

Reliance Industries

Estimate change



TP change



Rating change

CMP: INR2,745

TP: INR3,255 (+19%)

Buy

Weak results; recovery in O2C and Retail remains key

Bloomberg	RELIANCE IN
Equity Shares (m)	6766
M.Cap.(INRb)/(USD\$b)	18574.3 / 221
52-Week Range (INR)	3218 / 2220
1, 6, 12 Rel. Per (%)	-6/-18/-10
12M Avg Val (INR M)	18491

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	9,011	9,299	9,927
EBITDA	1,622	1,650	2,051
Adj PAT	696	654	877
EBITDA (%)	18%	18%	21%
EPS (INR)	102.9	96.7	129.7
EPS Gr. (%)	4%	-6%	34%
BV/Sh. (INR)	1,231	1,325	1,452

Ratios

Net D/E	0.3	0.3	0.2
RoE (%)	8.6	7.9	9.8
RoCE (%)	8.4	8.1	9.8

Valuations

P/E (x)	26.7	28.4	21.2
P/BV (x)	2.2	2.1	1.9
EV/EBITDA (x)	13.0	12.8	10.2
Div Yield (%)	0.2	0.3	0.3
FCF Yield (%)	0.6	0.0	0.0

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	49.1	49.1	49.1
DII	17.3	17.0	15.9
FII	23.5	23.8	24.5
Others	10.2	10.2	10.5

FII Includes depository receipts

■ Reliance Industries (RIL)'s 2QFY25 consolidated EBITDA declined 5% YoY (flat QoQ) to INR391b (2% miss) due to a weaker performance in O2C (softer refining/petchem cracks) and Reliance Jio (elevated subscriber churn). Reliance Retail remained weak because of rationalization efforts. Attributable PAT declined ~5% YoY to INR166b (+9% QoQ), but it exceeded our estimate by 4% on lower depreciation and higher other income.

■ **Reliance Jio (RJio):** Revenue/EBITDA grew 7%/8% QoQ, but came in 2% below our estimates as the partial flow-through of the recent tariff hike was partly offset by a large subscriber loss (net wireless subs declined ~13m).

■ **Reliance Retail (Retail):** Net revenue declined ~4% YoY due to weak demand in the fashion & lifestyle category. We believe the decline in core retail would likely be higher as Connectivity would have benefitted from RJio's tariff hikes. However, reported EBITDA inched up 1% YoY (in line) as margins expanded 35bp YoY to 8.8% (60bp beat). Reported PAT was up ~5% YoY.

■ **Standalone EBITDA** declined 30% YoY (-6% QoQ) to INR134b and came in 5% below our estimate, mainly due to softer cracks YoY in both refining and petchem. Standalone PAT declined 31% YoY (up 1% QoQ), but was 10% ahead of our estimate on higher other income and lower DD&A and interest costs. We cut our standalone FY25E EBITDA/PAT by 6%/8% as we build in weaker refining/petchem margins in 2HFY25.

■ Consolidated net debt increased by INR40b QoQ to INR1,164b, and 2Q capex rose 18% QoQ to INR340b (down 12% YoY) due to higher capex in O2C and New Energy, while capex in RJio declined.

■ We cut our FY25/FY26 consolidated EBITDA estimates by 1-2% and PAT estimates by 6%/3%, as we reduce our estimates for standalone earnings by ~8%, RJio earnings by 1-3% and Retail earnings by 2-10%. We model a CAGR of 12-13% in EBITDA/PAT over FY24-27, driven by more frequent tariff hikes in RJio and a recovery in Retail and O2C earnings.

■ Using the SoTP method, we value RIL's standalone business at 8x Dec'26E EV/EBITDA to arrive at a value of INR1,001/sh. We ascribe an equity value of INR1,001/sh to RIL's equity stake in RJio (based on DCF) and INR1,319/sh to RIL's equity stake in Retail, as well as assign INR89/sh to RIL's New Energy business. **Reiterate BUY with a revised TP of INR3,255 (earlier INR3,410).**

RJio – Tariff hike flow-through offset by higher subscriber churn

- RJio's standalone revenue was up 7% QoQ (15% YoY; 2% miss) at INR283b, driven by a partial flow-through of the recent tariff hikes.
- Blended ARPU rose ~7% QoQ/YoY (in line) to INR195/month, while the subscriber base declined ~2.2% QoQ (~11m QoQ net decline) to 478.8m due to a heightened churn (2.8% vs. 1.7% QoQ) after the tariff hikes.
- EBITDA grew 8% QoQ (16% YoY) to INR150b (2% miss). The miss was largely due to weaker revenue. EBITDA margin expanded ~50bp QoQ to 53.1% (~20bp miss). Incremental EBITDA margin stood at 60% (vs. 59% in 1Q).

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- RJio has significantly ramped up the pace of home connects to 1.8m in 2QFY25 (3x over past four quarters) through its FWA offering, **JioAirFiber**.
- We trim our FY25/FY26 wireless subscriber estimates by 4-6%, considering the accelerated churn after the recent tariff hikes. The impact is partly offset by the ramp-up in FTTH/FWA homes. As a result, we lower our FY25/FY26 revenue and EBITDA estimate by 1-3%. We continue to build in the next round of the tariff hike in Dec'25 (~15% or INR50/month on base pack). For RJio, we expect a CAGR of ~17%/20% in revenue/EBITDA over FY24-27, driven by the tariff hike flow-through and potential market share gains.

Reliance Retail – Weak revenue print (YoY decline), but margin expands

- Reliance Retail's consolidated net revenue declined ~4% YoY (7% miss) due to weaker demand in the fashion & lifestyle category and continued rationalization of smaller/unprofitable stores. The decline in core retail (excluding Connectivity) is estimated to be higher as Connectivity would have benefitted from RJio's tariff hikes (Core-retail revenue declined by 9% YoY to INR473b, as per our estimates).
- **Blended EBITDA grew by a modest 0.5% YoY to INR59b (in line) as margins expanded 35bp YoY to 8.8% (60bp ahead). Margin expansion was driven by its continued focus on streamlining operations and calibration in B2B.**
- In 2QFY25, Retail added 464 stores and closed 436 stores (net 28 store adds), taking the total store count to 18,946. Net area declined by 1.9m sqft to 79.4m sqft, implying the continuation of store/area consolidation.
- The quarter recorded footfall of over 297m across formats (up 14% YoY), while the number of transactions grew by 9% YoY.
- For FY25/FY26, we lower our revenue estimates by 6%/10% and PAT estimates by 2%/10%. We expect a CAGR of 12%/14%/14% in revenue/EBITDA/PAT over FY24-27.

Standalone – 2Q hit by weaker refining, petchem spreads

- Revenue stood at INR1,301b (-5% YoY). EBITDA came in at INR134b (est. INR141b; -30% YoY).
- The weakness in EBITDA was due to softer cracks YoY in both refining and petrochemicals, even as production meant for sale was marginally up YoY. Standalone results were also impacted marginally by the cut in gas prices for both KG-D6 and CBM production.
- EBITDA/mt stood at ~USD54.8 (-46% YoY; our est. USD60.5/mt) amid weak Gasoline/Gasoil cracks, which were down 48%/53% YoY.
- Production meant for sale stood at 17.7mmt (+4% YoY).
- Reported PAT was INR77b (est. INR70b, -31% YoY). The 10% beat vs. our estimate was driven by lower-than-expected DDA and interest expenses and higher-than-estimated other income.
- Gas price realization for KG-D6 gas declined to USD9.55/mmBtu in 2QFY25 from USD10.5/mmBtu in 2QFY24. Oil & Gas exploration EBITDA increased 11% YoY to INR52.9b (flat QoQ).

Key macro performance highlights:

- Global oil demand in 2QFY25 rose only 0.8mb/d YoY (vs. 2.5mb/d in 2QFY24) to 103.9mb/d.
- The global refinery throughput was lower by 0.5mb/d YoY at 82.3mb/d in 2Q.
- Crude oil benchmarks declined YoY due to lower-than-expected demand growth, especially in China. Rising supplies from non-OPEC producers drove prices down, despite OPEC+ countries extending their voluntary production cuts.

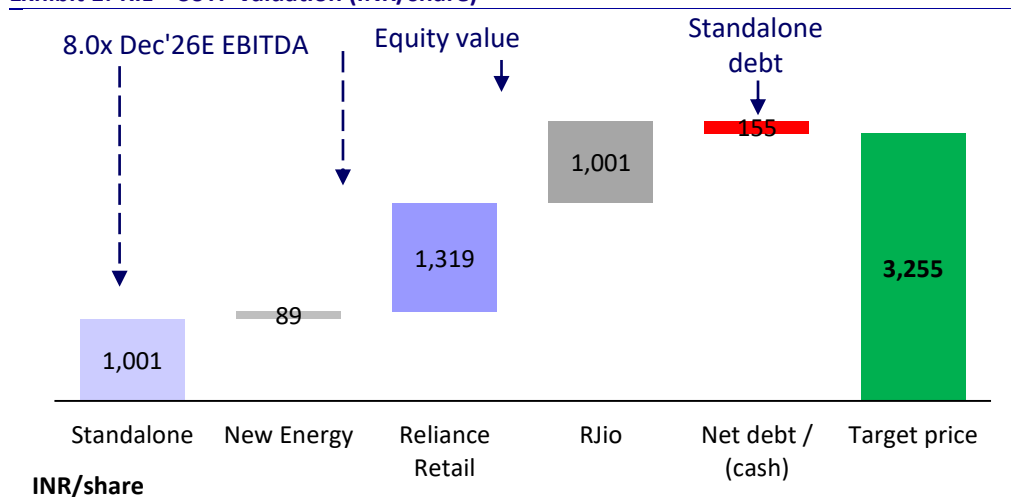
Spreads in Oct'24 have remained weak:

- So far in Oct'24, refining cracks for gasoil, gasoline and jet fuel are down USD1-2/bbl vs. the 2QFY25 average.
- While polymer cracks are flat in Oct'24 to date vs. the 2QFY25 average, PX cracks have continued to decline another 30%.

Valuation and view

- Among the segments, we expect RJio to be the biggest driver of EBITDA growth over FY24-27, driven by more frequent tariff hikes, market share gains in wireless, and the ramp-up of its Homes and Enterprise business. We expect growth recovery in Retail after the recent rationalization of unprofitable stores and B2B, driven by increased footprint, category additions, and a potential foray into quick commerce.
 - We value RJio's mobility business on DCF. We build in a CAGR of ~2% in subscriber addition and ~6% in ARPU over FY27-34 to arrive at an enterprise valuation of INR9.8t (or ~USD117b), which implies ~12x FY27E EV/EBITDA. We use the same multiple to value RJio's Homes and JPL businesses to arrive at an overall EV of ~INR12t (or ~USD142b). We ascribe an equity value of INR1,001/share for RIL's ~66.5% stake in JPL.
 - We value Retail's core business at 38x EV/EBITDA on Dec'26E and Connectivity at 5x to arrive at an equity value of INR10.7t (INR1,579 per share). RIL's attributable stake in Retail comes to INR1,319/sh. The recovery in Retail revenue growth would be the key near-term trigger.
 - Refining cracks are expected to remain soft in 2HFY25 given weak demand and supply from new capacities.
 - While polymer cracks in 3QFY25'TD have been flat QoQ, PX spreads have corrected further, and we do not expect a sharp recovery for the petchem segment overall in 2HFY25. The China stimulus and new capacity additions remain key monitorables for the petchem and refining segments.
 - 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).
 - We maintain our capex estimates at ~INR1.2t over FY25-26 as we expect RJio capex to decline but O2C/New Energy capex to pick up.
 - Using the SoTP method, we value RIL's standalone business at 8x Dec'26E EV/EBITDA to arrive at a valuation of INR1,001/sh. We ascribe an equity value of INR1,001/sh to RIL's equity stake in RJio (based on DCF) and INR1,319/sh to RIL's equity stake in Retail, as well as assign INR89/sh to RIL's New Energy business.
- Reiterate BUY with a revised TP of INR3,255 (earlier INR3,410).**

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



Consolidated - Quarterly Earnings Model

Y/E March	(INR b)											
	FY24				FY25				FY24	FY25	FY25	Var v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		
Net Sales	2,076	2,319	2,251	2,365	2,318	2,315	2,341	2,319	9,011	9,299	2,307	0%
YoY Change (%)	-5.4	0.8	3.6	11.1	11.7	-0.2	4.0	-1.9	2.5	3.2	-0.5	
EBITDA	381	410	407	425	388	391	424	444	1,622	1,650	397	-2%
Margins (%)	18.4	17.7	18.1	18.0	16.7	16.9	18.1	19.1	18.0	17.7	17.2	
Depreciation	118	126	129	136	136	129	134	136	508	535	133	-3%
Interest	58	57	58	58	59	60	65	74	231	258	60	0%
Other Income	38	38	39	45	40	49	38	24	161	149	40	22%
PBT before EO expense	243	265	258	277	232	250	263	258	1,043	1,007	244	3%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	243	265	258	277	232	250	263	258	1,043	1,007	244	3%
Rate (%)	25.2	25.2	24.6	23.7	24.9	23.7	24.6	21.9	24.6	25.3	24.4	
Minority Interest & Profit/Loss of Asso. Cos.	21.7	24.3	22.2	21.9	23.1	25.4	24.4	24.8	90.1	97.7	24.9	
Reported PAT	160	174	173	190	151	166	174	177	696	654	160	4%
Adj PAT	160	174	173	190	151	166	174	177	696	654	160	4%
YoY Change (%)	-12.0	27.0	9.2	-1.8	-5.5	-4.8	0.7	-6.8	2.5	-6.0	-8.2	
Margins (%)	7.7	7.5	7.7	8.0	6.5	7.2	7.4	7.6	7.7	7.0	6.9	

Standalone - Quarterly Earnings Model

Y/E March	(INR b)									
	FY24				FY25				FY25	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	2QE			
Net Sales	1,226	1,374	1,277	1,468	1,299	1,301	1,273		2%	
YoY Change (%)	-16.3	0.0	1.5	13.2	5.9	-5.3	-7.4			
EBITDA	175	192	176	200	143	134	141		-5%	
Margin (%)	14.3	14.0	13.7	13.6	11.0	10.3	11.1			
Depreciation	39	44	46	49	47	44	46			
Interest	36	32	30	36	30	27	32			
Other Income	27	29	30	35	35	38	30			
PBT before EO expense	127	145	130	151	101	102	93		9%	
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
PBT	127	145	130	151	101	102	93		9%	
Tax	31	33	31	38	25	25	23			
Rate (%)	24.4	22.7	23.5	25.0	25.0	24.5	24.8			
Reported PAT	96	112	99	113	76	77	70		10%	
Adj PAT	96	112	99	113	76	77	70		10%	
YoY Change (%)	-32.3	64.9	19.6	-18.0	-20.9	-31.2	-37.4			
Margin (%)	7.9	8.2	7.8	7.7	5.9	5.9	5.5			
Key Assumptions										
Production meant for sale (mmt)	17.2	17.1	16.4	17.1	17.7	17.7	17.5		1%	
EBITDA/mt (USD)	95.1	102.0	86.3	100.4	61.7	54.8	60.5		-9%	

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

RIL Consol	FY25E	FY26E	FY27E
Revenue			
Old	9,192	9,967	
Actual/New	9,299	9,927	10,758
Change (%)	1%	0%	
EBITDA			
Old	1,676	2,077	
Actual/New	1,650	2,051	2,300
Change (%)	-2%	-1%	
PAT			
Old	693	909	
Actual/New	654	877	995
Change (%)	-6%	-3%	

Source: Company, MOFSL

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

RIL Standalone	FY25E	FY26E	FY27E
Revenue			
Old	5,010	4,968	
Actual/New	5,042	5,027	5,074
Change (%)	1%	1%	
EBITDA			
Old	666	887	
Actual/New	628	844	848
Change (%)	-6%	-5%	
PAT			
Old	357	494	
Actual/New	327	454	451
Change (%)	-8%	-8%	

Source: Company, MOFSL

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

Rjio	FY25E	FY26E	FY27E
Revenue			
Old	1,176	1,381	
Actual/New	1,162	1,342	1,585
Change (%)	-1%	-3%	
EBITDA			
Old	632	762	
Actual/New	624	742	912
Change (%)	-1%	-3%	
PAT			
Old	266	336	
Actual/New	261	325	419
Change (%)	-2%	-3%	

Source: Company, MOFSL

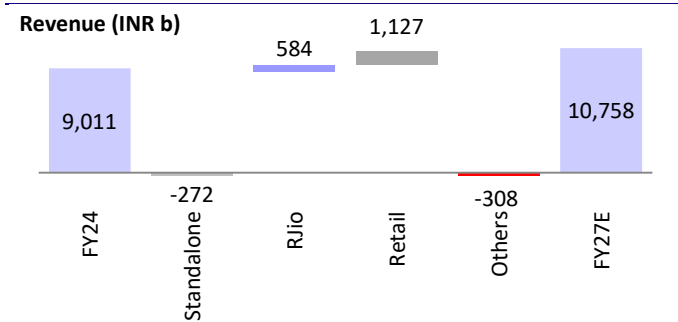
Exhibit 5: Reliance Retail – summary of changes to our estimates (INR b)

RRVL	FY25E	FY26E	FY27E
Revenue			
Old	3,057	3,697	
Actual/New	2,876	3,322	3,847
Change (%)	-6%	-10%	
EBITDA			
Old	244	300	
Actual/New	240	279	320
Change (%)	-2%	-7%	
PAT			
Old	120	156	
Actual/New	117	140	164
Change (%)	-2%	-10%	

Source: Company, MOFSL

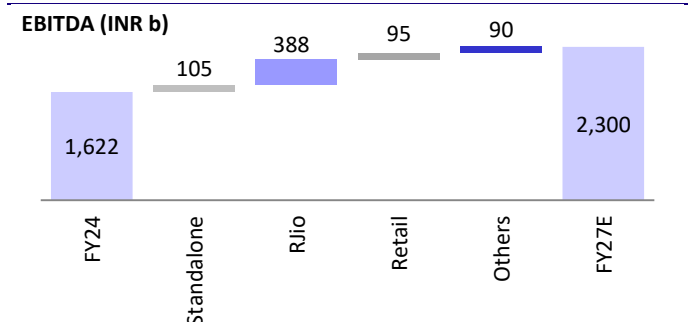
RIL – Story in charts

Exhibit 6: Expect Reliance Retail to add the highest revenue over FY24-27 (INR b)



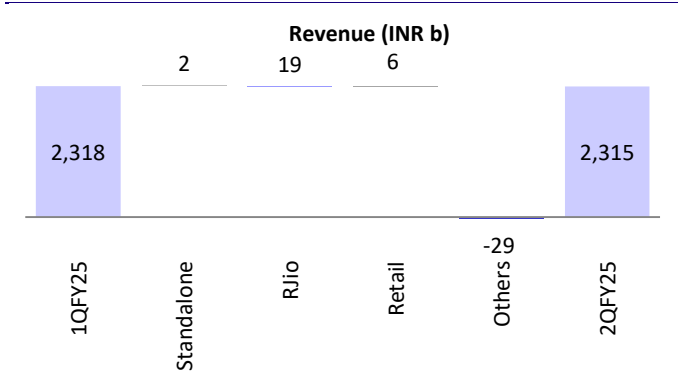
Source: Company, MOFSL

Exhibit 7: Expect all segments to contribute to EBITDA over FY24-27 (INR b)



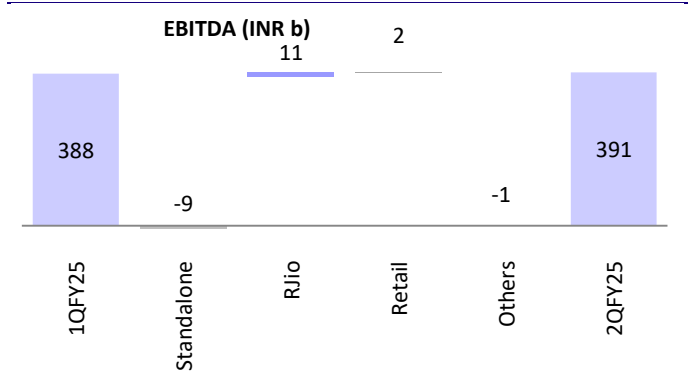
Source: Company, MOFSL

Exhibit 8: Sequential revenue flat in 2QFY25 (INR b)



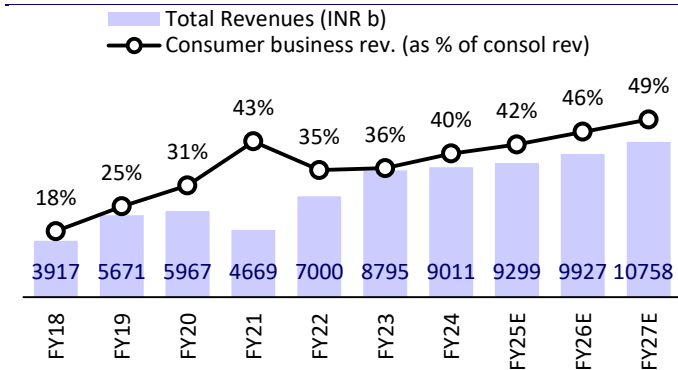
Source: Company, MOFSL

Exhibit 9: Sequential EBITDA marginal up in 2QFY25 (INR b)



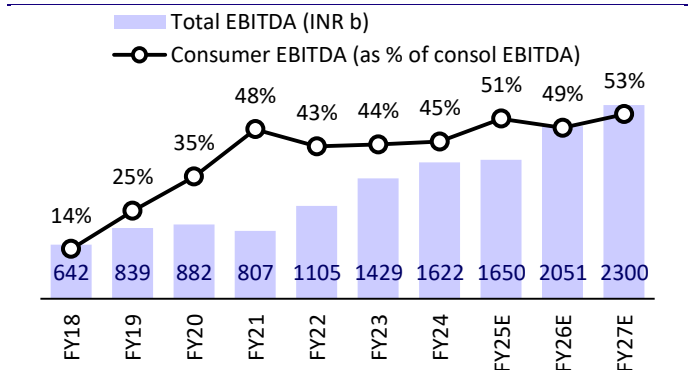
Source: Company, MOFSL

Exhibit 10: Expect Consumer business to contribute 49% to FY27 revenue



Source: Company, MOFSL

Exhibit 11: Expect Consumer business to contribute 53% to FY27 EBITDA



Source: Company, MOFSL

Exhibit 12: Net debt position (INR b)

INR b	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24
Gross Debt	2,949	3,035	3,147	3,187	2,957	3,117	3,246	3,049	3,363
Cash & Cash equivalent	2,016	1,933	2,045	1,921	1,780	1,924	2,083	1,926	2,199
Net Debt	933	1,102.5	1,102	1,266	1,177	1,194	1,163	1,123	1,164

Source: MOFSL, Company



Tariff hike flow-through offset by higher subs churn

Revenue/EBITDA up 7%/8% QoQ (2% miss) on tariff hike flow-through

RJio's standalone revenue was up 7% QoQ (15% YoY) at INR283b (2% miss), driven by the partial flow-through of the recent tariff hikes. Blended ARPU increased ~7% QoQ/YoY (in line) to INR195/month, while the subscriber base declined ~2.2% QoQ (**~11m QoQ net decline**) to 478.8m due to a heightened churn (2.8% vs. 1.7% QoQ) after the tariff hikes. EBITDA rose 8% QoQ (16% YoY) to INR150b (2% miss). The miss was, largely due to weaker revenue. EBITDA margin expanded ~50bp QoQ to 53.1% (~20bp miss). Incremental EBITDA margin for the quarter stood at 60% (vs. 59% in 1QFY25, broadly in line). PAT was up ~14% QoQ (+23% YoY) at INR62.3b, a 3% miss, led by lower EBITDA. RJio's net debt (including spectrum debt) declined by ~INR90b to INR2t, as per our estimates. 1HFY25 FCF (post interest and leases) stood at INR24b (vs. break-even in 1HFY24).

ARPU gets boost from tariff hike flow-through; subscriber base declines

Overall subscriber base declined ~2.2% QoQ (~11m QoQ net decline) to 478.8m due to a heightened churn (2.8% vs. 1.7% QoQ) after the tariff hikes.

- JioAirFiber reached 2.8m connections (vs. our estimate of 1.3m QoQ), implying a decline of ~13m in wireless subs.
- 5G user base increased further to 148m (from 130m QoQ).

Blended ARPU was up ~7% QoQ/YoY (in line) at INR195/month owing to the partial flow-through of the tariff hike. Overall data traffic (including FTTH) was up 2% QoQ (+24% YoY), with data usage per subscriber per month rising 2% QoQ to 31 GB (vs. 30.3 GB QoQ). Voice consumption was flat QoQ (+6% YoY), with MoU per subscriber per month at 977 mins (vs. 974 mins QoQ).

Steady progress on growth engines – 5G and JioAirFiber

RJio has rolled out its **5G standalone services** in India and has migrated 148m (vs. 130m+ QoQ) subscribers (i.e., ~31% of total subscribers vs. 26.5% QoQ) to the 5G network.

RJio has significantly ramped up the pace of home connects to 1.8m in 2QFY25 (3x over past four quarters) through its FWA offering, **JioAirFiber**. RJio plans to further ramp up customer acquisition to 1m homes per month to reach its target of 100m connected homes.

RJio – Key takeaways from the management interaction

RJio has reached 148m subscribers on True5G

- RJio has transformed India's 5G network with extensive spectrum holdings, standalone 5G infrastructure, and advanced technologies like carrier aggregation and network slicing.

RJio reaches 2.8m JioAirFiber connections; targets monthly net add of 1m

- JioAirFiber's rapid uptake has significantly accelerated the pace of home connections, with ~2.8m connected homes by JioAirFiber as of Sep'24.
- Scaling up distribution, optimization of the onboarding process, and technology edge would enable RJio to add 1m homes each month and help it achieve the target of 100m homes connections in India.
- During the quarter, JioTV+ app was made available for free download on all leading Smart TVs without a Set Top Box or additional JioAirFiber/JioFiber connection. This JioTV+ 2-in-1 offer allows users to connect multiple TVs with one connection and access 800+ digital TV channels and 13+ OTT apps.

JioBrain

- JioBrain is helping RIL embed AI into several processes and offerings, creating end-to-end workflows with real-time, data-driven insights and automation. This helps to deliver smarter and more responsive services to internal and external customers.
- To support RJio's vision of 'AI Everywhere for Everyone using Connected Intelligence', its AI-Cloud Welcome Offer was introduced during the quarter.
- Under this offer, RJio users will get up to 100GB of free cloud storage to securely store and access all their photos, videos, documents, digital content, and data.

Valuation

- We trim our FY25/FY26 wireless subscriber estimates by 4-6%, considering the accelerated churn after the recent tariff hikes. The impact is partly offset by the ramp-up in FTTH/FWA homes. As a result, we lower our FY25/FY26 revenue and EBITDA estimates by 1-3%. We continue to build in the next round of the tariff hike in Dec'25 (~15% or INR50/month on base pack). For RJio, we expect a CAGR of ~17%/20% in revenue/EBITDA over FY24-27, driven by the tariff hike flow-through and potential market share gains.
- We value RJio's mobility business on DCF. We build in a CAGR of ~2% subscriber addition and ~6% in ARPU over FY2027-34 to arrive at an enterprise value of INR9.8t (or ~USD117b), which implies ~12x FY27E EV/EBITDA. We use the same multiple to value RJio's Homes and JPL businesses to arrive at overall EV of ~INR12t (or ~USD142b). We ascribe an equity value of INR1,001/share to RIL's ~66.5% stake in JPL.

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

Digital services	EBITDA	Implied FY27 multiple	Value (INR b)	Value (USD b)
RJIL	912	12	11,159	133
Wireless	803	12	9,834	117
Homes	108	12	1,325	16
JPL and others	65	12	796	9
Enterprise value	977		11,955	142
Net debt			1,766	21
Equity value			10,189	121
Attributable to RIL (66.48% stake)			6,773	
RIL's stake value (INR/share)			1,001	

Source: Company, MOFSL

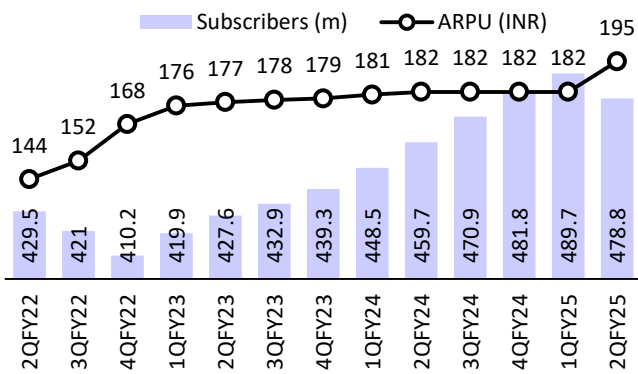
Exhibit 14: RJio – Quarterly performance

Profit model	2QFY24	1QFY25	2QFY25	YoY%	QoQ%	2QFY25E	Var (%)
Revenues	247.5	264.8	283.4	14.5	7.0	289.1	-2.0
Interconnect	3.0	2.6	3.7	22.1	39.3	2.9	27.6
LF/SUC	22.9	24.3	26.0	13.4	6.7	26.5	-2.2
Network operating costs	76.1	79.2	82.4	8.4	4.1	85.6	-3.7
Employee costs	4.7	4.9	5.0	6.0	2.3	5.1	-1.9
SG&A and other costs	11.3	15	16	41.3	10.0	15.0	6.7
EBITDA	129.5	139.2	150.4	16.1	8.0	154.1	-2.4
Other income	1.1	1.0	1.9	78.3	85.3	1.3	51.2
Finance cost	10.1	11.0	11.2	11.3	1.9	11.6	-2.9
Depreciation and amortization	52.6	56.1	57.3	9.1	2.3	57.5	-0.2
Profit before taxes	67.9	73.1	83.7	23.2	14.4	86.3	-3.0
Extraordinaries	-	-	-	-	-	-	-
Current tax	-	-	-	-	-	-	-
Deferred tax	17.4	18.7	21.4	23.2	14.4	22.0	-2.8
Net income	50.6	54.5	62.3	23.2	14.4	64.3	-3.1
Adjusted net income	50.6	54.5	62.3	23.2	14.4	64.3	-3.1

Operational metrics	2QFY24	1QFY25	2QFY25	YoY%	QoQ%	2QFY25E	Var (%)
EOP subscribers (m)	459.7	489.7	478.8	4.2	-2.2	494.1	-3.1
Average subscribers (m)	454.1	485.8	484.3	6.6	-0.3	491.9	-1.6
ARPU (INR/month)	181.7	181.7	195.1	7.4	7.4	195.9	-0.4
EBITDA margins (%)	52.3	52.6	53.1			53.3	
Data consumption inc. FTTH (b GB)	36.3	44.1	45.0	24.0	2.0	46.3	-2.8
Data consumption inc. FTTH per user (GB/month)	26.6	30.3	31.0	16.2	2.4	31.4	-1.3
Voice consumption (b min)	1,334.0	1,420.0	1,420.0	6.4	0.0	1,455.5	-2.4
Voice consumption per user (min/month)	979.2	974.4	977.5	-0.2	0.3	986.3	-0.9
Net subscriber additions (m)	11.2	7.9	-10.9			4.4	
Incremental EBITDA margin	53.0	59.3	60.0			61.1	

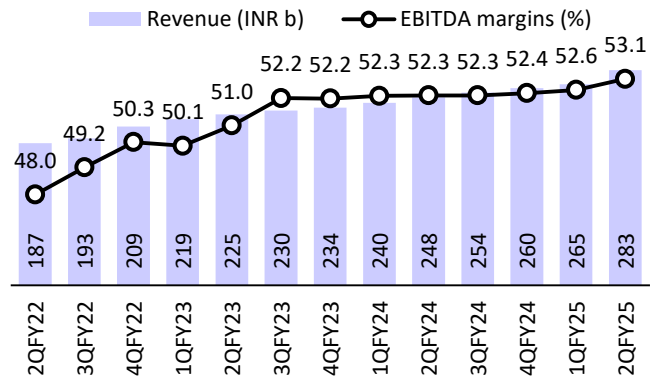
Source: MOFSL, Company

Exhibit 15: ARPU rose to INR195; subscriber base declined



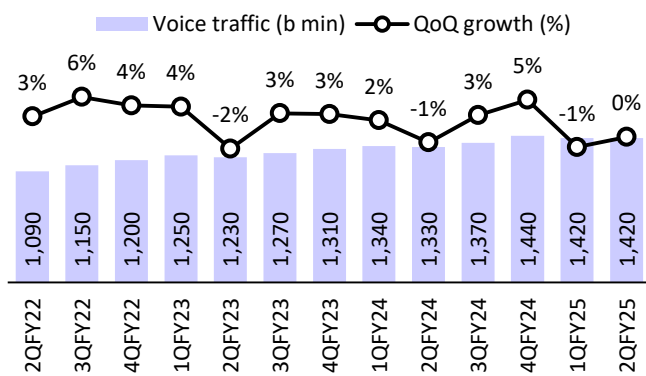
Source: MOFSL, Company

Exhibit 16: Revenue/EBITDA grew 7%/8% QoQ



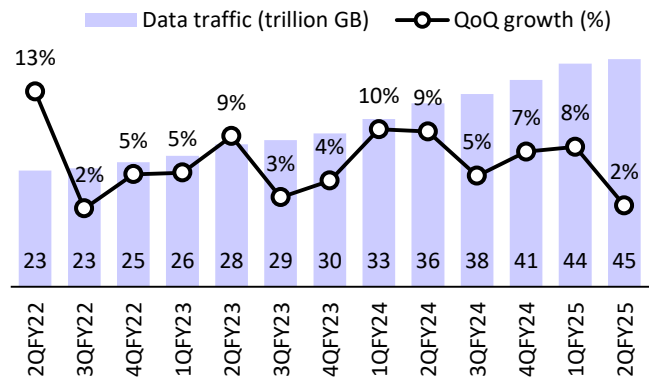
Source: MOFSL, Company

Exhibit 17: RJio – Voice traffic remained flat QoQ



Source: MOFSL, Company

Exhibit 18: RJio – Data traffic growth moderated



Source: MOFSL, Company

Exhibit 19: Financial snapshot of Jio Platforms

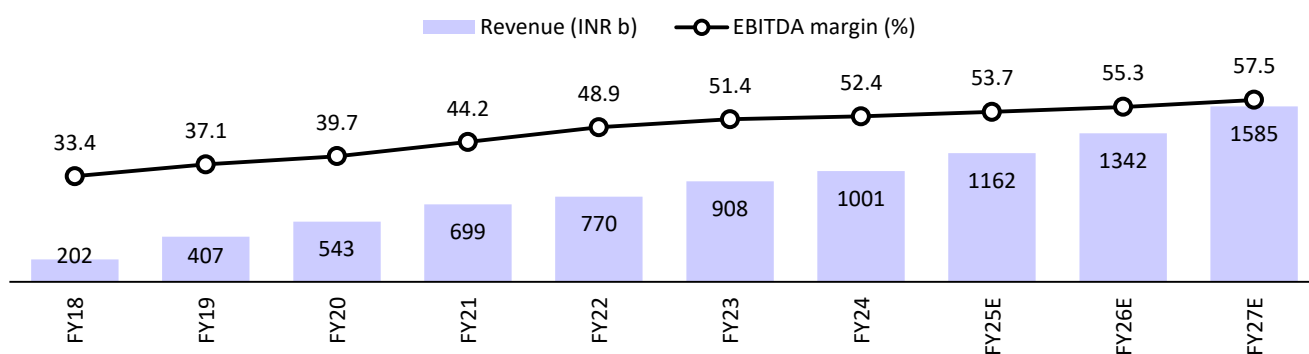
	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	(% chg.) YoY	QoQ
Profit model										
Revenues	249	255	261	269	277	289	294	317	18.0	7.7
EBITDA	125	128	131	135	140	144	146	159	17.8	8.8
JPL EBITDA margin (%)	50	50	50	50	50	50	50	50	(10)bp	(53)bp
Finance cost	(10)	(10)	(10)	(10)	(10)	(10)	(11)	(11)	12.2	2.6
Depreciation and amortization	(49)	(51)	(53)	(54)	(56)	(58)	(59)	(60)	10.6	2.4
Profit before taxes	66	67	69	71	73	75	77	88	0	0
Net income	49	50	51	53	54	56	57	65	23.4	14.9
Operational metrics										
Non-mobility revenues	18.9	20.7	20.7	21.3	23.3	29.1	29.7	33.7	58.6	13.5
Non-mobility EBITDA	4.5	4.5	4.5	4.7	5.3	6.3	6.2	7.1	50.5	14.6
Non-mobility EBITDA margin	23.6	21.8	21.9	22.1	22.9	21.5	20.7	20.9	(113)bp	21bp
Non-mobility PAT	2.4	2.7	2.3	2.4	2.4	2.5	2.5	3.1	28.9	24.2
Non-mobility as % of JPL revenue	7.6	8.1	7.9	7.9	8.4	10.1	10.1	10.6	272bp	54bp
Non-mobility as % of JPL EBITDA	3.6	3.5	3.5	3.5	3.8	4.4	4.2	4.4	96bp	22bp
Non-mobility as % of JPL PAT	5.0	5.4	4.6	4.5	4.4	4.4	4.4	4.7	20bp	35bp

Source: MOFSL, Company

Exhibit 20: RJio – Summary of changes to our estimates

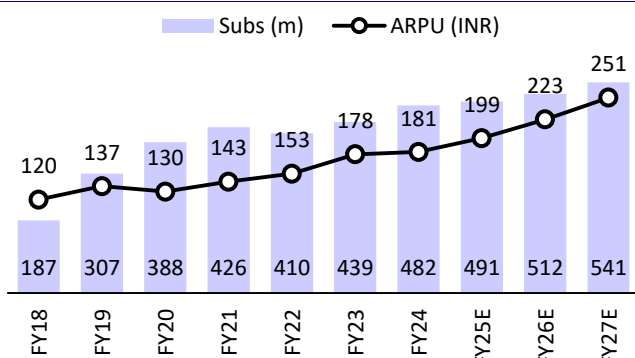
	FY25E	FY26E	FY27E
Revenue (INRb)			
Old	1,176	1,381	
Actual/New	1,162	1,342	1,585
Change (%)	-1%	-3%	
EBITDA (INRb)			
Old	632	762	
Actual/New	624	742	912
Change (%)	-1%	-3%	
EBITDA margin (%)			
Old	53.7	55.2	
Actual/New	53.7	55.3	57.5
Change (bp)	-	+10bp	
Net Profit (INRb)			
Old	266	336	
Actual/New	261	325	419
Change (%)	-2%	-3%	

Exhibit 21: RJio – We expect a CAGR of 17%/20% in revenue/EBITDA over FY24-27



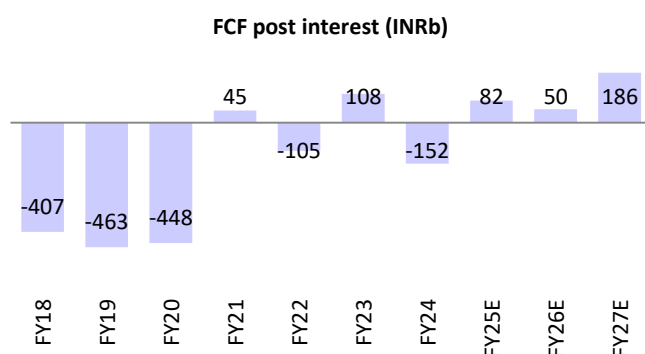
Source: MOFSL, Company

Exhibit 22: Expect 4%/11% CAGR in Subs/ARPU over FY24-27



Source: MOFSL, Company

Exhibit 23: Expect FCF generation led by tariff hikes



Source: MOFSL, Company



Weak revenue print (YoY decline, 7% miss); margin expansion supports EBITDA (in line)

Revenue continues to remain adversely impacted

- Consolidated net revenue declined 3.5% YoY to INR665b (7% miss) due to weaker demand in the Fashion & Lifestyle category.
- The decline in core retail (excluding connectivity) is estimated to be higher, as connectivity would have benefitted from RJio's tariff hikes. According to our estimates, core retail revenue declined 9% YoY to INR473b.
- **Blended EBITDA inched up 0.5% YoY to INR59b (in line) as margins expanded 35bp YoY to 8.8% (60bp beat). The margin expansion was driven by a continued focus on streamlining operations and calibration in B2B.**
- Depreciation amounted to INR14.2b (+1.5% YoY/-15% QoQ). Depreciation for 1QFY25 was higher due to accelerated depreciation for stores under closure. Consequently, PAT increased 5.2% YoY to INR29b during the quarter.

Segment wise analysis

- Grocery continued to remain a growth engine for the company. The growth was broad based across various categories, led by an increase in Confectioneries & Snacks (+30% YoY), Fruits (+26% YoY), and Apparel (+49% YoY).
- In the Consumer Electronics business, growth momentum remained intact, driven by an increase in average bill value and store count that has now surpassed 650 locations.
- Fashion and Lifestyle continued to remain weak. The company is strengthening its portfolio by introducing new brands such as ASOS, H&M, Timberland, Armani Café, and Yousta, which has now surpassed 50 stores.
- Digital Commerce and New Commerce contributed 17% of revenue (vs. 19% in 1QFY25) and likely declined ~5% QoQ (-11% YoY).

Key metrics

- In 2QFY25, the company opened 464 new stores while closing 436, leading to a net addition of 28 stores, bringing the total to 18,946. However, the net area decreased 1.9m sqft to 79.4m sqft, indicating a continued trend of store and area consolidation.
- The quarter recorded footfalls of over 297m across formats (up 14% YoY), while the number of transactions grew 9% YoY.
- The company entered into exclusive partnerships with Delta Galil to expand its presence in the lingerie and activewear categories. Additionally, it had launched ASOS in India.

Management commentary

- The company continues to invest in technology and infrastructure, with a focus on strengthening Retail operations to facilitate rapid scaling in the upcoming quarters and years.
- The company plans to strengthen its customer proposition with innovative products that range from everyday essentials to premium offerings. It is continuously enhancing assortment and innovating across categories to create a shopping experience that meets the evolving needs of the customers.

Valuation and view

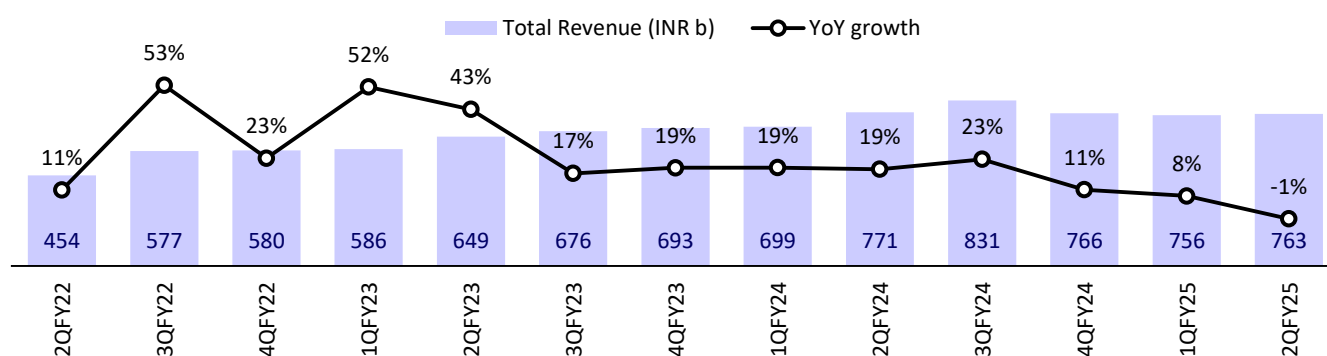
- Reliance Retail has seen aggressive area additions (+29% over FY20-24) over the past few years. However, due to continuous weak demand and low productivity, we have cut our revenue estimates by 6%/10% for FY25/FY26 and PAT estimates by 2%/10% for FY25/26. We expect a revenue/EBITDA/PAT CAGR of 12/14/14% over FY24-27 to reach INR3.8t/INR320b/INR164b by FY27.
- We value Reliance Retail’s core business at 38x EV/EBITDA on Dec’26 and connectivity at 5x to arrive at an equity value of INR10.7t (INR1,579 per share). RIL’s attributable stake in Reliance Retail comes to **INR1,319/share**. Recovery in Retail revenue growth would be the key near-term trigger.

Exhibit 24: Quarterly performance

(INR b)	2QFY24	1QFY25	2QFY25	YoY%	QoQ%	2QFY25E	vs. est %
Net revenue	689	663	665	-3.5	0.4	714	-6.8
EBITDA - blended	58	57	59	0.5	3.3	59	0.0
EBITDA margin (%) - blended	8.4%	8.5%	8.8%	35bp	25bp	8.2%	60bp
Retail area (m sqft)	71.5	81.3	79.4	11.0	-2.3		
Stores	18,650	18,918	18,946	1.6	28		
PAT	28	25	29	5.2	19.6		

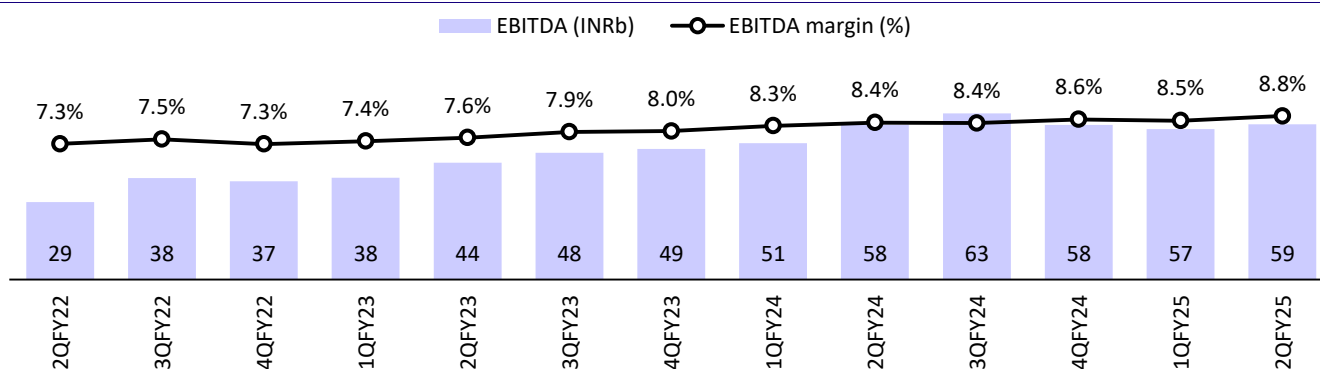
E: MOFSL estimates

Exhibit 25: Reliance Retail – gross revenue growth has been slowing down for the past few quarters and dipped in 2QFY25...

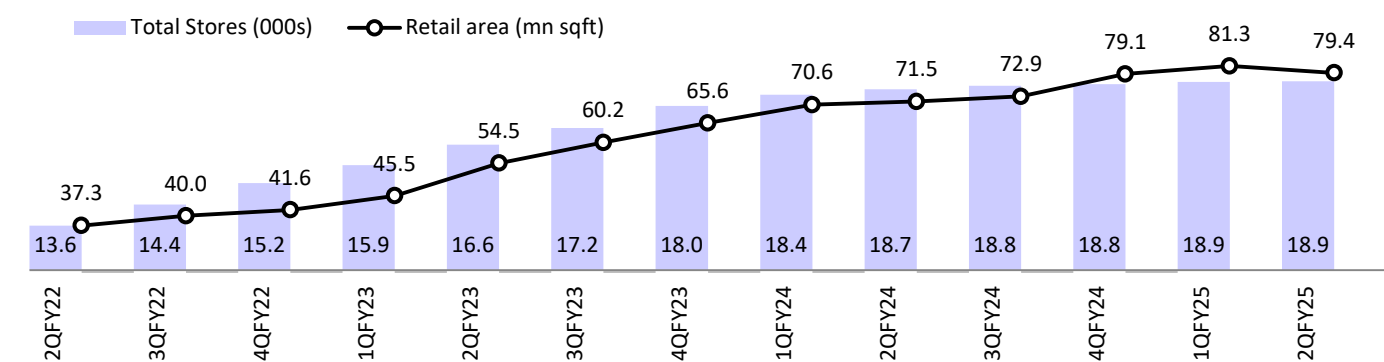


Source: Company, MOFSL

Exhibit 26: ...however, streamlining of operations and calibration in B2B drove margin improvement



Source: Company, MOFSL

Exhibit 27: Reliance Retail – footprint additions moderated due to rationalization of small/unprofitable stores

Source: Company, MOFSL

Exhibit 28: KPIs for 2QFY25 – transactions slowed, while footfalls remained strong

(in m)	2QFY24	1QFY25	2QFY25	YoY (%)	QoQ (%)
Store footfalls	260	296	297	14%	0%
Customer base	281	316	327	16%	3%
Transactions	315	334	343	9%	3%

Exhibit 29: Reliance Retail – summary of our revised estimates

(INR b)	FY25E	FY26E	FY27E
Revenue			
Old	3,057	3,697	
Actual/New	2,876	3,322	3,847
Change (%)	-5.9	-10	
EBITDA			
Old	244	300	
Actual/New	240	279	320
Change (%)	-1.6	-7.1	
EBITDA margin (%)			
Old	8.0	8.1	
Actual/New	8.3	8.4	8.3
Change (bp)	37	27	
Net Profit			
Old	120	156	
Actual/New	117	140	164
Change (%)	-2.4	-10.3	

Source: Company, MOFSL

Exhibit 30: Reliance Retail – SoTP valuations (Dec'26E based)

Valuation	EBITDA	multiple	EV (INR b)
Core EBITDA	283	38	10,760
Petro and Connectivity	31	5	155.9
Total			10,916
Less Net Debt			232
Equity Value			10,685
No of Shares (in b)			6.8
Target Price			1,579
RIL stake in RRVL			83.5%
RRVL value in SOTP			1,319

Reliance Retail – key takeaways from the management interaction**Segmental details:**

1. Grocery – another steady growth quarter led by Smart Bazaar and Smart stores
 - a. The growth was broad based across categories, led by an increase in Confectioneries & Snacks (30% YoY), Fruits (26% YoY), and Apparel (49% YoY).
 - b. The grocery new commerce business continues its growth trajectory as the Metro format strengthened its engagements with Trader and HoReCa segments.
2. Consumer Electronics – surpassed 650 digital stores; growth momentum continued
 - a. Digital stores maintained their growth momentum, fueled by a surge in average bill value.
 - b. The network of digital stores surpassed 650.
 - c. resQ, the services business, delivered steady growth, with service volume rising 28% YoY. The on-demand services are now operational in 150 cities.
 - d. The company's own brand/PBG introduced several new products across categories even as it continued to grow its merchant base, which jumped 2x YoY.
 - e. JioMart's digital business growth was driven across categories. The business expanded its merchant partners and consistently increased its wallet share.
3. Fashion and Lifestyle – weak growth; Yousta surpassed 50 stores
 - a. The youth-focused fashion retail format, Yousta, has surpassed a milestone of 50 stores within its first year of launch.
 - b. AJIO delivered steady performance as it expanded its product catalog by over 25% YoY and added over 1.8m new customers. AJIO has been strengthening its portfolio through new brand launches such as ASOS, H&M, Timberland, and Armani Café.
 - c. The jewelry business delivered growth led by improvements in ABV and the launch of nine new collections during the period.
4. JioMart – piloting the quick commerce market
 - a. The company is scaling up the quick commerce pilot by serving customers through its own store network.
 - b. The non-grocery categories continue to do well, with AOV growing 2x YoY, propelled by an uptick in consumer electronics.
 - c. The option count continued to grow with its seller base increasing 46% YoY and the option count rising 13% YoY, giving customers access to a wider product catalog to choose from.
5. Consumer Brands
 - a. Consumer brands continue to deliver broad-based growth, with revenue from general trade surging more than 250% YoY. Several new products and markets were launched under its bouquet of brands across categories.

Standalone – Miss due to a sharp decline in product cracks

Sharp correction in fuel cracks amid weak demand and new supply

- A decline in gasoline cracks and subdued demand led to a 31% sequential decline in PAT. As such, refining profitability in 2QFY25 continued to be under pressure (vs. 1QFY25) as volumes for the refining segment are already at the peak.
- **Global diesel demand** was flat YoY at 28.7mb/d, due to weak demand in Asia Pacific and Europe. Cracks, however, corrected sharply by 53%YoY.
- **Global gasoline demand** increased 0.35mb/d YoY in 2QFY25 to 27.4mb/d, as demand improved from Asia Pacific and the Middle East. Gasoline cracks also declined 20% QoQ.
- **ATF cracks** also declined 50% YoY.
- **Global oil demand** rose 0.8mb/d YoY, led by Asia (ex-China) and OECD Americas. Demand for Jet and Gasoline remained healthy, while global refinery operating rates declined 177bp YoY due to geopolitical concerns, unplanned outages, and maintenance activities at refineries.
- **Domestic oil demand** was up 2.2% YoY to 56.6mmt in 2QFY25, led by a strong demand for ATF and petrol. Robust growth in industrial activities, rising auto sales, and increasing air traffic led to robust oil demand in 2QFY25 in the domestic market.

Exhibit 31: O2C – operating performance

Feedstock (mmt)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	YoY % change
Throughput	19.7	20.0	18.7	19.8	19.8	20.2	1%
Production meant for sale	17.2	17.1	16.4	17.1	17.7	17.7	4%
Transportation fuels	11.1	11.1	10.2	11.3	11.6	11.2	1%
Polymers	1.4	1.5	1.2	1.5	1.4	1.5	0%
Fiber Intermediates	0.9	0.9	0.8	0.8	0.7	0.8	-11%
Polyesters	0.6	0.6	0.6	0.6	0.7	0.7	17%
Chemicals and Others	3.2	3.0	3.6	2.9	3.3	3.5	17%

Source: Company, MOFSL

Petchem – Margin contracts YoY & QoQ in polymer and polyester segments

Domestic Polymer demand was down 5% YoY in 2QFY25

Domestic Polyester demand was down 7% YoY

- On a sequential basis, petchem spreads for PE, PP, PVC, and Polyester products contracted.
- Demand for PE declined YoY during the quarter due to a high PE base in 2QFY24. However, demand for PP remained flat YoY.
- Overall polymer demand was down 5% YoY. Deltas for PE/PP declined 9%/1% YoY during the quarter, while they fell 8% each QoQ. PVC deltas were also down 24% YoY with higher EDC prices and a drop in PVC prices. Lower demand growth globally and firm Naphtha prices led to subdued deltas in polymers.
- Polyester demand was also down 7% YoY, with PET demand declining 10% due to low demand from the beverage sector led by the extended monsoon. Demand for PSF/PFY was down 9%/5% due to low activity in fabric imports.
- Polyester deltas were down 9% YoY but flat QoQ. PX deltas declined sharply by 37% due to firm Naphtha prices and a slow recovery in downstream demand.

Exhibit 32: Domestic Polymer demand for 2QFY25

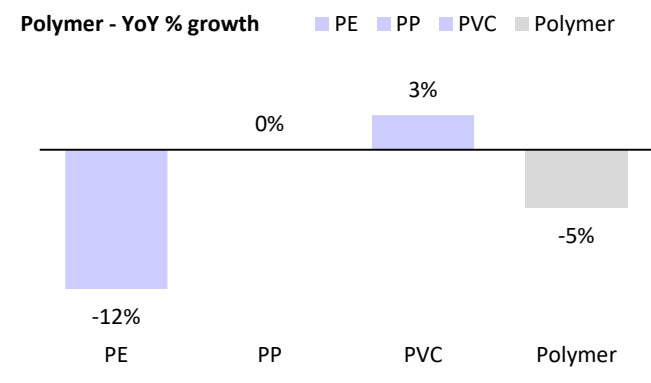


Exhibit 33: Domestic Polyester demand for the quarter

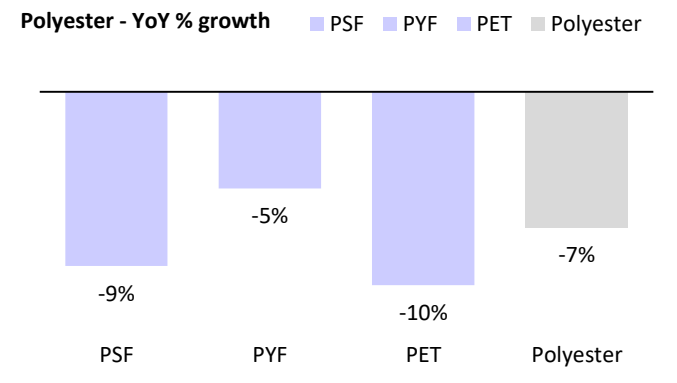


Exhibit 34: Polymer deltas for the quarter (USD/mt)

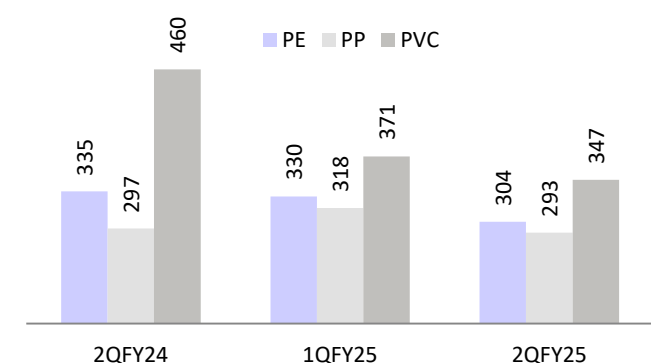
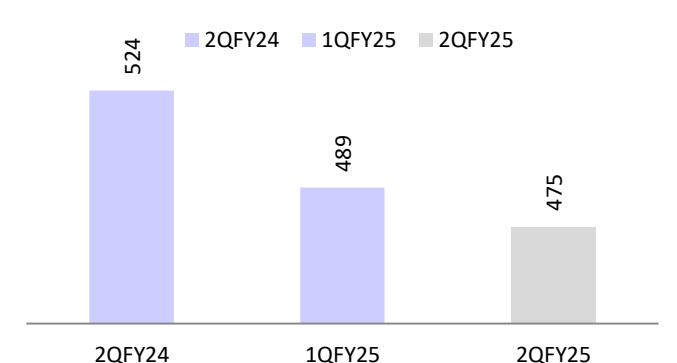


Exhibit 35: Polyester chain margins (USD/mt)



Source: Company, MOFSL

Source: Company, MOFSL

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

- Segmental revenue was strong at INR62b (down 6% YoY), with EBITDA at INR52.9b in 2QFY25 (up 11% YoY).
- **Production at peak potential of ~30mmcmd 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 multilateral well programs are also under way as part of the CBM production augmentation plan, of which 28 wells have been completed.
- Production from the KG-D6 field stood at 69.3BCFe (flat YoY), with price realization for KG-D6 gas declining 9% YoY to USD9.55/mmBtu in 2QFY25 from USD10.5/mmBtu in 2QFY24. CBM gas production increased 24% YoY, while realization was also lower at USD11.4/mmBtu, down 17% YoY.

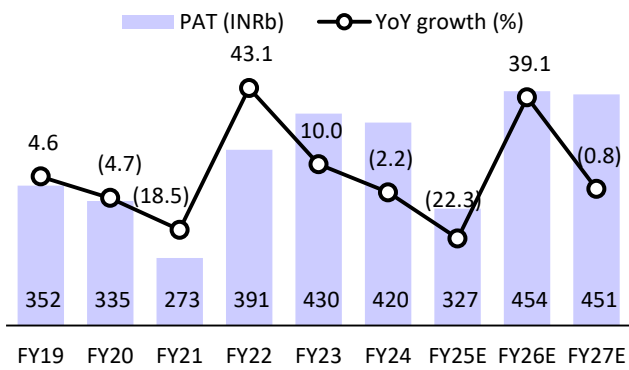
Exhibit 36: Gas production profile and unit price realization

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	YoY change	QoQ change
Revenue (INR b)	46.3	66.2	67.2	64.7	61.8	62.2	-6%	1%
EBITDA (INR b)	40.2	47.7	58.0	56.1	52.1	52.9	11%	2%
EBITDA margin (%)	86.7%	72.0%	86.4%	86.7%	84.3%	85.0%	18%	1%
Production- BCFe (RIL share)								
KG D6	48.3	68.3	72.3	71.4	69.4	69.3	1%	0%
CBM	2.2	2.1	2.0	2.1	2.3	2.6	24%	13%
Price Realization								
KG D6 (GCV) (USD/mmbtu)	10.8	10.5	9.7	9.5	9.3	9.6	-9%	3%
CBM (GCV) (USD/mmbtu)	14.2	13.7	15.6	14.3	11.6	11.4	-17%	-2%

Source: Company, MOFSL

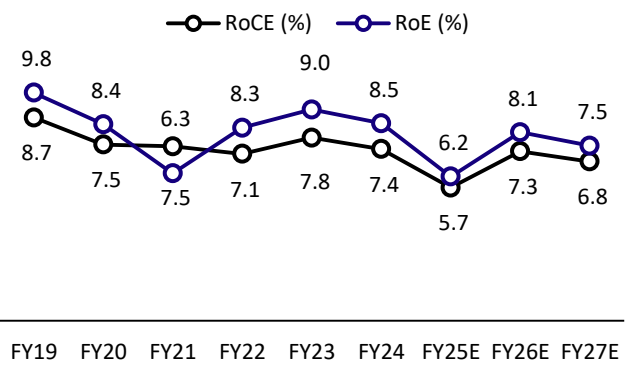
Standalone business – Story in charts

Exhibit 37: Standalone PAT profile



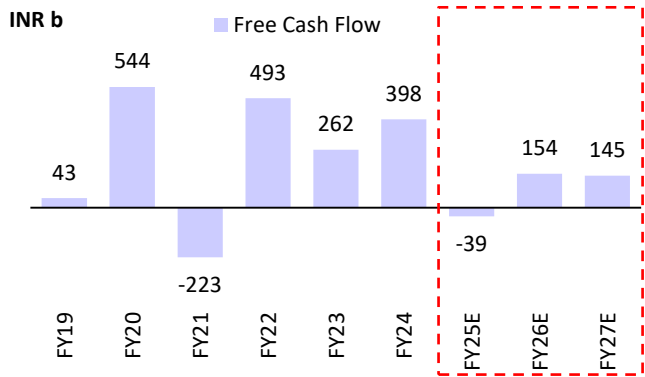
Source: Company, MOFSL

Exhibit 38: Return ratios to stabilize going forward



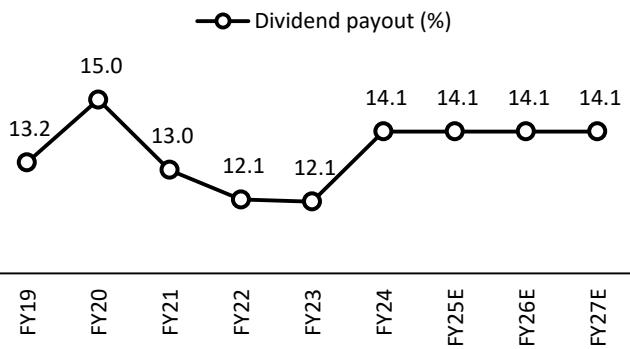
Source: Company, MOFSL

Exhibit 39: Standalone business to generate FCF of INR260b over FY24E-27E...



Source: Company, MOFSL

Exhibit 40: ...with expected dividend payout of ~14.1% going forward



Source: Company, MOFSL

Reliance Jio Infocomm: Financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	543	699	770	908	1,001	1,162	1,342	1,585
Change (%)	33.6	28.7	10.1	17.9	10.3	16.1	15.5	18.1
Tower Rental Cost	169	221	250	285	306	335	366	406
Spectrum and License Costs	57	78	91	91	92	107	123	145
Access and Roaming Charge	58	46	8	9	11	13	15	17
Employees Cost	15	13	14	16	19	21	23	25
Other Expenses	28	32	30	39	49	63	72	80
Total Expenditure	327	390	393	441	477	537	599	673
% of Sales	60.3	55.8	51.1	48.6	47.6	46.3	44.7	42.5
EBITDA	216	309	376	467	524	624	742	912
Margin (%)	39.7	44.2	48.9	51.4	52.4	53.7	55.3	57.5
Depreciation	74	115	136	185	214	233	258	290
EBIT	142	194	240	281	310	392	484	622
Int. and Finance Charges	66	38	44	41	40	46	55	66
Other Income	1	5	2	4	5	5	6	7
PBT bef. EO Exp.	76	161	199	244	275	351	436	562
EO Items								
PBT after EO Exp.	76	161	199	244	275	351	436	562
Total Tax	21	41	50	62	70	89	111	143
Tax Rate (%)	27.2	25.3	25.4	25.5	25.5	25.5	25.5	25.5
Reported PAT	56	120	148	182	205	261	325	419
Adjusted PAT	56	120	148	182	205	261	325	419
Change (%)	87.7	116.0	23.3	22.9	12.4	27.6	24.4	28.8
Margin (%)	10.2	17.2	19.2	20.1	20.4	22.5	24.2	26.4

Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	450	450	450	450	450	450	450	450
Total Reserves	1,260	1,380	1,528	1,710	1,914	2,175	2,500	2,918
Net Worth	1,710	1,830	1,978	2,160	2,364	2,625	2,950	3,368
Total Loans	470	300	797	1,529	1,656	1,617	1,472	1,179
Capital Employed	2,179	2,129	2,775	3,689	4,020	4,242	4,422	4,548
Gross Block	1,772	1,965	2,555	2,867	3,031	3,727	4,345	4,965
Less: Accum. Deprn.	138	253	389	615	828	1,025	1,283	1,573
Net Fixed Assets	1,634	1,712	2,165	2,252	2,203	2,702	3,062	3,392
Capital WIP	213	170	479	1,660	2,079	1,779	1,579	1,379
Total Investments	25	15	17	17	36	36	36	36
Curr. Assets, Loans&Adv.	545	604	524	529	556	496	429	389
Account Receivables	16	14	43	24	15	20	25	45
Cash and Bank Balance	75	6	6	9	14	-24	-73	-113
Loans and Advances	454	584	475	496	527	501	477	457
Curr. Liability & Prov.	238	371	410	768	855	771	684	649
Account Payables	47	22	20	34	43	43	43	43
Other Current Liabilities	190	323	313	595	601	429	333	286
Provisions	1	26	78	140	210	299	308	319
Net Current Assets	308	233	114	-240	-299	-275	-255	-260
Appl. of Funds	2,179	2,129	2,775	3,689	4,020	4,242	4,422	4,548

Reliance Jio Infocomm: Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	1.2	2.7	3.3	4.0	4.5	5.8	7.2	9.3
Cash EPS	2.9	5.2	6.3	8.2	9.3	11.0	13.0	15.7
BV/Share	38.0	40.7	44.0	48.0	52.5	58.3	65.6	74.9
DPS	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
Valuation (x)								
FCF per share	-7.7	1.5	0.6	3.2	0.4	1.8	1.1	4.1
Return Ratios (%)								
RoE	5.3	6.8	7.8	8.8	9.0	10.5	11.7	13.3
RoCE	5.2	6.9	7.4	6.6	6.1	7.2	8.4	10.4
RoIC	6.2	7.6	8.5	9.8	11.9	13.4	13.5	15.1
Working Capital Ratios								
Fixed Asset Turnover (x)	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Asset Turnover (x)	0.2	0.3	0.3	0.2	0.2	0.3	0.3	0.3
Debtor (Days)	11	7	20	10	6	6	7	10
Creditor (Days)	32	12	10	13	16	14	12	10
Leverage Ratio (x)								
Current Ratio	2.3	1.6	1.3	0.7	0.7	0.6	0.6	0.6
Interest Cover Ratio	2.1	5.0	5.5	6.9	7.8	8.5	8.9	9.4
Net Debt/Equity	0.2	0.2	0.4	0.7	0.7	0.6	0.5	0.4

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	76	161	199	244	275	351	436	562
Depreciation	74	115	136	185	214	233	258	290
Interest & Finance Charges	66	38	44	41	40	46	55	66
Direct Taxes Paid	-12	-1	-1	13	-1	-	(102)	(132)
(Inc)/Dec in WC	-40	19	-64	-2	30	25	22	-17
CF from Operations	165	332	313	482	558	655	669	770
Others	-2	-6	0	-1	-4	-110	-103	-93
CF from Operating incl EO	163	326	313	481	553	545	566	677
(Inc)/Dec in FA	-508	-257	-288	-335	-533	-462	-516	-491
Free Cash Flow	-345	69	25	146	20	82	50	186
(Pur)/Sale of Investments	-9	14	-1	1	-16	-	-	-
Others	-164	0	0	0	1	5	6	27
CF from Investments	-681	-243	-288	-334	-548	-457	-509	-464
Issue of Eq/Pref.Shares	1,250	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-538	-120	106	-107	172	-125	-105	-253
Interest Paid	-103	-23	-130	-38	-172	0	0	0
Dividend Paid	0	0	0	0	0	0	0	0
Others	-20	-8	0	0	0	0	0	0
CF from Fin. Activity	588	-152	-24	-145	0	-125	-105	-253
Inc/Dec of Cash	70	-69	0	2	5	-38	-49	-40
Opening Balance	0	71	2	2	4	10	-28	-77
Closing Balance	71	2	2	4	10	-28	-77	-117
Other Bank Balance	4	4	4	4	4	4	4	4
Total balance	75	6	6	9	14	-24	-73	-113

Reliance Retail Ventures: Financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	1463	1391	1750	2309	2731	2876	3322	3847
Change (%)	25.7	-4.9	25.8	32.0	18.3	5.3	15.5	15.8
Total Expenditure	1367	1308	1642	2135	2512	2636	3043	3527
% of Sales	93.5	94.0	93.8	92.5	92.0	91.7	91.6	91.7
EBITDA	95	83	108	174	219	240	279	320
Margin (%)	6.5	6.0	6.2	7.5	8.0	8.3	8.4	8.3
Depreciation	18	18	22	40	56	69	78	87
EBIT	77	65	86	135	163	171	201	233
Int. and Finance Charges	10	5	7	18	26	26	26	26
Other Income	2	15	16	4	12	12	12	12
PBT bef. EO Exp.	69	75	95	121	149	156	187	219
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	69	75	95	121	149	156	187	219
Total Tax	19	19	25	29	38	39	47	55
Tax Rate (%)	27.4	26.1	25.8	24.5	25.5	25.2	25.2	25.2
Reported PAT	50	55	71	91	111	117	140	164
Adjusted PAT	50	55	71	91	111	117	140	164
Change (%)	59.2	10.4	27.5	29.2	22.2	5.2	19.2	17.4
Margin (%)	3.4	4.0	4.0	3.9	4.1	4.1	4.2	4.3

Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	60	69	69	69	70	70	70	70
Total Reserves	131	747	817	901	1181	1298	1437	1601
Net Worth	191	816	910	998	1282	1399	1539	1703
Total Loans	46	90	223	495	456	429	428	426
Capital Employed	263	934	1150	1518	1776	1866	2005	2167
Gross Block	152	229	393	896	1204	1384	1564	1744
Less: Accum. Deprn.	42	62	89	129	185	254	332	419
Net Fixed Assets	110	168	303	767	1019	1130	1232	1325
Total Investments	12	437	275	166	212	212	212	212
Curr. Assets, Loans&Adv.	171	295	468	490	604	605	691	818
Inventory	103	131	215	271	243	241	278	322
Account Receivables	29	62	91	61	63	79	91	105
Cash and Bank Balance	5	5	6	6	109	98	105	139
Loans and Advances	34	96	156	152	189	188	217	251
Curr. Liability & Prov.	132	101	175	201	294	317	365	423
Account Payables	64	70	138	165	253	276	319	369
Other Current Liabilities	67	30	35	34	38	38	44	51
Provisions	1	1	2	2	3	3	3	3
Net Current Assets	39	195	293	289	310	289	325	395
Appl. of Funds	263	934	1150	1518	1776	1866	2005	2167

Reliance Retail Ventures: Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	8.3	9.2	11.8	15.2	18.5	19.5	23.3	27.3
Return Ratios (%)								
RoE	30.6	11.0	8.2	9.5	9.8	8.7	9.5	10.1
RoCE	22.7	10.3	7.4	8.0	8.1	7.7	8.4	9.0
RoIC	33.6	18.0	13.1	12.4	10.7	10.1	10.9	11.5
Working Capital Ratios								
Inventory (Days)	26	34	45	43	32	31	31	31
Debtor (Days)	7	16	19	10	8	10	10	10
Creditor (Days)	16	18	29	26	34	35	35	35
Leverage Ratio (x)								
Current Ratio	1.3	2.9	2.7	2.4	2.1	1.9	1.9	1.9
Interest Cover Ratio	8.1	12.4	13.0	7.3	6.3	6.6	7.7	9.0
Net Debt/Equity	0.2	-0.4	-0.1	0.3	0.1	0.1	0.1	0.0

Consolidated Cashflow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	73	75	95	121	149	156	187	219
(Inc)/Dec in WC	84	-66	-75	-58	124	10	-30	-35
CF from Operations	170	9	14	88	322	222	214	242
Others	0	-7	0	0	-3	-12	-12	-12
CF from Operating incl EO	169	2	15	88	319	210	202	230
(Inc)/Dec in FA	-74	-100	-271	-457	-210	-180	-180	-180
Free Cash Flow	95	-98	-256	-369	109	30	22	50
(Pur)/Sale of Investments	0	0	241	89	-31	0	0	0
Others	26	-465	-87	36	-45	12	12	12
CF from Investments	-48	-565	-116	-333	-286	-168	-168	-168
Issue of Shares	0	612	0	0	171	0	0	0
Inc/(Dec) in Debt	-82	44	109	267	-53	-27	-1	-1
Interest Paid	-9	-5	-7	-22	-47	-26	-26	-26
Others	-29	-88	0	36	-5	0	0	0
CF from Fin. Activity	-120	563	103	281	66	-53	-27	-27
Inc/Dec of Cash	1	0	1	36	99	-11	7	35
Opening Balance	4	5	5	6	6	109	98	105
Closing Balance	5	5	6	42	105	98	105	139
Other Bank Balances	0	0	0	0	4	0	0	0
Net Closing balance	5	5	6	42	109	98	105	139

RIL: Standalone financials and valuations

Standalone - Income Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	3,716	3,370	2,457	4,237	5,393	5,345	5,042	5,027	5,074
<i>Change (%)</i>	28.1	-9.3	-27.1	72.5	27.3	-0.9	-5.7	-0.3	0.9
EBITDA	589	528	335	523	668	743	628	844	848
<i>Margin (%)</i>	15.8	15.7	13.6	12.3	12.4	13.9	12.5	16.8	16.7
Depreciation	106	97	92	103	112	177	184	201	206
EBIT	483	431	243	420	556	566	444	643	642
Int. and Finance Charges	98	121	162	91	126	134	127	143	138
Other Income	88	136	148	139	111	121	117	104	94
PBT bef. EO Exp.	474	446	229	468	541	553	434	604	598
EO Items	0	-42	43	0	12	0	0	0	0
PBT after EO Exp.	474	403	272	468	553	553	434	604	598
Total Tax	122	94	-47	77	111	132	108	150	147
<i>Tax Rate (%)</i>	25.8	23.3	-17.4	16.5	20.1	23.9	24.8	24.8	24.6
Reported PAT	352	309	319	391	442	420	327	454	451
Adjusted PAT	352	335	273	391	430	420	327	454	451
<i>Change (%)</i>	4.6	-4.7	-18.5	43.1	10.0	-2.2	-22.3	39.1	-0.8
<i>Margin (%)</i>	9.5	9.9	11.1	9.2	8.0	7.9	6.5	9.0	8.9

Standalone - Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY26E
Equity Share Capital	63	63	64	68	68	68	68	68	68
Total Reserves	3,990	3,849	4,680	4,648	4,723	5,083	5,364	5,754	6,142
Net Worth	4,053	3,912	4,745	4,715	4,791	5,151	5,432	5,822	6,209
Total Loans	1,572	1,973	1,667	1,946	2,158	2,118	2,118	2,118	2,118
Deferred Tax Liabilities	473	506	308	308	340	363	363	363	363
Capital Employed	6,098	6,391	6,720	6,969	7,289	7,631	7,912	8,303	8,690
Gross Block	3,286	4,417	4,512	3,943	4,481	4,831	5,102	5,562	6,022
Less: Accum. Deprn.	1,255	1,352	1,444	1,547	1,658	1,835	2,016	2,217	2,423
Net Fixed Assets	2,032	3,065	3,068	2,396	2,823	2,996	3,086	3,345	3,598
Capital WIP	1,116	280	328	347	544	616	993	1,183	1,373
Total Investments	3,317	4,918	3,473	4,088	3,511	3,701	3,701	3,701	3,701
Curr. Assets, Loans&Adv.	1,293	1,454	1,851	1,933	2,298	2,040	1,757	1,694	1,652
Inventory	441	388	374	459	848	851	803	800	808
Account Receivables	121	75	42	144	241	147	139	139	140
Cash and Bank Balance	38	85	56	217	610	692	481	428	371
Loans and Advances	693	907	1,379	1,113	599	349	335	327	333
Curr. Liability & Prov.	1,659	3,326	2,001	1,795	1,887	1,722	1,624	1,620	1,634
Account Payables	1,626	3,301	1,977	1,770	1,864	1,695	1,599	1,594	1,609
Provisions	33	25	24	25	23	27	25	25	25
Net Current Assets	-366	-1,872	-150	138	411	318	133	74	18
Appl. of Funds	6,098	6,391	6,720	6,969	7,289	7,631	7,912	8,303	8,690

RIL: Standalone financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	54.6	52.0	42.4	57.8	63.6	62.1	48.3	67.2	66.6
Cash EPS	70.9	67.1	56.6	76.6	84.0	92.7	79.2	101.7	101.9
BV/Share	658.8	635.8	771.2	766.4	778.7	837.2	882.8	946.3	1,009.2
Valuation (x)									
P/E	53.7	56.3	69.1	50.7	46.1	47.2	60.7	43.6	44.0
Cash P/E	41.3	43.7	51.7	38.3	34.9	31.6	37.0	28.8	28.7
P/BV	4.4	4.6	3.8	3.8	3.8	3.5	3.3	3.1	2.9
EV/Sales	5.5	6.2	8.3	5.1	4.0	4.0	4.3	4.3	4.3
EV/EBITDA	34.7	39.3	61.2	41.2	32.0	28.6	34.2	25.5	25.4
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3
FCF per share	6.7	84.3	-34.5	72.9	38.7	58.8	-5.7	22.8	21.4
Return Ratios (%)									
RoE	9.8	8.4	6.3	8.3	9.0	8.5	6.2	8.1	7.5
RoCE	8.7	7.5	7.5	7.1	7.8	7.4	5.7	7.3	6.8
RoIC	26.1	24.1	14.4	13.6	18.0	16.4	12.5	16.9	15.5
Working Capital Ratios									
Fixed Asset Turnover (x)	1.1	0.8	0.5	1.1	1.2	1.1	1.0	0.9	0.8
Asset Turnover (x)	0.6	0.5	0.4	0.6	0.7	0.7	0.6	0.6	0.6
Inventory (Days)	43	42	56	40	57	58	58	58	58
Debtor (Days)	12	8	6	12	16	10	10	10	10
Creditor (Days)	160	358	294	152	126	116	116	116	116
Leverage Ratio (x)									
Current Ratio	0.8	0.4	0.9	1.1	1.2	1.2	1.1	1.0	1.0
Interest Cover Ratio	5.0	3.6	1.5	4.6	4.4	4.2	3.5	4.5	4.7
Net Debt/Equity	0.4	0.5	0.3	0.4	0.3	0.3	0.3	0.3	0.3

Standalone - Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	474	403	272	468	556	553	434	604	598
Depreciation	106	97	92	103	112	177	184	201	206
Interest & Finance Charges	98	121	162	91	126	134	127	143	138
Direct Taxes Paid	-94	-53	-17	-15	-49	-92	-108	-150	-147
(Inc)/Dec in WC	-193	335	-320	138	-60	78	-26	6	0
Others	-98	-129	-194	-111	-131	-110	0	0	0
CF from Operations	292	775	-5	675	553	740	611	804	795
(Inc)/Dec in FA	-249	-232	-218	-181	-292	-342	-650	-650	-650
Free Cash Flow	43	544	-223	493	262	398	-39	154	145
(Pur)/Sale of Investments	-127	-1,309	1,202	-563	-10	-170	0	0	0
Others	-163	105	-242	292	223	129	0	0	0
CF from Investments	-539	-1,436	743	-453	-78	-383	-650	-650	-650
Inc/(Dec) in Debt	415	118	-181	-238	117	-44	0	0	0
Interest Paid	-116	-145	-143	-110	-140	-169	-127	-143	-138
Dividend Paid	-43	-46	-39	-43	-51	-61	-46	-64	-64
CF from Fin. Activity	258	708	-766	-60	-74	-275	-173	-207	-201
Inc/Dec of Cash	10	47	-29	161	401	82	-212	-53	-57
Opening Balance	27	38	84	56	217	610	692	481	428
Closing Balance	38	85	56	217	610	692	481	428	371

RIL: Consolidated financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	5,967	4,669	7,000	8,795	9,011	9,299	9,927	10,758
Change (%)	5.2	-21.8	49.9	25.6	2.5	3.2	6.7	8.4
EBITDA	882	807	1,105	1,429	1,622	1,650	2,051	2,300
Margin (%)	14.8	17.3	15.8	16.2	18.0	17.7	20.7	21.4
Depreciation	222	266	298	403	508	535	581	624
EBIT	660	542	807	1,026	1,114	1,116	1,470	1,677
Int. and Finance Charges	220	212	146	196	231	258	283	289
Other Income	140	163	149	118	161	149	138	128
PBT bef. EO Exp.	579	493	810	948	1,043	1,007	1,325	1,515
EO Items	-44	56	28	0	0	0	0	0
PBT after EO Exp.	535	549	839	948	1,043	1,007	1,325	1,515
Total Tax	137	17	163	207	257	254	326	364
Tax Rate (%)	25.7	3.1	19.4	21.8	24.6	25.3	24.6	24.0
Minority Interest	-1	41	69	74	90	98	122	156
Reported PAT	399	491	607	667	696	654	877	995
Adjusted PAT	432	437	584	667	696	654	877	995
Change (%)	8.4	1.1	33.8	14.2	4.4	-6.0	34.1	13.4
Margin (%)	7.2	9.4	8.3	7.6	7.7	7.0	8.8	9.3

Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	63	64	68	68	68	68	68	68
Total Reserves	4,428	6,937	7,727	8,144	7,867	8,470	9,290	10,285
Net Worth	4,492	7,002	7,795	8,212	7,935	8,538	9,358	10,353
Minority Interest	122	993	1,095	1,130	1,323	1,323	1,323	1,323
Total Loans	2,914	2,238	2,820	3,351	3,461	3,461	3,461	3,461
Deferred Tax Liabilities	541	370	496	603	722	722	722	722
Capital Employed	8,069	10,602	12,206	13,296	13,442	14,045	14,865	15,860
Gross Block	7,450	7,802	8,938	10,289	11,321	14,632	16,254	17,539
Less: Accum. Deprn.	2,226	2,492	2,790	3,193	3,701	4,236	4,818	5,441
Net Fixed Assets	5,224	5,310	6,148	7,096	7,620	10,396	11,437	12,098
Goodwill on Consolidation	103	102	130	137	150	150	150	150
Capital WIP	1,091	1,260	1,725	2,938	3,389	1,278	856	771
Total Investments	2,768	3,648	3,943	3,366	2,257	2,257	2,257	2,257
Curr. Assets, Loans&Adv.	2,474	2,892	3,051	3,598	4,145	4,215	4,703	5,501
Inventory	739	817	1,078	1,400	1,528	1,577	1,683	1,824
Account Receivables	197	190	236	285	316	326	348	378
Cash and Bank Balance	309	174	362	747	972	941	1,208	1,714
Loans and Advances	1,229	1,711	1,375	1,167	1,329	1,371	1,464	1,586
Curr. Liability & Prov.	3,590	2,610	2,791	3,839	4,118	4,250	4,537	4,917
Account Payables	968	1,089	1,593	1,472	1,784	1,841	1,965	2,130
Other Current Liabilities	2,581	1,465	1,159	2,329	2,292	2,366	2,525	2,737
Provisions	41	56	38	38	42	44	46	50
Net Current Assets	-1,116	282	260	-241	27	-35	166	585
Appl. of Funds	8,069	10,602	12,206	13,296	13,442	14,045	14,865	15,860

RIL: Consolidated financials and valuations

Ratios

Y/E March	FY20	FY21	FY22E	FY23E	FY24	FY25E	FY26E	FY27E
EPS	68.1	67.7	86.4	98.6	102.9	96.7	129.7	147.1
Cash EPS	101.5	109.0	136.9	166.1	186.9	184.5	226.3	251.2
BV/Share	696.9	1,086.4	1,209.4	1,274.1	1,231.2	1,324.8	1,451.9	1,606.4
DPS	6.0	6.4	7.0	7.9	6.5	7.6	8.5	0.0
Payout (%)	11.6	8.4	7.8	8.0	6.3	7.8	6.6	0.0
Valuation (x)								
P/E	40.3	40.5	31.8	27.8	26.7	28.4	21.2	18.7
Cash P/E	27.1	25.2	20.1	16.5	14.7	14.9	12.1	10.9
P/BV	3.9	2.5	2.3	2.2	2.2	2.1	1.9	1.7
EV/Sales	3.4	4.2	3.0	2.4	2.3	2.3	2.1	1.9
EV/EBITDA	23.0	24.5	19.0	14.8	13.0	12.8	10.2	8.8
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.2	0.3	0.3	0.0
FCF per share	-22.1	14.3	-18.3	22.8	15.8	0.0	0.0	0.0
Return Ratios (%)								
RoE	10.3	7.6	7.9	8.3	8.6	7.9	9.8	10.1
RoCE	8.5	8.2	7.8	8.1	8.4	8.1	9.8	10.3
RoIC	14.5	11.1	11.1	12.9	12.8	10.2	11.0	11.8
Working Capital Ratios								
Fixed Asset Turnover (x)	0.8	0.6	0.8	0.9	0.8	0.6	0.6	0.6
Asset Turnover (x)	0.7	0.4	0.6	0.7	0.7	0.7	0.7	0.7
Inventory (Days)	45	64	56	58	62	62	62	62
Debtor (Days)	12	15	12	12	13	13	13	13
Creditor (Days)	59	85	83	61	72	72	72	72
Leverage Ratio (x)								
Current Ratio	0.7	1.1	1.1	0.9	1.0	1.0	1.0	1.1
Interest Cover Ratio	3.0	2.6	5.5	5.2	4.8	4.3	5.2	5.8
Net Debt/Equity	0.6	0.3	0.3	0.3	0.3	0.3	0.2	0.2

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22E	FY23E	FY24	FY25E	FY26E	FY27E
PBT	536	555	839	948	1,043	1,007	1,325	1,515
Depreciation	222	266	298	403	508	535	581	624
Tax paid	-84	-32	-38	-207	-257	-254	-326	-364
Change in deferred tax liability	0	0	0	0	119	0	0	0
Change in net working capital	219	-507	7	-196	64	30	66	87
Misc	87	-19	1	202	110	-98	-122	-156
Operating cash flow	981	262	1,107	1,150	1,588	1,220	1,525	1,706
Capex	-756	-1,035	-970	-1,318	-1,420	-1,200	-1,200	-1,200
Change in investments	141	-473	3	294	170	0	0	0
Investing cash flows	-757	-1,416	-1,092	-870	-1,143	-1,200	-1,200	-1,200
Change in borrowings	356	-837	99	381	266	0	0	0
Misc	-337	-241	-285	-231	-372	0	0	0
Issuance of equity	1	2,136	402	5	0	0	0	0
Others	-335	1,895	117	-225	-372	0	0	0
Dividend paid	-46	-39	-43	-51	-61	-51	-58	0
Financing cash flow	-25	1,019	173	105	-166	-51	-58	0
Net change in cash	198	-135	188	385	278	-32	267	506
Closing cash balance	309	174	362	747	972	941	1,208	1,714

(INR b)

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