV/EBITDA multiple of 12x on FY26E EBITDA. The potential tariff hikes, market share gains from VIL, and opportunities in Digital offer an option value of INR120 (Exhibit 15), thereby arriving at a valuation of **INR810/sh** (adjusted for its 66% stake).
- Overall, we remain positive on both the Refining and Petrochemical segments. Global oil demand for CY24 is likely to be at 103mnobpd (up 1.2mnobpd YoY). Gasoil cracks are anticipated to remain firm due to the strength in jet fuel demand and the limited availability of heavy crude.
- While global downstream chemical markets remain well-supplied in the near term, we note that capacity growth is tapering off and has passed its peak for key products such as PE, PP, and PX.
- We model a capex of INR650b for FY25 and FY26 each in the Standalone business, considering RIL's investments in new-age greener businesses (such as solar energy, and a hydrogen ecosystem in India).
- Consolidated gross debt rose to INR3.2t in FY24 (from INR3.14t in FY23), with cash & cash equivalents at INR2.1t. Net debt stood at INR1.16t (according to the management).
- We have raised our capex for FY25-26E to INR1.2t each year, modeling INR392b/INR356b in Telecom, INR650b each year in the Standalone business, and the rest in Others, considering RIL's investments in new-age greener businesses.
- Using our SoTP approach, we value the Refining and Petrochemical segment at 8x FY26E EV/EBITDA to arrive at a valuation of INR1,029/sh for the Standalone business. We ascribe an equity valuation of INR810/sh to RJio and INR1,593/sh to Reliance Retail as well as INR37/sh towards the new energy business. Consequently, **we reiterate our BUY rating on RIL with a TP of INR3,245.**

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



## Consolidated - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24	Var v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>2,193</b>	<b>2,301</b>	<b>2,172</b>	<b>2,129</b>	<b>2,076</b>	<b>2,319</b>	<b>2,251</b>	<b>2,365</b>	<b>8,795</b>	<b>9,011</b>	<b>2,582</b>	<b>-8%</b>
YoY Change (%)	56.7	37.3	17.4	2.7	-5.4	0.8	3.6	11.1	25.6	2.5	21.3	
<b>EBITDA</b>	<b>380</b>	<b>312</b>	<b>352</b>	<b>384</b>	<b>381</b>	<b>410</b>	<b>407</b>	<b>425</b>	<b>1,429</b>	<b>1,622</b>	<b>388</b>	<b>10%</b>
Margins (%)	17.3	13.6	16.2	18.1	18.4	17.7	18.1	18.0	16.2	18.0	15.0	
Depreciation	89	97	102	115	118	126	129	136	403	508	130	4%
Interest	40	46	52	58	58	57	58	58	196	231	29	100%
Other Income	22	35	31	29	38	38	39	45	118	161	11	305%
<b>PBT before EO expense</b>	<b>273</b>	<b>205</b>	<b>230</b>	<b>241</b>	<b>243</b>	<b>265</b>	<b>258</b>	<b>277</b>	<b>948</b>	<b>1,043</b>	<b>240</b>	<b>15%</b>
Extra-Ord expense	-9	-2	-1	0	0	0	0	0	-12	0	0	
<b>PBT</b>	<b>282</b>	<b>206</b>	<b>231</b>	<b>241</b>	<b>243</b>	<b>265</b>	<b>258</b>	<b>277</b>	<b>960</b>	<b>1,043</b>	<b>240</b>	<b>15%</b>
Tax	78	49	53	28	61	67	63	66	207	257	58	14%
Rate (%)	27.7	23.6	22.8	11.6	25.2	25.2	24.6	23.7	21.6	24.6	23.9	
MI & Profit/Loss of Asso. Cos.	15.5	19.3	19.5	20.0	21.7	24.3	22.2	21.9	74.3	90.1	7	
<b>Reported PAT</b>	<b>188</b>	<b>138</b>	<b>159</b>	<b>193</b>	<b>160</b>	<b>174</b>	<b>173</b>	<b>190</b>	<b>679</b>	<b>696</b>	<b>176</b>	<b>8%</b>
<b>Adj PAT</b>	<b>182</b>	<b>137</b>	<b>158</b>	<b>193</b>	<b>160</b>	<b>174</b>	<b>173</b>	<b>190</b>	<b>679</b>	<b>696</b>	<b>176</b>	<b>8%</b>
YoY Change (%)	48.3	0.1	-2.6	19.1	-12.0	27.0	9.2	-1.8	16.2	2.5	-8.9	
Margins (%)	8.3	6.0	7.3	9.1	7.7	7.5	7.7	8.0	7.7	7.7	6.8	

E: MOFSL Estimates

## Standalone - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>1,464.8</b>	<b>1,373.5</b>	<b>1,258.5</b>	<b>1,296.7</b>	<b>1,226.3</b>	<b>1,373.8</b>	<b>1,277.0</b>	<b>1,468.3</b>	<b>5,393.5</b>	<b>5,345.3</b>	<b>1,363.2</b>	<b>8%</b>
YoY Change (%)	70.0	41.7	13.2	0.2	-16.3	0.0	1.5	13.2	27.3	-0.9	14.9	
<b>EBITDA</b>	<b>209.5</b>	<b>117.9</b>	<b>149.0</b>	<b>191.3</b>	<b>174.9</b>	<b>191.9</b>	<b>175.6</b>	<b>200.2</b>	<b>667.7</b>	<b>742.7</b>	<b>182.6</b>	<b>10%</b>
Margin (%)	14.3	8.6	11.8	14.8	14.3	14.0	13.7	13.6	12.4	13.9	13.4	
Depreciation	22.5	26.1	25.3	37.8	38.8	43.8	45.7	48.6	111.7	176.9	47.2	
Interest	26.2	29.2	33.5	37.5	36.0	32.4	29.8	36.1	126.3	134.3	31.4	
Other Income	25.3	33.3	25.8	27.1	27.3	29.3	29.7	35.0	111.5	121.3	29.6	
<b>PBT before EO expense</b>	<b>186.2</b>	<b>95.9</b>	<b>116.0</b>	<b>143.1</b>	<b>127.4</b>	<b>145.0</b>	<b>129.8</b>	<b>150.5</b>	<b>541.2</b>	<b>552.7</b>	<b>133.5</b>	<b>13%</b>
Extra-Ord expense	-8.7	-1.7	-1.1	-0.5	0.0	0.0	0.0	0.0	-11.9	0.0	0.0	
<b>PBT</b>	<b>194.9</b>	<b>97.6</b>	<b>117.1</b>	<b>143.5</b>	<b>127.4</b>	<b>145.0</b>	<b>129.8</b>	<b>150.5</b>	<b>553.1</b>	<b>552.7</b>	<b>133.5</b>	<b>13%</b>
Tax	43.9	28.4	33.4	5.5	31.2	32.9	30.5	37.7	111.2	132.3	33.6	
Rate (%)	22.5	29.1	28.5	3.8	24.4	22.7	23.5	25.0	20.1	23.9	25.2	
<b>Reported PAT</b>	<b>151.0</b>	<b>69.2</b>	<b>83.7</b>	<b>138.1</b>	<b>96.3</b>	<b>112.1</b>	<b>99.2</b>	<b>112.8</b>	<b>441.9</b>	<b>420.4</b>	<b>99.9</b>	<b>13%</b>
<b>Adj PAT</b>	<b>142.3</b>	<b>68.0</b>	<b>82.9</b>	<b>137.6</b>	<b>96.3</b>	<b>112.1</b>	<b>99.2</b>	<b>112.8</b>	<b>430.0</b>	<b>420.4</b>	<b>99.9</b>	<b>13%</b>
YoY Change (%)	65.5	-26.3	-18.4	24.0	-32.3	64.9	19.6	-18.0	10.0	-2.2	-27.5	
Margin (%)	9.7	4.9	6.6	10.6	7.9	8.2	7.8	7.7	8.0	7.9	7.3	
<b>Key Assumptions</b>												
Production meant for sale (mmt)	16.9	16.2	16.2	17.1	17.2	17.1	16.4	17.1	66.4	67.8	17.1	0%
EBITDA/mt (USD)	139.6	66.7	83.4	108.7	95.1	102.0	86.3	100.4	99.6	95.9	91.0	10%

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

RIL Consol	FY25E	FY26E
<b>Revenue</b>		
Old	10,234	11,187
Actual/New	9,815	10,726
Change (%)	-4%	-4%
<b>EBITDA</b>		
Old	1,803	2,032
Actual/New	1,794	2,015
Change (%)	-1%	-1%
<b>PAT</b>		
Old	802	940
Actual/New	796	919
Change (%)	-1%	-2%

Source: Company, MOFSL

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

RIL Standalone	FY25E	FY26E
<b>Revenue</b>		
Old	5,469	5,544
Actual/New	5,483	5,558
Change (%)	0%	0%
<b>EBITDA</b>		
Old	798	870
Actual/New	798	870
Change (%)	0%	0%
<b>PAT</b>		
Old	472	530
Actual/New	466	515
Change (%)	-1%	-3%

Source: Company, MOFSL

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

Rjio	FY25E	FY26E
<b>Revenue</b>		
Old	1,126	1,250
Actual/New	1,126	1,250
Change (%)	0%	0%
<b>EBITDA</b>		
Old	613	705
Actual/New	595	681
Change (%)	-3%	-3%
<b>PAT</b>		
Old	236	296
Actual/New	228	278
Change (%)	-3%	-6%

Source: Company, MOFSL

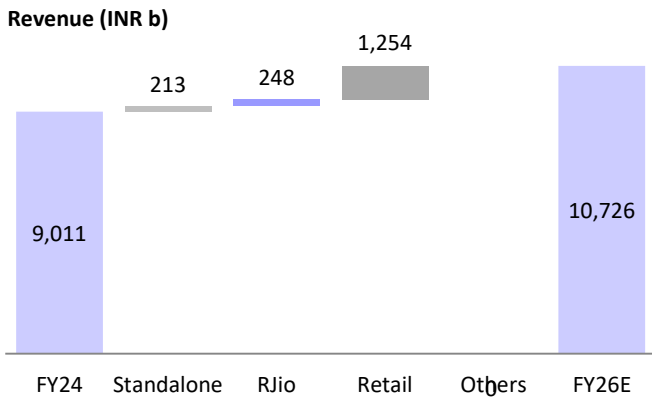
**Exhibit 5: Reliance Retail – summary of changes to our estimates (INR b)**

Reliance Retail	FY25E	FY26E
<b>Revenue</b>		
Old	3,280	4,035
Actual/New	3,132	3,844
Change (%)	-5%	-5%
<b>EBITDA</b>		
Old	250	315
Actual/New	235	298
Change (%)	-6%	-5%
<b>PAT</b>		
Old	130	173
Actual/New	105	149
Change (%)	-19%	-14%

Source: Company, MOFSL

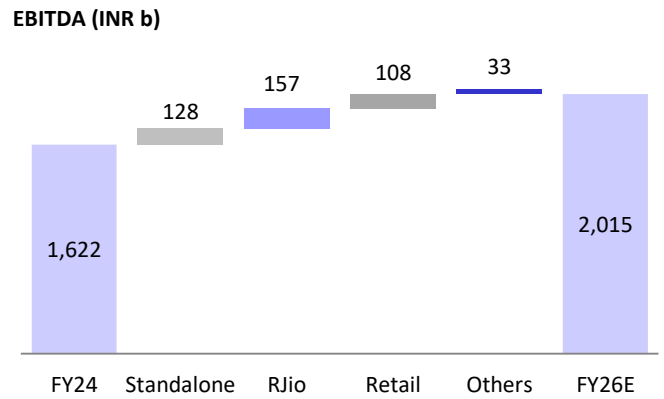
## RIL – story in charts

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



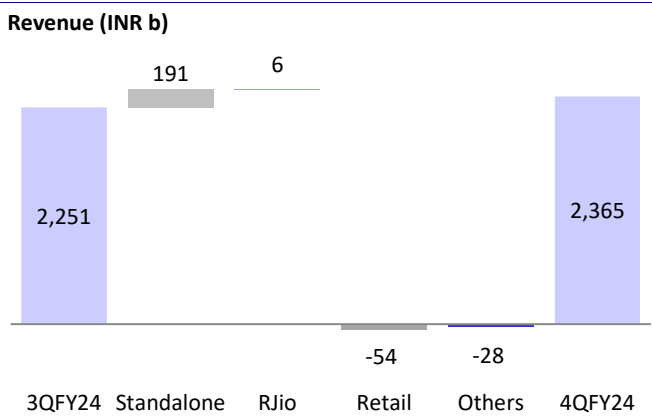
Source: Company, MOFSL

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



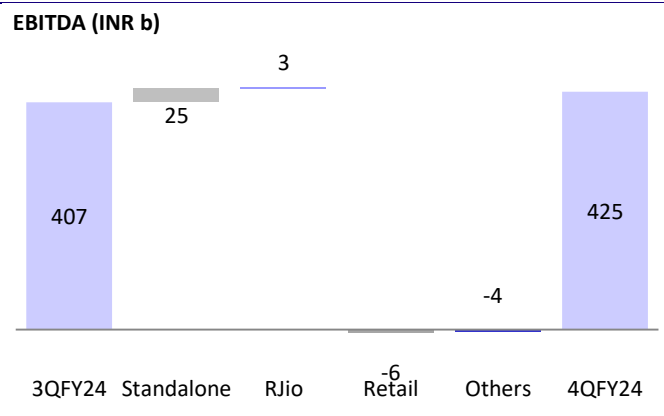
Source: Company, MOFSL

**Exhibit 8: Sequential revenue flow in 4QFY24 (INR b)**



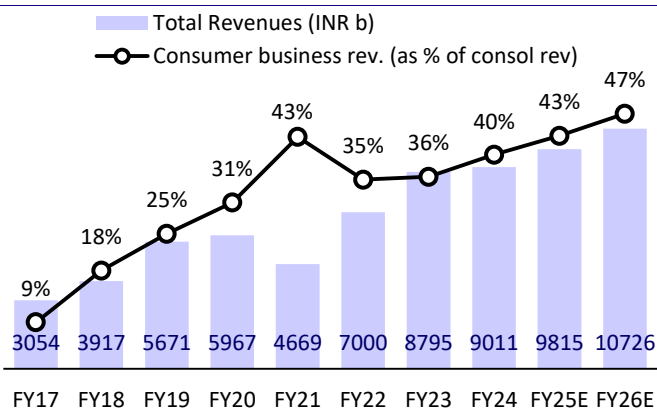
Source: Company, MOFSL

**Exhibit 9: Sequential EBITDA flow in 4QFY24 (INR b)**



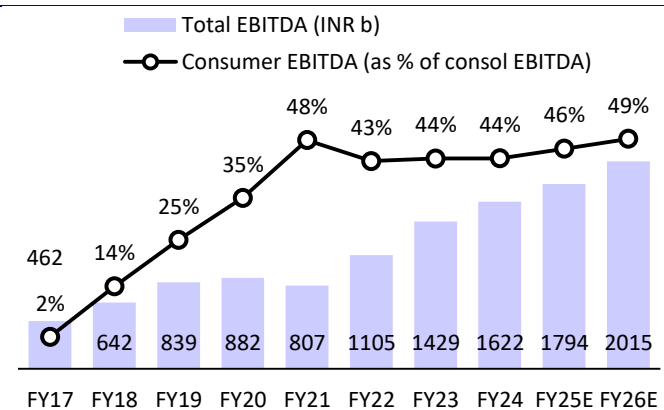
Source: Company, MOFSL

**Exhibit 10: Expect Consumer business to contribute 47% to FY26 revenue**



Source: Company, MOFSL

**Exhibit 11: Expect Consumer business to contribute 49% to FY26 EBITDA**



Source: Company, MOFSL

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

INR b	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24
Gross Debt	2,634	2,949	3,035	3,147	3,187	2,957	3,117	3,246
Cash & Cash equivalent	2,057	2,016	1,933	2,045	1,921	1,780	1,924	2,083
Net Debt	577	933	1,102.5	1,102	1,266	1,177	1,194	1,163

; Source: MOFSL, Company

**Exhibit 13: Summary of debt movement in FY24**

Net Debt Reconciliation (INR b)	FY23	FY24
<b>Net Debt (Opening)</b>	<b>348</b>	<b>1,102</b>
Add		
Capex	1,318	1,376
Finance Cost	263	217
Spectrum purchased	802	
<b>Total</b>	<b>2,732</b>	<b>2,694</b>
Less:		
Lease payments	14	25
OCF	1,136	1,563
Sale of investment	294	170
Others	185	(226)
<b>Total</b>	<b>1,629</b>	<b>1,532</b>
<b>Net Debt (Closing)</b>	<b>1,102</b>	<b>1,163</b>

Source: MOFSL, Company



## Steady growth; major 5G capex completed

### Revenue and EBITDA rise 2% and 3% QoQ, respectively (in line)

RJio reported an in-line performance in 4QFY24 with standalone revenue growth of 2.3% QoQ (+11% YoY; in line) to INR260b, due to flat ARPU growth and Subscriber growth of 2.3% QoQ. EBITDA improved to INR136b, up 2.5% QoQ (+11% YoY; in line), and margin improved 10bp QoQ to 52.4% with an incremental EBITDA margin of 60%. In the aggressive 5G capex cycle, it is notable that the network operating expenses increased 2% QoQ only to INR79b (30.3% of sales vs. 30.4% in 3QFY24). RJio witnessed a decline in access roaming and a moderation in employee expenses, which were offset by higher SG&A expenses. This translated into a PAT growth of 2.5% QoQ to INR53b (in line). Jio Platforms Ltd (JPL)'s revenue/PAT increased 4%/3% QoQ to INR338b/INR56b during the quarter.

### Operating metrics remains strong

RJio continues to focus on subscriber-led growth. It posted 2.3% QoQ growth in subscribers (10.9m net additions), taking the total count to 482m. The churn rate was restricted to 1.5%. Gross subscriber additions were 33m in 4QFY24. ARPU was flat QoQ at INR181.7. Wireless data traffic per subscriber per month grew 4.9% QoQ to 28.6 GB/month. Voice consumption per subscriber per month rose 2.7% QoQ to 1,008 mins/month.

### Steady progress of the three growth engines: 5G, JioBharat, and JioAirFiber

Jio has rolled out its **5G standalone services** in India and has migrated 108m+ subscribers (22.4% of total subscribers) to the RJio 5G network. The network has been contributing 28% of wireless data traffic. It has accelerated the subscriber addition momentum and data usage.

**JioAirFiber** is now available in over 5,900 cities/towns (vs. 4,000 in 3QFY24) with pan-India coverage likely to be completed.

### Market share gains from VIL, and tariff hikes are the key long-term growth levers; but near-term growth may remain soft

We expect RJio's revenue/ EBITDA growth to be 12%/14% over FY24-FY26 due to the low probability of tariff hikes. We have built in 8%/3% growth in subscriber/ ARPU. The long pending tariff hike could be the catalyst going forward. The long-term sector outlook remains buoyant as: a) market consolidation has left just two strong players underscoring the opportunity for monetization of 5G and tariff hikes, and b) once VIL's debt moratorium (AGR + spectrum liability) expires in Nov'25E, its INR400b revenue size may offer a strong market share growth opportunity in two years.



## RJio – key takeaways from the management interaction

### Summary highlights

- 5G, JioAirFiber, and JioBharat are the three big growth engines for Jio.
- RJio has migrated 108m+ subscribers (22.4% of total subscribers) to the Rjio 5G network. The network has been contributing 28% of wireless data traffic.
- Continued acceleration in the growth of the JioAirFiber subscriber base and the ramp-up of digital services will sustain industry-leading growth for Jio.

### Detailed highlights:

#### Customer migration towards 5G increasing

- Jio has rolled out its True5G network across India, with 108 million+ subscribers migrated to Jio's 5G network. The Jio True 5G network now carries ~28% of Jio's wireless data traffic, with the entire 5G data being carried on Jio's own 5G+4G combo core.
- Jio strengthens its market leadership with the highest subscriber share gain in the industry – ~300bp increase since Dec'22. Superior 5G network, premium smartphone partnerships, and JioBharat are driving up Jio's services.
- During the quarter, Jio introduced affordable international roaming and in-flight packs with bundled voice and data for seamless travel across the US, the UAE, and other Top-50 countries. In-flight packs are being offered in partnership with 22 airlines.

#### JioFiber: Scaling up the Home business

- JioAirFiber services are now being offered across ~5,900 cities/ towns, with further ramp-up towards pan India coverage soon. Customer demand and engagement have been strong with JioAirFiber's unique proposition as an entertainment-first product bundled with world-class broadband connectivity. Average daily data usage for AirFiber subscribers is at ~13 GB, which is 30% higher than JioFiber subscribers. Network slicing on standalone 5G network and Jio's unique point-to-multipoint deployment are transforming fixed broadband infrastructure in India.
- AirFiber is seeing healthy demand in Tier2 towns and beyond, which has driven the highest ever home connects.
- JioAirFiber has seen healthy demand, leading to the highest ever quarterly home connects.

**Valuations expensive given its growth prospects**

- We have slightly increased our estimates for FY25/FY26, factoring in 12%/14% revenue/EBITDA CAGR during FY24-26. RJio is valued at an EV/EBITDA multiple of 12x on FY26E EBITDA. The potential tariff hikes, market share gains from VIL, and opportunities in Digital offer an option value of INR120 (Exhibit 15), thereby arriving at a valuation of **INR810/sh** (adjusted for its 66% stake).
- The option value captures: a) its market leadership position, market share gains, and tariff hike opportunities that are not factored in the estimates, b) growth in the wireline business, and c) opportunities in the digital space, particularly from the series of recent acquisitions.

**Exhibit 14: RJio – EV/EBITDA-based SoTP valuation**

Particulars	(INR b)
EBITDA	681
EV/EBITDA (x)	12x
EV	8,172
Debt	1,227
<b>Equity Value</b>	<b>6,946</b>
Stake of RIL	66%
<b>RIL's Stake in Rjio</b>	<b>4,618</b>
RIL shares	6.8
<b>Rjio Value per share</b>	<b>690</b>
Add: Option Value (Exhibit 15)	120
<b>RIL stake in Rjio (value/share)</b>	<b>810</b>

Source: Company, MOFSL

**Exhibit 15: RJio – Optional value calculation**

Particulars	(INR b)
EBITDA (Exhibit 16)	104
EV/EBITDA (x)	12x
EV= Equity value	1,242
Stake of RIL	66%
<b>RIL stake in Rjio</b>	<b>826</b>
RIL shares	6.8
<b>Value Per Share</b>	<b>120</b>

Source: Company, MOFSL

**Exhibit 16: RJio – EBITDA calculation using 10% ARPU hike and 10% VIL's subscribers shift by FY26E**

Particulars	In m
<b>Subscriber calculation</b>	
VIL subscribers as of FY23	225
% of subscribers from VIL shift	15%
Expected subscriber adds from VIL (a)	34
Jio subscriber factored for FY26 (b)	560
<b>Total subscriber (c= a+b)</b>	<b>594</b>
<b>ARPU calculation</b>	
Jio ARPU factored for FY26	192
Add: 10% ARPU hike	211
<b>Option value EBITDA calculation</b>	
Expected revenue for FY26	1,414
Expected EBITDA for FY26	785
less: EBITDA factored in model for FY26	-681
<b>Incremental EBITDA</b>	<b>104</b>

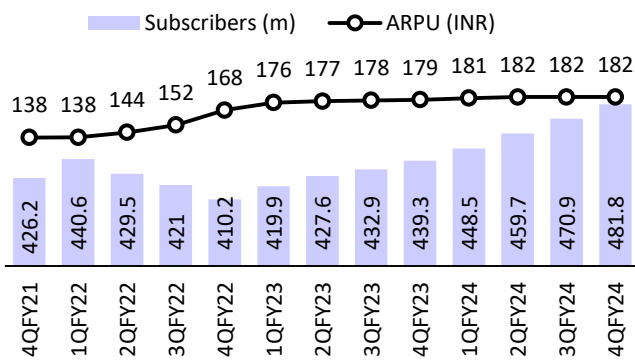
Source: Company, MOFSL

**Exhibit 17: RJio – KPI comparison**

Key Operating Metrics	4QFY23	3QFY24	4QFY24	YoY%	QoQ%	4QFY24E	Var (%)
Subscriber base (mn)	439.3	470.9	481.8	9.7	2.3	481.3	0.1
Net subs adds	6.4	11.2	10.9	70.3	-2.7	10.4	4.8
Gross sub adds	32.4	35.2	32.6	0.5	-7.5		
ARPU (INR/sub/month)	178.8	181.7	181.7	1.6	0.0	182	-0.2
Total wireless Data traffic (b GB)	30.3	38.1	40.9	35.0	7.3	40	2.6
Wireless Data traffic per sub (GB/mth)	23.2	27.3	28.6	23.6	4.9	27.9	2.5
Voice on Network (b min)	1,310	1,370	1,440	9.9	5.1	1,355	6.3
Voice consumption per sub (min/mth)	1,001	981	1,008	0.6	2.7	981	2.7

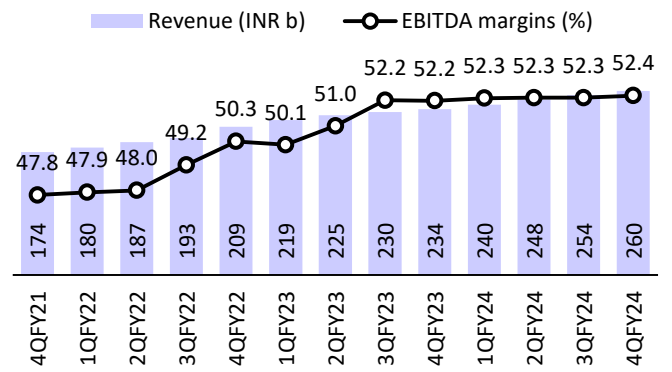
Source: MOFSL, Company

**Exhibit 18: RJio – subscriber additions steady**



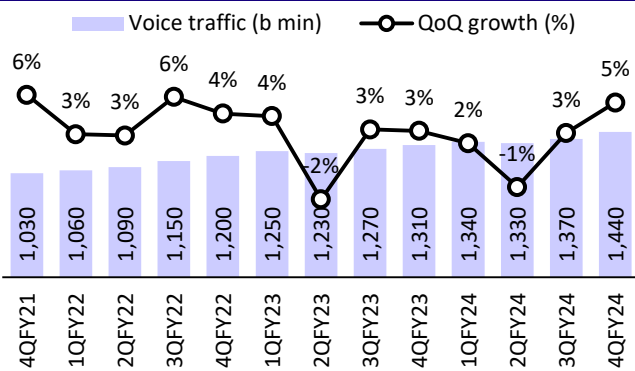
Source: MOFSL, Company

**Exhibit 19: Revenue/EBITDA grew 2%/3% QoQ**



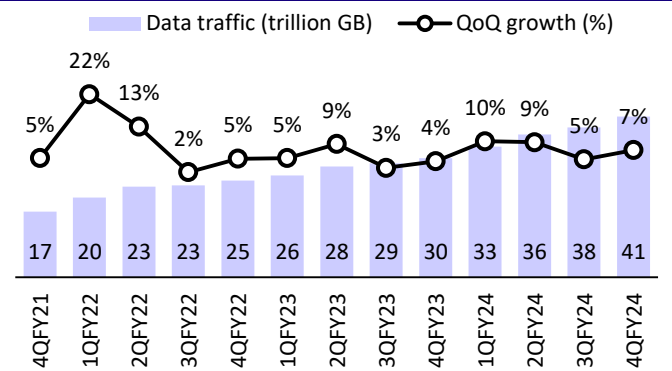
Source: MOFSL, Company

**Exhibit 20: RJio – Voice traffic up 5% QoQ**



Source: MOFSL, Company

**Exhibit 21: RJio – Data traffic up 7% QoQ**



Source: MOFSL, Company

**Exhibit 22: Financial snapshot of Jio Platforms**

(INR b)	4QFY23	3QFY24	4QFY24	YoY	QoQ
Gross Revenue	299	325	338	13.3%	4.1%
Operating Revenue	255	277	289	13.4%	4.2%
EBITDA	128	140	144	12.5%	2.9%
EBITDA Margin	50.1%	50.4%	49.7%	-40bps	-65bps
D&A	51	56	58	14.1%	3.7%
EBIT	77	84	85	11.4%	2.3%
EBIT Margin	30.1%	30.2%	29.6%	-52bps	-55bps
Finance Cost	10	10	10	0.4%	-1.0%
PBT	67	73	75	13.0%	2.8%
Tax	17	19	19	15.8%	3.5%
Tax rate	25%	26%	26%		
PAT	50	54	56	12.0%	2.5%
PAT Margin	19.6%	19.7%	19.3%	-23bps	-32bps

Source: MOFSL, Company

**Exhibit 23: Financial comparison between Jio Platforms and subsidiaries**

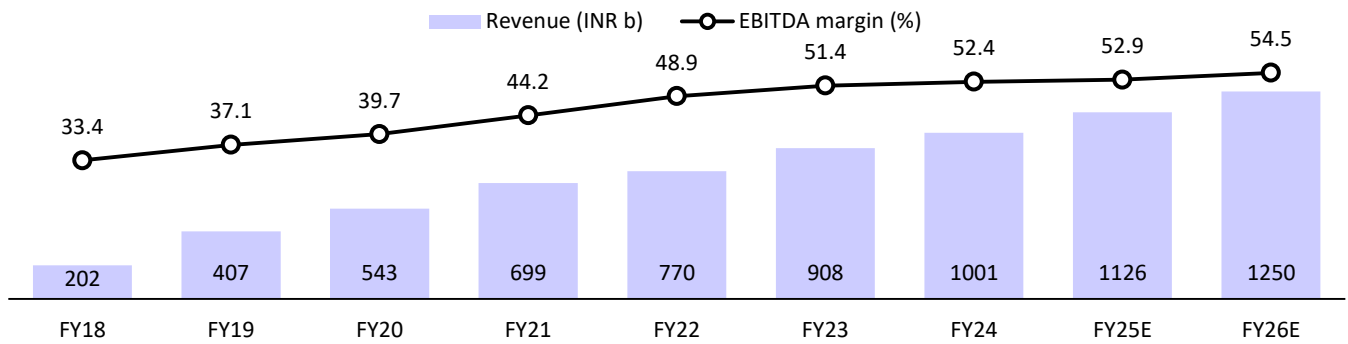
Particulars (INR b)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY	QoQ
<b>Operating Revenue</b>											
RJPL	223	235	243	249	255	261	269	277	289	13%	4%
Growth QoQ	8%	5%	3%	3%	2%	3%	3%	3%	4%		
Rjio	209	220	226	231	235	241	249	255	261	11%	2%
Growth QoQ	7%	5%	3%	2%	2%	3%	3%	3%	2%		
Subsidiary	13	15	16	18	20	20	20	22	28	42%	28%
Growth QoQ	20%	15%	9%	12%	7%	1%	2%	8%	28%		
<b>EBITDA</b>											
RJPL	109	114	120	125	128	131	135	140	144	12%	3%
Growth QoQ	9%	5%	5%	4%	2%	3%	3%	3%	3%		
Margin	49%	49%	49%	50%	50%	50%	50%	50%	50%	-40	-65
Rjio	105	110	115	120	122	126	130	133	136	11%	3%
Growth QoQ	10%	4%	5%	5%	2%	3%	3%	3%	3%		
Margin	50%	50%	51%	52%	52%	52%	52%	52%	52%	23	15
Subsidiary	4	5	5	5	6	5	6	7	7	34%	10%
Growth QoQ	-17%	13%	13%	-2%	9%	-3%	7%	18%	10%		
Margin	31%	30%	32%	28%	28%	27%	28%	31%	27%	-152	-423
<b>PAT</b>											
RJPL	43	45	47	49	50	51	53	54	56	12%	3%
Growth QoQ	13%	5%	4%	3%	2%	2%	4%	3%	3%		
Margin	19%	19%	19%	20%	20%	20%	20%	20%	19%	-23	-32
Rjio	42	43	45	46	47	49	51	52	53	13%	2%
Growth QoQ	15%	4%	4%	3%	2%	3%	4%	3%	2%		
Margin	20%	20%	20%	20%	20%	20%	20%	20%	20%	37	4
Subsidiary	1	2	2	2	3	2	2	2	3	-6%	5%
Growth QoQ	-31%	58%	8%	16%	7%	-10%	1%	-1%	5%		
Margin	9%	13%	13%	13%	13%	12%	12%	11%	9%	-452	-198

Source: MOFSL, Company

**Exhibit 24: RJio – summary of the changes to our estimates**

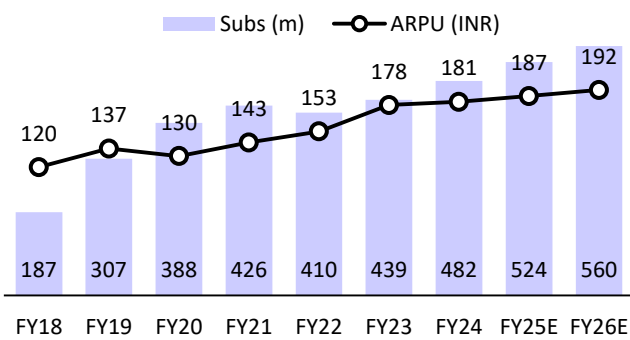
	FY25E	FY26E
<b>Revenue (INRb)</b>		
Old	1126	1250
Actual/New	1126	1250
Change (%)	0.0	0.0
<b>EBITDA (INRb)</b>		
Old	613	705
Actual/New	595	681
Change (%)	-2.8	-3.4
<b>EBITDA margin (%)</b>		
Old	54.4	56.4
Actual/New	52.9	54.5
Change (bp)	-154bps	-193bps
<b>Net Profit (INRb)</b>		
Old	236	296
Actual/New	228	278
Change (%)	-3.4	-6.1
<b>EPS (INR)</b>		
Old	5.3	6.6
Actual/New	5.1	6.2
Change (%)	-3.4	-6.1

**Exhibit 25: RJio – expect 12%/14% revenue/EBITDA CAGR over FY24-26**



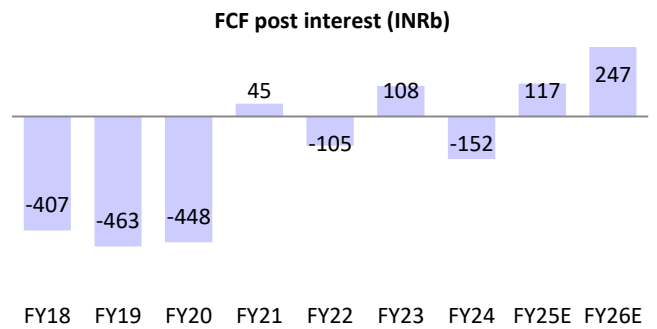
Source: MOFSL, Company

**Exhibit 26: Expect 8%/3% growth in Subs/ARPU over FY24-26**



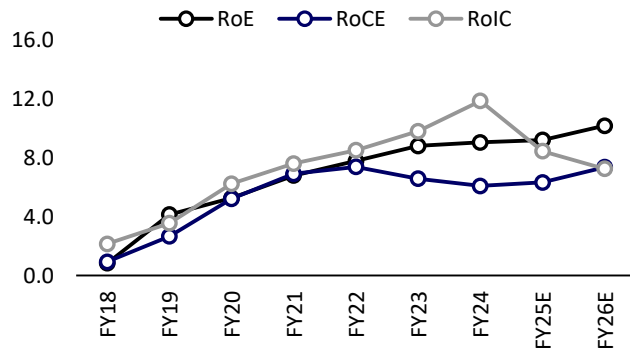
Source: MOFSL, Company

**Exhibit 27: FCF may moderate in FY25E owing to high capex**



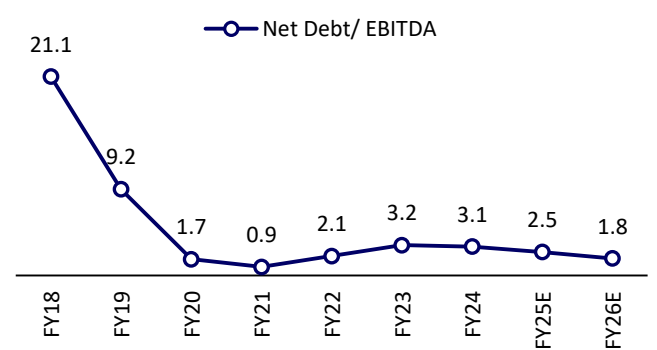
Source: MOFSL, Company

**Exhibit 28: High capex will moderate return ratios**



Source: Company, MOFSL

**Exhibit 29: RJio – expect net debt-to-EBITDA to decline (x)**



Source: Company, MOFSL

**Exhibit 30: Summary of debt movement in FY24**

Net Debt Reconciliation (INR b)	FY23	FY24
Net Debt (Opening)	774	1,504
Add:		
Capex	335	533
Finance Cost	38	135
Spectrum purchased	801	0
Purchase/(Sale) of investment	-1	16
Lease payment	-41	-37
Others	78	8
Less:		
OCF generated	-481	-553
Net Debt (Closing)	1,504	1,606

Source: MOFSL, Company



## Soft revenue growth with steady margins

### Revenue/EBITDA up 10%/18% YoY (10%/6% miss)

Reliance Retail reported soft growth of 10% YoY in consolidated revenue to INR676b (10% miss), though area addition was robust at 21% YoY. It opened net 62 stores in 4QFY24, leading to a total store count of 18,836 (4% YoY) and 79.1m sqft area, which implies a decline in revenue/sqft by 9% YoY. Overall footfalls grew 24% YoY to 272m across formats. The customer base jumped 22% YoY to 304m, while the number of transactions slowed down to 311m (6% YoY). Blended EBITDA grew 18% YoY to INR58b (6% miss), with a margin expansion of 60bp YoY to 8.6%. PAT was up 12% YoY at INR27b, offset by higher depreciation and interest costs.

### Segment-wise revenue growth

Revenue growth was led by Consumer Electronics and Fashion & Lifestyle. In the Consumer Electronics business, growth momentum remained intact, led by ABV growth and improved conversions. The Fashion & Lifestyle business consolidated its leadership position further as it capitalized on festivals (Sankranti, Holi) and winter wear during the quarter. Core revenue (excluding connectivity and petro retail) is estimated to have grown 10% YoY to INR501b, while core EBITDA is estimated to be up by 19% YoY at INR50b.

### Buttressing capabilities

During the quarter, Reliance Retail acquired India business of Kiko Milano and intellectual property (including trademarks, recipe, etc.) of sugar-boiled confectionery from Ravalgaon. The business continued to scale up new formats, including Azorte, Yousta and GAP.

### Valuation and view

Reliance Retail has seen aggressive growth in the past few years. Even during Covid-19, it increased footprint/stores by 2.5x/53% over FY20-23. We have cut revenue/EBITDA estimates by 5% for FY25/FY26 and expect revenue/EBITDA CAGR of 22%/25% over FY24-26E to reach INR3.8t/INR298b by FY26. Core revenue/EBITDA are likely to be INR3.3t/INR324b with 9.9% EBITDA margin in FY26.

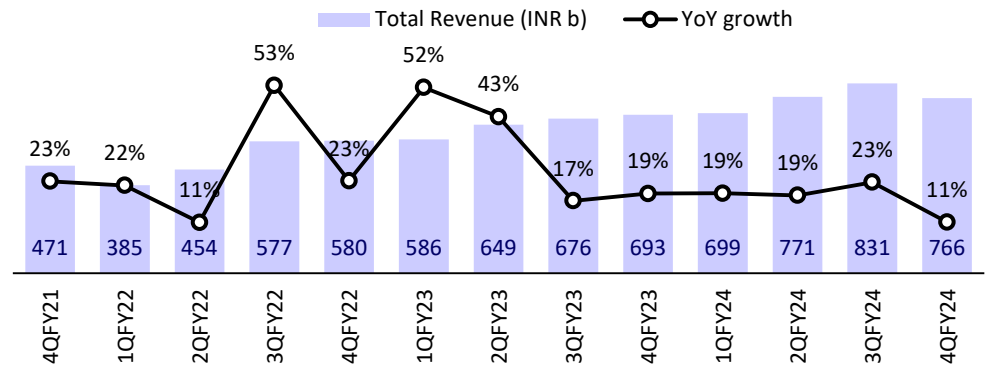
We value Reliance Retail's core business at 40x EV/EBITDA on FY26E and connectivity at 5x to arrive at our valuation of INR1,812. Reliance Retail's value in RIL share comes to **INR1,593/sh** (for its 87.9% stake). Our premium valuation multiples capture the opportunity for a rapid expansion in its retail business and the aggressive rollout of digital platforms.

#### Exhibit 31: Quarterly performance

(INR b)	4QFY23	3QFY24	4QFY24	YoY%	QoQ%	4QFY24E	vs. est %
Net Revenues	616	744	676	9.8	-9.1	753	-10.3
EBITDA - blended	49	63	58	18.5	-7.0	62	-5.8
EBITDA Margin (%) - blended	8.0%	8.4%	8.6%	63bp	20bp	8.2%	41bp
Retail Area (in mn sqft)	65.6	72.9	79.1	20.6	8.5		
Stores	12,803	18,774	18,836	47.1	62		
PAT	24	32	27	11.7	-14.8		

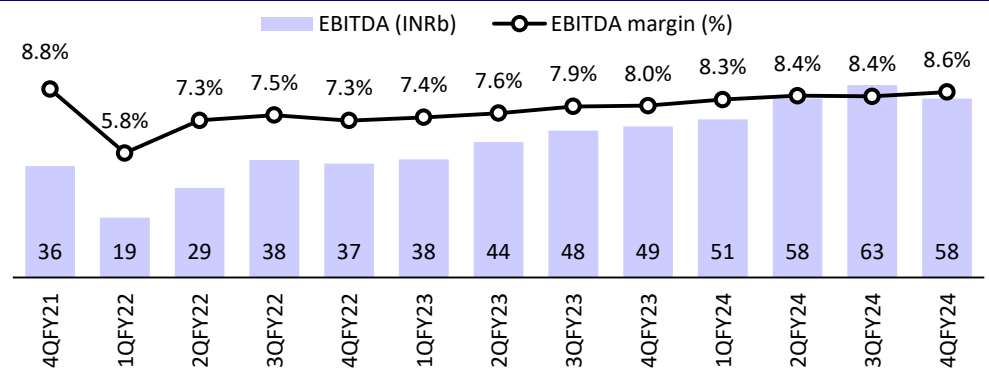
E: MOFSL estimates

**Exhibit 32: Reliance Retail – gross revenue slows down in 4QFY24**



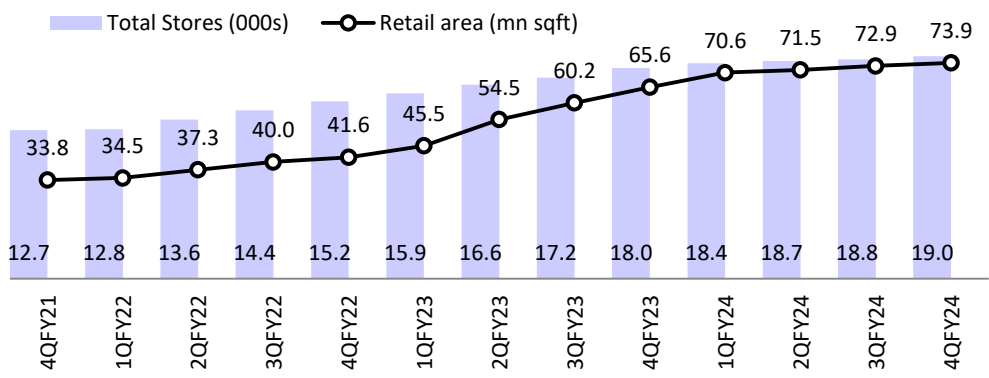
Source: Company, MOFSL

**Exhibit 33: Reliance Retail – EBITDA margin improved to 8.6%**



Source: Company, MOFSL

**Exhibit 34: Reliance Retail – Footprint additions remained strong**



Source: Company, MOFSL

**Exhibit 35: KPIs for 4QFY24: transactions slowed, while footfalls remained strong**

(Fig in m)	4QFY23	3QFY24	4QFY24	YoY (%)	QoQ (%)
Store footfalls	219	282	272	24%	-4%
Customer base	249	293	304	22%	4%
Transactions	294	320	311	6%	-3%

**Exhibit 36: Reliance Retail – summary of the changes to our estimates**

(INR b)	FY25E	FY26E
<b>Revenue</b>		
Old	3,280	4,035
Actual/New	3,132	3,844
Change (%)	-5	-5
<b>EBITDA</b>		
Old	250	315
Actual/New	235	298
Change (%)	-6.1	-5.4
<b>EBITDA margin (%)</b>		
Old	7.6	7.8
Actual/New	7.5	7.8
Change (bp)	-13	-5
<b>Net Profit</b>		
Old	130	173
Actual/New	105	149
Change (%)	-19.0	-13.9
<b>EPS (INR)</b>		
Old	26	35
Actual/New	21	30
Change (%)	-19.0	-13.9

Source: Company, MOFSL

**Exhibit 37: Reliance Retail – SoTP valuation (FY26E based)**

Valuation	EBITDA	Multiple	EV (INR b)
Core EBITDA	324	40	12,970
Petro and Connectivity	28	5	141.8
Total			13,111
Less Net Debt			854
Equity Value			12,257
No of Shares (in b)			6.8
<b>Target Price</b>			<b>1,812</b>
RIL stake in RRVL			87.9%
RRVL value in SOTP			<b>1,593</b>



## Reliance Retail – key takeaways from the management interaction

### Other highlights:

- The business added 562 new stores, with gross area addition of 7.8m sq. ft.
- The quarter recorded footfalls of over 272m across formats, up 24.2% YoY.

### Segmental growth:

#### Grocery

- Grocery business delivered another quarter of steady performance, led by Smart & Smart Bazaar.
- The business is expanding its portfolio by offering premium products and evolving categories like international food, body mist, serums, etc. to serve discerning customers.
- The flagship event 'Full Paisa Vasool Sale' was received well and grew 21% YoY, led by HPC, confectionery, and snacks.
- With a deeper regional presence, regional nuances offer strong growth opportunities. In certain markets, sales during the run-up to Holi exceeded Diwali sales.
- Grocery new commerce business continued to onboard new kirana partners to its network driven by "Metro Kirana Utsav" during the quarter. HoReCa segment witnessed growth as the business continued to partner with institutional customers.

#### JioMart:

- JioMart delivered steady performance during the quarter, with the expansion of its seller base, up 94% YoY, and live selection up 32% YoY.
- The platform witnessed growth in sessions and GMV, led by sales events like 'Holi Ready' and 'Republic Day'.
- The platform launched new functionalities to enhance shopping experience including the 'Buy Again' widget, customer rating for products and more.

#### Consumer brands:

- Delivered ~3x YoY growth in revenue and distribution reach.
- The business continues to scale up, growing over 3x YoY in general trade.
- Strong traction on Campa and Independence brands driving growth in the beverage and staples categories.
- The business launched many new products, including Campa Runner Energy Lemon drink, Necto (aerated beverage) and brewed tea under brand Brew House.
- Acquired Ravalgaon IP rights, including trademarks and recipes, relating to sugar boiled confectionery, and partnered with Sri Lanka-based beverage maker Elephant House, to manufacture and sell beverages under the 'Elephant House' brand across India with reciprocal rights to sell Campa in Sri Lanka.

#### Consumer Electronics

- Consumer Electronics business sustained growth momentum, led by ABV growth and improved conversions. Own brands/PBG business further scaled up with its merchant count up 2.6x YoY.

- The flagship event “Digital India Sales” drove engagement with customers and delivered 15% YoY sales growth.
- Category-specific campaigns, such as ‘Digital Chill Fest’ for ACs and ‘Big Screen Fest’ for TVs, were received well and drove customer engagement.
- ResQ continued to improve its proposition with the launch of new service plans and expansion of network with 24 new centers during the quarter.
- Own brands/PBG business launched new brand WYZR and introduced a range of coolers with plans to expand to other categories in the coming quarters.
- New commerce business through JioMart Digital continued its growth journey and expanded its merchant partner base by 20% YoY.

### **Fashion & Lifestyle**

- The Fashion & Lifestyle business consolidated its leadership position further as it capitalized on festivals (Sankranti, Holi) and winter wear during the quarter.
- The business continued to scale up new formats, including Azorte, Yousta and GAP.
- The business has successfully developed a number of own brands over the years and these brands continue to drive growth for our formats, with three brands crossing the milestone of INR20b in annual sales.
- The focus on developing fast-fashion supply chain ecosystem is supporting the launch of new and stylish options week after week.
- AJIO continued to improve its value proposition as it strengthened its catalogue further. The platform added several new brands and launched new app features to enhance customer experience.
- AJIO’s flagship event ‘All Star Sales’ was well received and delivered 36% traffic growth and added ~300k new customers during the period.
- Premium brands continued to lead premium and luxury segments with the widest portfolio of brands with 20% YoY growth. AJIO Luxe delivered steady performance during the period with options growing by 44% YoY.
- The Jewels business delivered a steady performance despite an increase in gold prices. The business continued its focus on strengthening product offerings through launches on key occasions during the quarter.

## Standalone – Beat led by higher volumes, advantageous feedstock sourcing

### Domestic product placement, low ethane costs boost margins

- Improved gasoline cracks, firm gasoil cracks and higher volumes helped RIL report higher profitability on a QoQ basis. In Apr'24 so far, SG GRM is down 44% vs. average of USD7.3/bbl in 4QFY24. As such, 1QFY25 refining profitability could be under some pressure (vs. 4QFY24) as volumes for the refining segment are also already at its peak.
- **Global diesel demand** increased 0.26mnbopd YoY to 28.3mnbopd due to high demand in Asia, which was partly offset by a decline in demand in Europe. Cracks, however, moderated from highs but remained healthy. Lower demand led by seasonality and elevated supply from new refineries were among the reasons for moderation in cracks.
- **Global gasoline demand** increased by 0.16mnbopd YoY in 4QFY24 to 26.1mnbopd as demand increased from North America and Europe. Gasoline cracks remained largely stable YoY due to robust demand from Asia and North America, coupled with lower inventories. There could be an expected surge in demand during the US driving season in May-Sep'24.
- **ATF cracks** moderated due to healthy Chinese exports and seasonally lower demand. The increase in inventory weighed on cracks vs. last year. That said, ATF cracks are expected to remain healthy amid strong aviation sector demand.
- **Global oil demand** rose 1.6mnbopd YoY, led by China and Asia. Demand for Jet, Gasoil and Gasoline remained healthy as global refinery rates declined 260bp YoY due to unplanned outages and maintenance activities at refineries. Global cracker operating rates declined 340bp YoY owing to weak global demand trends and new capacity additions mainly in the Middle East and Asia.
- **Domestic oil demand** was up 4.2% YoY at 60.9mmt in 4QFY24, led by strong ATF, diesel and petrol demand. Improving road infrastructure, rising auto sales and increasing air traffic all led to robust oil demand in FY24 in the domestic market.
- According to IEA estimates, the global oil demand growth is expected to remain strong, led by transportation fuels. Average CY24 demand is likely to be at 103mnbopd (up 1.2mnbopd YoY). Refining margin is likely to be supported by: 1) the net refining capacity additions globally at 0.6mnbopd (trailing oil demand growth of 1.2mnbopd in CY24), and 2) inventories for oil products, which remain at the lower end of the last five-year range, globally.

### Exhibit 38: O2C operating performance

Feedstock (mmt)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY % change
Throughput	19.3	19.8	18.6	18.8	19.8	19.7	20.0	18.7	19.8	0%
<b>Production meant for sale</b>	<b>17.3</b>	<b>16.9</b>	<b>16.2</b>	<b>16.2</b>	<b>17.1</b>	<b>17.2</b>	<b>17.1</b>	<b>16.4</b>	<b>17.1</b>	0%
Transportation fuels	10.7	10.5	9.9	10.2	11.4	11.1	11.1	10.2	11.3	-1%
Polymers	1.5	1.4	1.4	1.4	1.5	1.4	1.5	1.2	1.5	0%
Fiber Intermediates	1	0.8	0.9	0.7	0.7	0.9	0.9	0.8	0.8	14%
Polyesters	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0%
Chemicals and Others	3.4	3.5	3.4	3.3	2.9	3.2	3	3.6	2.9	0%

Source: Company, MOFSL

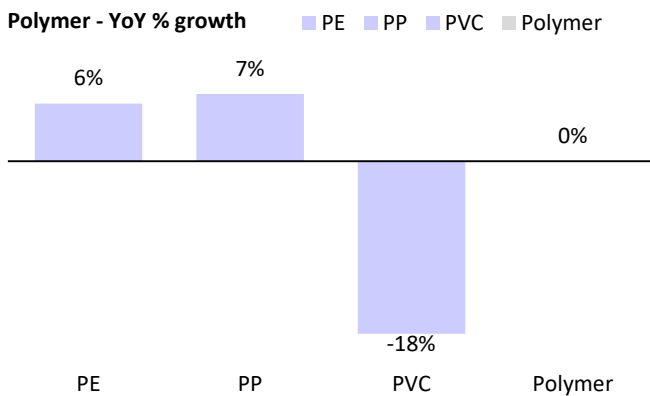
**Petchem – Mixed trend in polymer and polyester margins seen**

Domestic Polymer demand was flat YoY in 4QFY24.

Domestic Polyester demand was marginally down by 1% YoY

- On a QoQ basis, petchem spreads for PE, PP and Polyester products were flat or marginally higher. However, a QoQ increase in volumes and increased ethane sourcing to take advantage of low ethane costs in the US likely contributed to a robust petchem segment performance.
- Demand for PE and PP remained healthy during the quarter, led by the infrastructure FMCG, consumer durables, automotive and e-commerce food packaging sectors. PVC demand declined due to high base effect led by higher imports in 4QFY23.
- Polymer demand as a whole was flat YoY. Deltas for PE/PP/PVC were at -9%/-18%/-34% YoY during the quarter, while the same were at +5%/+7%/-8% QoQ. Lower demand growth globally led to subdued deltas in polymers.
- Polyester demand was down marginally by 1% YoY, with PET demand improving 8% due to anticipated summer demand from the beverages sector. Demand for PFY and PSF was down due to weak textile exports.
- Polyester deltas were down 6% YoY but flat QoQ. MEG delta improved due to higher freights amid the Red Sea crisis and Panama Canal restrictions. PX, PSF and PFY deltas were lower owing to surplus availability amid subdued global demand.
- **Outlook:** In the near term, we expect stable olefin spreads, considering the start of a new capacity (Long Son Petchem project, 2mmtpa in Vietnam) and a soft demand environment amid high interest rates. However, from 2HFY25 onward, we remain positive on petrochemicals and highlight that: a) CY23 was the last year of substantial supply growth (~5%; CY20-24) for olefins and as such spreads should improve; and 2) globally, inventories for PE/PP remain low and re-stocking can boost margins.

**Exhibit 39: Domestic Polymer demand for 4QFY24**



**Exhibit 40: Domestic Polyester demand for the quarter**

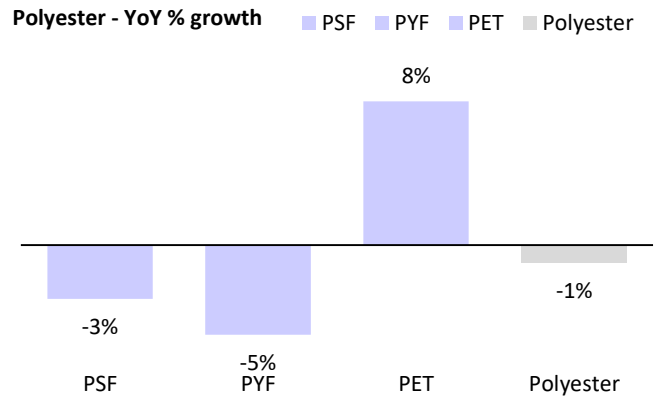
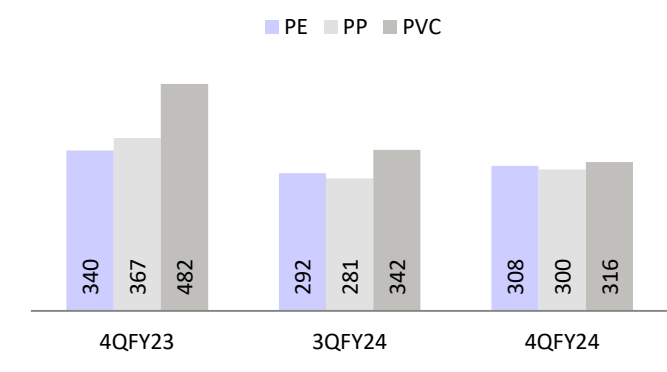
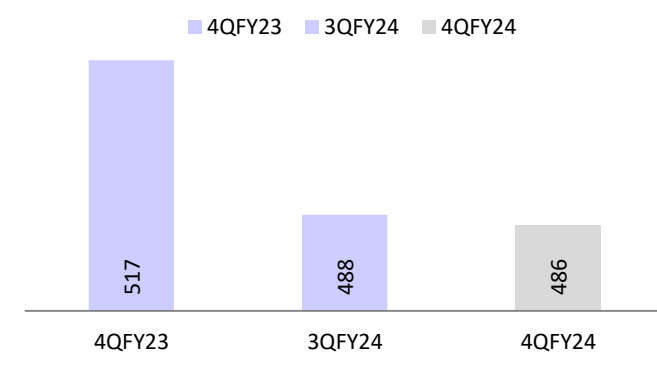


Exhibit 41: Polymer deltas for the quarter (USD/mt)



Source: Company, MOFSL

Exhibit 42: Polyester chain margins in 4QFY24 (USD/mt)



Source: Company, MOFSL

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

- Segmental revenue was strong at INR64.7b (up 42% YoY), with EBITDA at INR56.1b in 4QFY24 (up 47% YoY). The company announced that the government has approved a development plan for incremental production from KG-D6 fields and it expects to add another 4-5mmscmd in the next few years.
- **Production at peak potential of ~30mmscmd in the KG-D6 basin.** All 19 wells across three fields have been completed and are producing gas. Going forward, the company will focus on field management and steady production. An additional 40 multi-lateral well program is also under way as part of the CBM production augmentation plan.
- Production from the KG-D6 field stood at 71.4BCFe (up 66% YoY) with price realization for KG-D6 gas declining 16% YoY to USD9.53/mmBtu in 4QFY24 from USD11.39/mmBtu in 4QFY23. CBM gas production declined YoY, while realization was also lower at USD14.34/mmBtu, down 27% YoY.

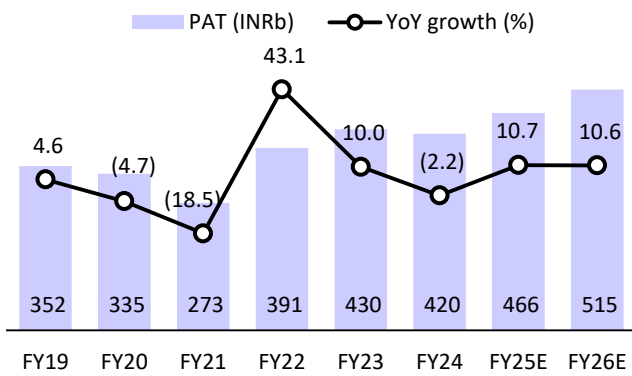
Exhibit 43: Gas production profile and unit price realization

Particulars	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY change	QoQ change
Revenue (INR b)	20.1	36.3	38.5	44.7	45.6	46.3	66.2	67.2	64.7	42%	-4%
EBITDA (INR b)	15.6	27.4	31.7	38.8	38.0	40.2	47.7	58.0	56.1	47%	-3%
EBITDA margin (%)	77.5%	75.5%	82.3%	86.7%	83.4%	86.7%	72.0%	86.4%	86.7%	4%	0%
<b>Production- BCFe (RIL share)</b>											
KG D6	38.0	40.8	41.2	41.9	42.9	48.3	68.3	72.3	71.4	66%	-1%
CBM	2.4	2.4	2.4	2.3	2.2	2.2	2.1	2.0	2.1	-5%	5%
<b>Price Realization (USD/mmBtu)</b>											
KG D6 (GCV)	6.1	9.7	9.9	11.3	11.4	10.8	10.5	9.7	9.5	-16%	-1%
CBM (GCV)	7.6	22.5	23.3	20.9	19.6	14.2	13.7	15.6	14.3	-27%	-8%

Source: Company, MOFSL

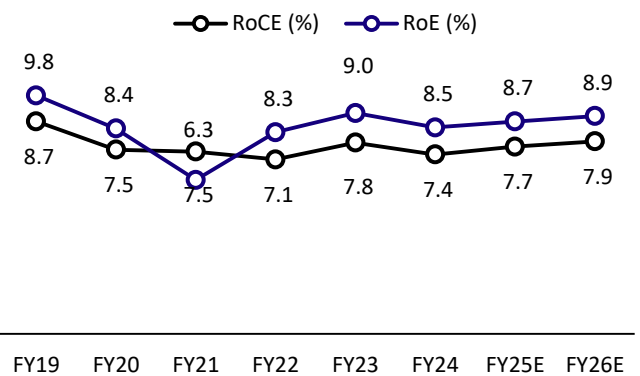
## Standalone business – story in charts

**Exhibit 44: Standalone PAT profile**



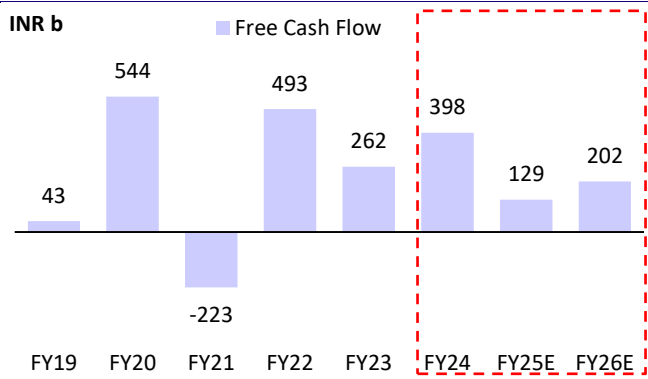
Source: Company, MOFSL

**Exhibit 45: Return ratios to stabilize going forward**



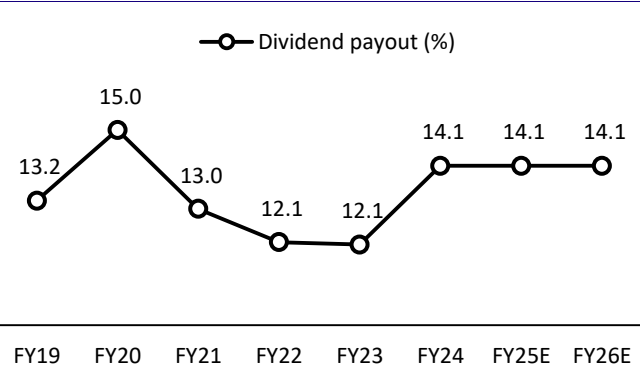
Source: Company, MOFSL

**Exhibit 46: Standalone business to generate FCF of INR729b over FY24-26E...**



Source: Company, MOFSL

**Exhibit 47: ...with expected dividend payout of ~14.1% going forward**



Source: Company, MOFSL

## Reliance Jio Infocomm: Financials and valuations

### Consolidated - Income Statement (INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>202</b>	<b>407</b>	<b>543</b>	<b>699</b>	<b>770</b>	<b>908</b>	<b>1,001</b>	<b>1,126</b>	<b>1,250</b>
Change (%)	NA	101.8	33.6	28.7	10.1	17.9	10.3	12.4	11.0
<b>Total Expenditure</b>	<b>134</b>	<b>256</b>	<b>327</b>	<b>390</b>	<b>393</b>	<b>441</b>	<b>477</b>	<b>531</b>	<b>569</b>
% of Sales	66.6	62.9	60.3	55.8	51.1	48.6	47.6	47.1	45.5
<b>EBITDA</b>	<b>67</b>	<b>151</b>	<b>216</b>	<b>309</b>	<b>376</b>	<b>467</b>	<b>524</b>	<b>595</b>	<b>681</b>
Margin (%)	33.4	37.1	39.7	44.2	48.9	51.4	52.4	52.9	54.5
Depreciation	36	64	74	115	136	185	214	257	283
<b>EBIT</b>	<b>32</b>	<b>87</b>	<b>142</b>	<b>194</b>	<b>240</b>	<b>281</b>	<b>310</b>	<b>338</b>	<b>398</b>
Int. and Finance Charges	20	41	66	38	44	41	40	38	33
Other Income	0	0	1	5	2	4	5	6	9
<b>PBT after EO Exp.</b>	<b>11</b>	<b>46</b>	<b>76</b>	<b>161</b>	<b>199</b>	<b>244</b>	<b>275</b>	<b>307</b>	<b>373</b>
Total Tax	4	16	21	41	50	62	70	78	95
Tax Rate (%)	34.8	34.9	27.2	25.3	25.4	25.5	25.5	25.5	25.5
<b>Reported PAT</b>	<b>7</b>	<b>30</b>	<b>56</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>228</b>	<b>278</b>
<b>Adjusted PAT</b>	<b>7</b>	<b>30</b>	<b>56</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>228</b>	<b>278</b>
Change (%)	LP	310.0	87.7	116.0	23.3	22.9	12.4	11.5	21.8
Margin (%)	3.6	7.3	10.2	17.2	19.2	20.1	20.4	20.3	22.3

### Consolidated - Balance Sheet

(INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	450	450	450	450	450	450	450	450	450
Total Reserves	579	-46	1,260	1,380	1,528	1,710	1,914	2,142	2,420
<b>Net Worth</b>	<b>1,029</b>	<b>404</b>	<b>1,710</b>	<b>1,830</b>	<b>1,978</b>	<b>2,160</b>	<b>2,364</b>	<b>2,592</b>	<b>2,870</b>
Total Loans	1,438	1,399	470	300	797	1,529	1,656	1,506	1,256
<b>Capital Employed</b>	<b>2,468</b>	<b>1,803</b>	<b>2,179</b>	<b>2,129</b>	<b>2,775</b>	<b>3,689</b>	<b>4,020</b>	<b>4,098</b>	<b>4,126</b>
Gross Block	1,595	1,444	1,772	1,965	2,555	2,867	3,031	5,502	5,858
Less: Accum. Deprn.	40	104	138	253	389	615	828	1,085	1,369
<b>Net Fixed Assets</b>	<b>1,555</b>	<b>1,340</b>	<b>1,634</b>	<b>1,712</b>	<b>2,165</b>	<b>2,252</b>	<b>2,203</b>	<b>4,417</b>	<b>4,490</b>
Capital WIP	700	346	213	170	479	1,660	2,079	0	0
<b>Total Investments</b>	<b>10</b>	<b>13</b>	<b>25</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>36</b>	<b>11</b>	<b>11</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>272</b>	<b>259</b>	<b>545</b>	<b>604</b>	<b>524</b>	<b>529</b>	<b>556</b>	<b>556</b>	<b>566</b>
Account Receivables	9	7	16	14	43	24	15	22	24
Cash and Bank Balance	7	4	75	6	6	9	14	12	18
Loans and Advances	256	247	454	584	475	496	527	522	523
<b>Curr. Liability &amp; Prov.</b>	<b>70</b>	<b>155</b>	<b>238</b>	<b>371</b>	<b>410</b>	<b>768</b>	<b>855</b>	<b>886</b>	<b>941</b>
Account Payables	31	33	47	22	20	34	43	29	31
Other Current Liabilities	34	121	190	323	313	595	601	619	645
Provisions	5	1	1	26	78	140	210	238	264
<b>Net Current Assets</b>	<b>202</b>	<b>104</b>	<b>308</b>	<b>233</b>	<b>114</b>	<b>-240</b>	<b>-299</b>	<b>-330</b>	<b>-375</b>
<b>Appl. of Funds</b>	<b>2,468</b>	<b>1,803</b>	<b>2,179</b>	<b>2,129</b>	<b>2,775</b>	<b>3,689</b>	<b>4,020</b>	<b>4,098</b>	<b>4,126</b>

## Reliance Jio Infocomm: Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>0.2</b>	<b>0.7</b>	<b>1.2</b>	<b>2.7</b>	<b>3.3</b>	<b>4.0</b>	<b>4.5</b>	<b>5.1</b>	<b>6.2</b>
Cash EPS	1.0	2.1	2.9	5.2	6.3	8.2	9.3	10.8	12.5
BV/Share	22.9	9.0	38.0	40.7	44.0	48.0	52.5	57.6	63.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>									
FCF per share	-7.2	-8.3	-7.7	1.5	0.6	3.2	0.4	3.4	6.2
<b>Return Ratios (%)</b>									
RoE	0.8	4.1	5.3	6.8	7.8	8.8	9.0	9.2	10.2
RoCE	0.9	2.7	5.2	6.9	7.4	6.6	6.1	6.3	7.4
RoIC	2.1	3.5	6.2	7.6	8.5	9.8	11.9	8.5	7.2
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	0.1	0.3	0.3	0.4	0.3	0.3	0.3	0.2	0.2
Asset Turnover (x)	0.1	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.3
Debtor (Days)	17	7	11	7	20	10	6	7	7
Creditor (Days)	56	29	32	12	10	13	16	9	9
<b>Leverage Ratio (x)</b>									
Current Ratio	3.9	1.7	2.3	1.6	1.3	0.7	0.7	0.6	0.6
Interest Cover Ratio	1.5	2.1	2.1	5.0	5.5	6.9	7.8	8.9	12.0
Net Debt/Equity	1.4	3.4	0.2	0.2	0.4	0.7	0.7	0.6	0.4

### Consolidated - Cash Flow Statement (INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	11	46	76	161	199	244	275	307	373
Depreciation	36	64	74	115	136	185	214	257	283
Interest & Finance Charges	20	41	66	38	44	41	40	38	33
Direct Taxes Paid	-2	-10	-12	-1	-1	13	-1	-78	-95
(Inc)/Dec in WC	-29	-75	-40	19	-64	-2	30	30	51
<b>CF from Operations</b>	<b>36</b>	<b>66</b>	<b>165</b>	<b>332</b>	<b>313</b>	<b>482</b>	<b>558</b>	<b>553</b>	<b>645</b>
Others	0	0	-2	-6	0	-1	-4	-6	-9
<b>CF from Operating incl EO</b>	<b>36</b>	<b>67</b>	<b>163</b>	<b>326</b>	<b>313</b>	<b>481</b>	<b>553</b>	<b>547</b>	<b>636</b>
(Inc)/Dec in FA	-358	-438	-508	-257	-288	-335	-533	-392	-356
<b>Free Cash Flow</b>	<b>-322</b>	<b>-372</b>	<b>-345</b>	<b>69</b>	<b>25</b>	<b>146</b>	<b>20</b>	<b>155</b>	<b>280</b>
(Pur)/Sale of Investments	-1	0	-9	14	-1	1	-16	25	0
Others	0	-4	-164	0	0	0	1	6	9
<b>CF from Investments</b>	<b>-359</b>	<b>-442</b>	<b>-681</b>	<b>-243</b>	<b>-288</b>	<b>-334</b>	<b>-548</b>	<b>-361</b>	<b>-347</b>
Issue of Eq/Pref.Shares	313	0	1,250	0	0	0	0	0	0
Inc/(Dec) in Debt	102	460	-538	-120	106	-107	172	-150	-250
Interest Paid	-85	-92	-103	-23	-130	-38	-172	-38	-33
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	0	0	-20	-8	0	0	0	0	0
<b>CF from Fin. Activity</b>	<b>330</b>	<b>368</b>	<b>588</b>	<b>-152</b>	<b>-24</b>	<b>-145</b>	<b>0</b>	<b>-188</b>	<b>-283</b>
<b>Inc/Dec of Cash</b>	<b>7</b>	<b>-7</b>	<b>70</b>	<b>-69</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>-2</b>	<b>6</b>
Opening Balance	0	7	0	71	2	2	4	10	8
<b>Closing Balance</b>	<b>7</b>	<b>0</b>	<b>71</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>8</b>	<b>14</b>
Other Bank Balance	0	4	4	4	4	4	4	4	4
<b>Total balance</b>	<b>7</b>	<b>4</b>	<b>75</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>14</b>	<b>12</b>	<b>18</b>



## Reliance Retail: Financials and valuations

### Standalone - Income Statement

(INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	515	1019	1304	1317	1694	2237	2590	3132	3844
Change (%)	94.6	98.1	27.9	1.0	28.6	32.0	15.8	21.0	22.7
<b>Total Expenditure</b>	491	960	1212	1236	1591	2075	2400	2897	3546
% of Sales	95.4	94.2	93.0	93.9	93.9	92.8	92.7	92.5	92.2
<b>EBITDA</b>	<b>24</b>	<b>59</b>	<b>91</b>	<b>81</b>	<b>103</b>	<b>162</b>	<b>190</b>	<b>235</b>	<b>298</b>
Margin (%)	4.6	5.8	7.0	6.1	6.1	7.2	7.3	7.5	7.8
Depreciation	4	6	11	14	18	30	36	41	45
<b>EBIT</b>	<b>19</b>	<b>53</b>	<b>80</b>	<b>66</b>	<b>85</b>	<b>132</b>	<b>154</b>	<b>194</b>	<b>253</b>
Int. and Finance Charges	1	6	9	7	20	39	49	55	55
Other Income	0	1	3	2	0	1	2	2	2
<b>PBT bef. EO Exp.</b>	<b>19</b>	<b>48</b>	<b>74</b>	<b>62</b>	<b>66</b>	<b>94</b>	<b>107</b>	<b>141</b>	<b>199</b>
EO Items	0	0	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>19</b>	<b>48</b>	<b>74</b>	<b>62</b>	<b>66</b>	<b>94</b>	<b>107</b>	<b>141</b>	<b>199</b>
Total Tax	6	17	19	16	16	23	27	35	50
Tax Rate (%)	33.7	34.9	25.4	25.8	25.0	25.0	25.2	25.2	25.2
<b>Reported PAT</b>	<b>12</b>	<b>31</b>	<b>55</b>	<b>46</b>	<b>49</b>	<b>70</b>	<b>80</b>	<b>105</b>	<b>149</b>
<b>Adjusted PAT</b>	<b>12</b>	<b>31</b>	<b>55</b>	<b>46</b>	<b>49</b>	<b>70</b>	<b>80</b>	<b>105</b>	<b>149</b>
Change (%)	192.8	152.4	76.5	-17.2	7.6	42.8	14.1	31.2	41.5
Margin (%)	2.4	3.1	4.2	3.5	2.9	3.1	3.1	3.4	3.9

### Standalone - Balance Sheet

(INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	50	50	50	50	50	50	50	50	50
Total Reserves	41	76	131	203	253	322	403	508	657
<b>Net Worth</b>	<b>91</b>	<b>126</b>	<b>181</b>	<b>253</b>	<b>303</b>	<b>372</b>	<b>453</b>	<b>558</b>	<b>707</b>
Total Loans	34	128	47	147	408	709	909	914	919
Deferred Tax Liabilities	-6	0	0	0	0	0	0	0	0
<b>Capital Employed</b>	<b>119</b>	<b>254</b>	<b>228</b>	<b>401</b>	<b>710</b>	<b>1082</b>	<b>1362</b>	<b>1472</b>	<b>1627</b>
Gross Block	53	98	114	158	229	620	822	932	1041
Less: Accum. Deprn.	21	26	33	43	61	84	120	161	207
<b>Net Fixed Assets</b>	<b>32</b>	<b>72</b>	<b>82</b>	<b>114</b>	<b>168</b>	<b>536</b>	<b>701</b>	<b>771</b>	<b>834</b>
Capital WIP	41	25	88	106	237	258	258	258	258
<b>Total Investments</b>	<b>5</b>	<b>36</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>156</b>	<b>211</b>	<b>180</b>	<b>276</b>	<b>469</b>	<b>488</b>	<b>632</b>	<b>722</b>	<b>878</b>
Inventory	105	113	93	123	200	250	280	338	415
Account Receivables	22	43	25	60	88	55	64	77	95
Cash and Bank Balance	2	3	3	4	5	4	81	55	59
Loans and Advances	28	52	58	89	176	179	208	251	308
<b>Curr. Liability &amp; Prov.</b>	<b>116</b>	<b>90</b>	<b>128</b>	<b>101</b>	<b>171</b>	<b>203</b>	<b>235</b>	<b>284</b>	<b>349</b>
Account Payables	82	41	57	67	129	155	179	217	266
Other Current Liabilities	33	48	71	34	41	47	55	66	81
Provisions	0	0	0	1	1	1	1	1	2
<b>Net Current Assets</b>	<b>41</b>	<b>121</b>	<b>52</b>	<b>174</b>	<b>298</b>	<b>285</b>	<b>397</b>	<b>438</b>	<b>529</b>
<b>Appl. of Funds</b>	<b>119</b>	<b>254</b>	<b>228</b>	<b>401</b>	<b>710</b>	<b>1082</b>	<b>1362</b>	<b>1472</b>	<b>1627</b>

## Reliance Retail: Financials and valuations

<b>Ratios</b>									
<b>Y/E March</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>
<b>Basic (INR)</b>									
<b>EPS</b>	<b>2.5</b>	<b>6.3</b>	<b>11.1</b>	<b>9.2</b>	<b>9.9</b>	<b>14.1</b>	<b>16.1</b>	<b>21.1</b>	<b>29.9</b>
Cash EPS	3.4	7.5	13.3	12.1	13.5	20.1	23.3	29.4	39.0
BV/Share	18.2	25.2	36.3	50.8	60.6	74.6	90.7	111.9	141.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return Ratios (%)</b>									
RoE	15.7	29.0	36.1	21.1	17.8	20.9	19.5	20.9	21.1
RoCE	13.5	18.7	25.7	16.2	11.6	11.2	9.6	10.3	12.3
RoIC	22.8	26.6	37.5	23.7	17.2	15.5	12.6	13.4	15.4
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	9.7	10.4	11.4	8.4	7.4	3.6	3.2	3.4	3.7
Asset Turnover (x)	4.3	4.0	5.7	3.3	2.4	2.1	1.9	2.1	2.4
Inventory (Days)	74	40	26	34	43	41	39	39	39
Debtor (Days)	16	16	7	17	19	9	9	9	9
Creditor (Days)	58	15	16	19	28	25	25	25	25
<b>Leverage Ratio (x)</b>									
Current Ratio	1.4	2.3	1.4	2.7	2.7	2.4	2.7	2.5	2.5
Interest Cover Ratio	19.1	8.7	9.3	9.6	4.3	3.4	3.2	3.5	4.6
Net Debt/Equity	0.3	0.7	0.2	0.5	1.3	1.9	1.8	1.5	1.2

### Standalone Cashflow Statement

(INR b)

<b>Y/E March</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>
OP/(Loss) before Tax	19	48	74	62	66	94	107	141	199
Depreciation	4	6	11	14	18	30	36	41	45
Interest & Finance Charges	1	-1	-2	-2	20	39	49	55	55
Direct Taxes Paid	-5	-10	-11	-14	-12	-20	-27	-35	-50
(Inc)/Dec in WC	-15	-33	84	-61	-75	-43	-35	-66	-87
<b>CF from Operations</b>	<b>4</b>	<b>11</b>	<b>156</b>	<b>-1</b>	<b>16</b>	<b>100</b>	<b>130</b>	<b>135</b>	<b>163</b>
Others	1	-24	9	7	0	-1	-2	-2	-2
<b>CF from Operating incl EO</b>	<b>5</b>	<b>-13</b>	<b>165</b>	<b>6</b>	<b>16</b>	<b>99</b>	<b>128</b>	<b>133</b>	<b>161</b>
(Inc)/Dec in FA	-48	-47	-67	-82	-203	-365	-202	-111	-109
<b>Free Cash Flow</b>	<b>-43</b>	<b>-60</b>	<b>98</b>	<b>-76</b>	<b>-187</b>	<b>-266</b>	<b>-73</b>	<b>23</b>	<b>52</b>
(Pur)/Sale of Investments	3	-7	18	0	-1	4	-3	0	0
Others	-4	0	2	-15	-52	4	2	2	2
<b>CF from Investments</b>	<b>-49</b>	<b>-54</b>	<b>-48</b>	<b>-97</b>	<b>-257</b>	<b>-356</b>	<b>-203</b>	<b>-109</b>	<b>-107</b>
Issue of Shares	10	4	0	26	0	0	0	0	0
Inc/(Dec) in Debt	34	94	-81	118	260	302	200	5	5
Interest Paid	-1	-6	-9	-6	-19	-45	-49	-55	-55
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	0	-23	-27	-47	0	0	0	0	0
<b>CF from Fin. Activity</b>	<b>43</b>	<b>68</b>	<b>-117</b>	<b>91</b>	<b>241</b>	<b>257</b>	<b>151</b>	<b>-50</b>	<b>-50</b>
<b>Inc/Dec of Cash</b>	<b>-1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>77</b>	<b>-25</b>	<b>4</b>
Opening Balance	3	2	3	3	4	5	4	81	55
<b>Closing Balance</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>81</b>	<b>55</b>	<b>59</b>
<b>Other Bank Balances</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Closing balance</b>		<b>3</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>81</b>	<b>55</b>	<b>59</b>

## RIL: Standalone financials and valuations

### Standalone - Income Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>3,716</b>	<b>3,370</b>	<b>2,457</b>	<b>4,237</b>	<b>5,393</b>	<b>5,345</b>	<b>5,483</b>	<b>5,558</b>
Change (%)	28.1	-9.3	-27.1	72.5	27.3	-0.9	2.6	1.4
<b>EBITDA</b>	<b>589</b>	<b>528</b>	<b>335</b>	<b>523</b>	<b>668</b>	<b>743</b>	<b>798</b>	<b>870</b>
Margin (%)	15.8	15.7	13.6	12.3	12.4	13.9	14.6	15.7
Depreciation	106	97	92	103	112	177	167	182
<b>EBIT</b>	<b>483</b>	<b>431</b>	<b>243</b>	<b>420</b>	<b>556</b>	<b>566</b>	<b>631</b>	<b>688</b>
Int. and Finance Charges	98	121	162	91	126	134	143	143
Other Income	88	136	148	139	111	121	131	139
<b>PBT bef. EO Exp.</b>	<b>474</b>	<b>446</b>	<b>229</b>	<b>468</b>	<b>541</b>	<b>553</b>	<b>619</b>	<b>685</b>
EO Items	0	-42	43	0	12	0	0	0
<b>PBT after EO Exp.</b>	<b>474</b>	<b>403</b>	<b>272</b>	<b>468</b>	<b>553</b>	<b>553</b>	<b>619</b>	<b>685</b>
Total Tax	122	94	-47	77	111	132	154	170
Tax Rate (%)	25.8	23.3	-17.4	16.5	20.1	23.9	24.8	24.8
<b>Reported PAT</b>	<b>352</b>	<b>309</b>	<b>319</b>	<b>391</b>	<b>442</b>	<b>420</b>	<b>466</b>	<b>515</b>
<b>Adjusted PAT</b>	<b>352</b>	<b>335</b>	<b>273</b>	<b>391</b>	<b>430</b>	<b>420</b>	<b>466</b>	<b>515</b>
Change (%)	4.6	-4.7	-18.5	43.1	10.0	-2.2	10.7	10.6
Margin (%)	9.5	9.9	11.1	9.2	8.0	7.9	8.5	9.3

### Standalone - Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	63	63	64	68	68	68	68	68
Total Reserves	3,990	3,849	4,680	4,648	4,723	5,083	5,483	5,926
<b>Net Worth</b>	<b>4,053</b>	<b>3,912</b>	<b>4,745</b>	<b>4,715</b>	<b>4,791</b>	<b>5,151</b>	<b>5,551</b>	<b>5,993</b>
Total Loans	1,572	1,973	1,667	1,946	2,158	2,118	2,118	2,118
Deferred Tax Liabilities	473	506	308	308	340	363	363	363
<b>Capital Employed</b>	<b>6,098</b>	<b>6,391</b>	<b>6,720</b>	<b>6,969</b>	<b>7,289</b>	<b>7,631</b>	<b>8,031</b>	<b>8,474</b>
Gross Block	3,286	4,417	4,512	3,943	4,481	4,831	5,102	5,562
Less: Accum. Deprn.	1,255	1,352	1,444	1,547	1,658	1,835	1,999	2,181
<b>Net Fixed Assets</b>	<b>2,032</b>	<b>3,065</b>	<b>3,068</b>	<b>2,396</b>	<b>2,823</b>	<b>2,996</b>	<b>3,103</b>	<b>3,381</b>
Capital WIP	1,116	280	328	347	544	616	993	1,183
<b>Total Investments</b>	<b>3,317</b>	<b>4,918</b>	<b>3,473</b>	<b>4,088</b>	<b>3,511</b>	<b>3,701</b>	<b>3,701</b>	<b>3,701</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>1,293</b>	<b>1,454</b>	<b>1,851</b>	<b>1,933</b>	<b>2,298</b>	<b>2,040</b>	<b>2,001</b>	<b>1,999</b>
Inventory	441	388	374	459	848	851	873	885
Account Receivables	121	75	42	144	241	147	151	153
Cash and Bank Balance	38	85	56	217	610	692	613	600
Loans and Advances	693	907	1,379	1,113	599	349	364	362
<b>Curr. Liability &amp; Prov.</b>	<b>1,659</b>	<b>3,326</b>	<b>2,001</b>	<b>1,795</b>	<b>1,887</b>	<b>1,722</b>	<b>1,766</b>	<b>1,790</b>
Account Payables	1,626	3,301	1,977	1,770	1,864	1,695	1,739	1,763
Provisions	33	25	24	25	23	27	27	28
<b>Net Current Assets</b>	<b>-366</b>	<b>-1,872</b>	<b>-150</b>	<b>138</b>	<b>411</b>	<b>318</b>	<b>235</b>	<b>209</b>
<b>Appl. of Funds</b>	<b>6,098</b>	<b>6,391</b>	<b>6,720</b>	<b>6,969</b>	<b>7,289</b>	<b>7,631</b>	<b>8,031</b>	<b>8,474</b>

## RIL: Standalone financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>54.6</b>	<b>52.0</b>	<b>42.4</b>	<b>60.6</b>	<b>66.7</b>	<b>65.2</b>	<b>72.2</b>	<b>79.9</b>
Cash EPS	70.9	67.1	56.6	76.6	84.0	92.7	98.1	108.1
BV/Share	658.8	635.8	771.2	766.4	778.7	837.2	902.2	974.1
<b>Valuation (x)</b>								
P/E	54.4	57.1	70.1	49.0	44.5	45.5	41.1	37.2
Cash P/E	41.9	44.3	52.4	38.8	35.3	32.0	30.3	27.5
P/BV	4.5	4.7	3.9	3.9	3.8	3.5	3.3	3.0
EV/Sales	5.6	6.2	8.4	4.9	3.8	3.8	3.8	3.7
EV/EBITDA	35.1	39.8	61.9	39.9	31.0	27.7	25.9	23.7
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4
FCF per share	6.7	84.3	-34.5	76.6	40.6	61.8	20.0	31.4
<b>Return Ratios (%)</b>								
RoE	9.8	8.4	6.3	8.3	9.0	8.5	8.7	8.9
RoCE	8.7	7.5	7.5	7.1	7.8	7.4	7.7	7.9
RoIC	26.1	24.1	14.4	13.6	18.0	16.4	17.8	18.1
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.1	0.8	0.5	1.1	1.2	1.1	1.1	1.0
Asset Turnover (x)	0.6	0.5	0.4	0.6	0.7	0.7	0.7	0.7
Inventory (Days)	43	42	56	40	57	58	58	58
Debtor (Days)	12	8	6	12	16	10	10	10
Creditor (Days)	160	358	294	152	126	116	116	116
<b>Leverage Ratio (x)</b>								
Current Ratio	0.8	0.4	0.9	1.1	1.2	1.2	1.1	1.1
Interest Cover Ratio	5.0	3.6	1.5	4.6	4.4	4.2	4.4	4.8
Net Debt/Equity	0.4	0.5	0.3	0.4	0.3	0.3	0.3	0.3

### Standalone - Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	474	403	272	468	556	553	619	685
Depreciation	106	97	92	103	112	177	167	182
Interest & Finance Charges	98	121	162	91	126	134	143	143
Direct Taxes Paid	-94	-53	-17	-15	-49	-92	-154	-170
(Inc)/Dec in WC	-193	335	-320	138	-60	78	4	12
Others	-98	-129	-194	-111	-131	-110	0	0
<b>CF from Operations</b>	<b>292</b>	<b>775</b>	<b>-5</b>	<b>675</b>	<b>553</b>	<b>740</b>	<b>779</b>	<b>852</b>
(Inc)/Dec in FA	-249	-232	-218	-181	-292	-342	-650	-650
<b>Free Cash Flow</b>	<b>43</b>	<b>544</b>	<b>-223</b>	<b>493</b>	<b>262</b>	<b>398</b>	<b>129</b>	<b>202</b>
(Pur)/Sale of Investments	-127	-1,309	1,202	-563	-10	-170	0	0
Others	-163	105	-242	292	223	129	0	0
<b>CF from Investments</b>	<b>-539</b>	<b>-1,436</b>	<b>743</b>	<b>-453</b>	<b>-78</b>	<b>-383</b>	<b>-650</b>	<b>-650</b>
Inc/(Dec) in Debt	415	118	-181	-238	117	-44	0	0
Interest Paid	-116	-145	-143	-110	-140	-169	-143	-143
Dividend Paid	-43	-46	-39	-43	-51	-61	-66	-73
<b>CF from Fin. Activity</b>	<b>258</b>	<b>708</b>	<b>-766</b>	<b>-60</b>	<b>-74</b>	<b>-275</b>	<b>-209</b>	<b>-216</b>
<b>Inc/Dec of Cash</b>	<b>10</b>	<b>47</b>	<b>-29</b>	<b>161</b>	<b>401</b>	<b>82</b>	<b>-79</b>	<b>-13</b>
Opening Balance	27	38	84	56	217	610	692	613
<b>Closing Balance</b>	<b>38</b>	<b>85</b>	<b>56</b>	<b>217</b>	<b>610</b>	<b>692</b>	<b>613</b>	<b>600</b>

## RIL: Consolidated financials and valuations

Consolidated - Income Statement								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>5,671</b>	<b>5,967</b>	<b>4,669</b>	<b>7,000</b>	<b>8,795</b>	<b>9,011</b>	<b>9,815</b>	<b>10,726</b>
Change (%)	44.8	5.2	-21.8	49.9	25.6	2.5	8.9	9.3
<b>Total Expenditure</b>	<b>4,832</b>	<b>5,085</b>	<b>3,862</b>	<b>5,895</b>	<b>7,366</b>	<b>7,388</b>	<b>8,022</b>	<b>8,711</b>
% of Sales	85.2	85.2	82.7	84.2	83.8	82.0	81.7	81.2
<b>EBITDA</b>	<b>839</b>	<b>882</b>	<b>807</b>	<b>1,105</b>	<b>1,429</b>	<b>1,622</b>	<b>1,794</b>	<b>2,015</b>
Margin (%)	14.8	14.8	17.3	15.8	16.2	18.0	18.3	18.8
Depreciation	209	222	266	298	403	508	546	592
<b>EBIT</b>	<b>630</b>	<b>660</b>	<b>542</b>	<b>807</b>	<b>1,026</b>	<b>1,114</b>	<b>1,248</b>	<b>1,422</b>
Int. and Finance Charges	165	220	212	146	196	231	244	239
Other Income	86	140	163	149	118	161	171	183
<b>PBT bef. EO Exp.</b>	<b>551</b>	<b>579</b>	<b>493</b>	<b>810</b>	<b>948</b>	<b>1,043</b>	<b>1,175</b>	<b>1,366</b>
EO Items	0	-44	56	28	0	0	0	0
<b>PBT after EO Exp.</b>	<b>551</b>	<b>535</b>	<b>549</b>	<b>839</b>	<b>948</b>	<b>1,043</b>	<b>1,175</b>	<b>1,366</b>
Total Tax	154	137	17	163	207	257	295	343
Tax Rate (%)	27.9	25.7	3.1	19.4	21.8	24.6	25.1	25.1
Minority Interest	-1	-1	41	69	74	90	84	104
<b>Reported PAT</b>	<b>398</b>	<b>399</b>	<b>491</b>	<b>607</b>	<b>667</b>	<b>696</b>	<b>796</b>	<b>919</b>
<b>Adjusted PAT</b>	<b>398</b>	<b>432</b>	<b>437</b>	<b>584</b>	<b>667</b>	<b>696</b>	<b>796</b>	<b>919</b>
Change (%)	7.2	8.4	1.1	33.8	14.2	4.4	14.4	15.4
Margin (%)	7.0	7.2	9.4	8.3	7.6	7.7	8.1	8.6

Consolidated - Balance Sheet								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	59	63	64	68	68	68	68	68
Total Reserves	3,812	4,428	6,937	7,727	8,144	7,867	8,612	9,474
<b>Net Worth</b>	<b>3,871</b>	<b>4,492</b>	<b>7,002</b>	<b>7,795</b>	<b>8,212</b>	<b>7,935</b>	<b>8,680</b>	<b>9,542</b>
Minority Interest	83	122	993	1,095	1,130	1,323	1,323	1,323
Total Loans	2,719	2,914	2,238	2,820	3,351	3,461	3,461	3,461
Deferred Tax Liabilities	499	541	370	496	603	722	722	722
<b>Capital Employed</b>	<b>7,173</b>	<b>8,069</b>	<b>10,602</b>	<b>12,206</b>	<b>13,296</b>	<b>13,442</b>	<b>14,187</b>	<b>15,049</b>
Gross Block	5,868	7,450	7,802	8,938	10,289	11,321	14,632	16,254
Less: Accum. Deprn.	2,004	2,226	2,492	2,790	3,193	3,701	4,247	4,839
<b>Net Fixed Assets</b>	<b>3,864</b>	<b>5,224</b>	<b>5,310</b>	<b>6,148</b>	<b>7,096</b>	<b>7,620</b>	<b>10,385</b>	<b>11,415</b>
Goodwill on Consolidation	120	103	102	130	137	150	150	150
Capital WIP	1,795	1,091	1,260	1,725	2,938	3,389	1,278	856
<b>Total Investments</b>	<b>2,403</b>	<b>2,768</b>	<b>3,648</b>	<b>3,943</b>	<b>3,366</b>	<b>2,257</b>	<b>2,257</b>	<b>2,257</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>1,843</b>	<b>2,474</b>	<b>2,892</b>	<b>3,051</b>	<b>3,598</b>	<b>4,145</b>	<b>4,604</b>	<b>5,274</b>
Inventory	676	739	817	1,078	1,400	1,528	1,664	1,818
Account Receivables	301	197	190	236	285	316	345	376
Cash and Bank Balance	111	309	174	362	747	972	1,148	1,497
Loans and Advances	755	1,229	1,711	1,375	1,167	1,329	1,447	1,581
<b>Curr. Liability &amp; Prov.</b>	<b>2,851</b>	<b>3,590</b>	<b>2,610</b>	<b>2,791</b>	<b>3,839</b>	<b>4,118</b>	<b>4,486</b>	<b>4,902</b>
Account Payables	1,083	968	1,089	1,593	1,472	1,784	1,943	2,123
Other Current Liabilities	1,721	2,581	1,465	1,159	2,329	2,292	2,497	2,728
Provisions	47	41	56	38	38	42	46	50
<b>Net Current Assets</b>	<b>-1,009</b>	<b>-1,116</b>	<b>282</b>	<b>260</b>	<b>-241</b>	<b>27</b>	<b>118</b>	<b>372</b>
<b>Appl. of Funds</b>	<b>7,173</b>	<b>8,069</b>	<b>10,602</b>	<b>12,206</b>	<b>13,296</b>	<b>13,442</b>	<b>14,187</b>	<b>15,049</b>

## RIL: Consolidated financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>67.2</b>	<b>68.1</b>	<b>67.7</b>	<b>86.4</b>	<b>98.6</b>	<b>102.9</b>	<b>117.7</b>	<b>135.9</b>
Cash EPS	94.3	101.5	109.0	136.9	166.1	186.9	208.3	234.5
BV/Share	601	697	1,086	1,209	1,274	1,231	1,347	1,480
DPS	6.0	6.0	6.4	7.0	7.9	6.9	7.6	8.5
Payout (%)	11.6	11.6	8.4	7.8	8.0	6.7	6.4	6.3
<b>Valuation (x)</b>								
P/E	44.1	43.5	43.7	34.3	30.1	28.8	25.2	21.8
Cash P/E	31.4	29.2	27.2	21.6	17.8	15.9	14.2	12.6
P/BV	4.9	4.3	2.7	2.4	2.3	2.4	2.2	2.0
EV/Sales	3.8	3.6	4.5	3.2	2.6	2.5	2.3	2.1
EV/EBITDA	25.9	24.6	26.2	20.4	15.8	13.9	12.5	10.9
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.3
FCF per share	-0.8	-22.1	14.3	-18.3	22.8	15.8	0.0	0.0
<b>Return Ratios (%)</b>								
RoE	11.7	10.3	7.6	7.9	8.3	8.6	9.6	10.1
RoCE	9.1	8.5	8.2	7.8	8.1	8.4	9.0	9.6
RoIC	17.7	14.5	11.1	11.1	12.9	12.8	11.4	10.7
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.0	0.8	0.6	0.8	0.9	0.8	0.7	0.7
Asset Turnover (x)	0.8	0.7	0.4	0.6	0.7	0.7	0.7	0.7
Inventory (Days)	43	45	64	56	58	62	62	62
Debtor (Days)	19	12	15	12	12	13	13	13
Creditor (Days)	70	59	85	83	61	72	72	72
<b>Leverage Ratio (x)</b>								
Current Ratio	0.6	0.7	1.1	1.1	0.9	1.0	1.0	1.1
Interest Cover Ratio	3.8	3.0	2.6	5.5	5.2	4.8	5.1	5.9
Net Debt/Equity	0.7	0.6	0.3	0.3	0.3	0.3	0.3	0.2

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
PBT	552	536	555	839	948	1,043	1,175	1,366
Depreciation	209	222	266	298	403	508	546	592
Tax paid	-122	-84	-32	-38	-207	-257	-295	-343
Change in deferred tax liability	0	0	0	0	0	119	0	0
Change in net working capital	-288	219	-507	7	-196	64	84	96
Misc	72	87	-19	1	202	110	-84	-104
<b>Operating cash flow</b>	<b>423</b>	<b>981</b>	<b>262</b>	<b>1,107</b>	<b>1,150</b>	<b>1,588</b>	<b>1,427</b>	<b>1,607</b>
Capex	-928	-756	-1,035	-970	-1,318	-1,420	-1,200	-1,200
Change in investments	-19	141	-473	3	294	170	0	0
Misc	-5	-142	92	-124	154	107	0	0
<b>Investing cash flows</b>	<b>-951</b>	<b>-757</b>	<b>-1,416</b>	<b>-1,092</b>	<b>-870</b>	<b>-1,143</b>	<b>-1,200</b>	<b>-1,200</b>
Change in borrowings	865	356	-837	99	381	266	0	0
Misc	-265	-337	-241	-285	-231	-372	0	0
Issuance of equity	2	1	2,136	402	5	0	0	0
Others	-263	-335	1,895	117	-225	-372	0	0
Dividend paid	-43	-46	-39	-43	-51	-61	-51	-58
<b>Financing cash flow</b>	<b>559</b>	<b>-25</b>	<b>1,019</b>	<b>173</b>	<b>105</b>	<b>-166</b>	<b>-51</b>	<b>-58</b>
Net change in cash	31	198	-135	188	385	278	176	349
Closing cash balance	111	309	174	362	747	972	1,148	1,497

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