

Reliance Industries

Estimate change	↔
TP change	↑
Rating change	↔

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Bloomberg	RIL IN
Equity Shares (m)	6,339
M.Cap.(INRb)/(USD\$b)	13881.6 / 184.4
52-Week Range (INR)	2199 / 867
1, 6, 12 Rel. Per (%)	16/55/79
12M Avg Val (INR M)	23384

Financials & Valuations (INR b)

Y/E march	2020	2021E	2022E
Net Sales	5,959	4,882	6,115
EBITDA	881	885	1,269
Net Profit	431	427	706
Adj. EPS (INR)	67.9	67.4	111.4
EPS Gr. (%)	8.1	-0.8	65.3
BV/Sh. (INR)	715.1	775.5	877.7

Ratios

Net D:E	0.6	0.6	0.4
RoE (%)	10.2	9.0	13.5
RoCE (%)	8.5	8.4	11.2
Payout (%)	11.6	9.2	8.3

Valuations

P/E (x)	30.9	31.2	18.8
P/BV (x)	2.9	2.7	2.4
EV/EBITDA (x)	18.1	18.1	12.1
EV/Sales (x)	2.7	3.3	2.5
Div. Yield (%)	0.3	0.3	0.4

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	49.2	48.9	46.2
DII	13.5	13.6	11.6
FII	26.6	25.9	26.2
Others	10.8	11.6	16.0

FII Includes depository receipts

CMP: INR2,100 **TP: INR2,250 (+7%)** **Buy**

O2C and retail businesses suffer due to COVID-19 lockdowns

- Reliance Industries' (RIL) 1QFY21 consolidated/standalone business EBITDA were down 21%/48% YoY due to weak performance in refining and petchem businesses, followed by shutdown of Reliance Retail stores due to the lockdown.
- RJio's revenue was up 11.6% QoQ (8.5% beat) on the back of healthy ARPU growth. This could be attributed to the price hike taken in Dec'19 along with subscriber addition.
- Reliance Retail's revenue declined 17% YoY due to 50% of its stores being shut and 29% operating partially during the lockdown. However, grocery and the connectivity businesses showed resilience.
- During the quarter, RIL operated refinery and petrochemical units at ~90% despite much lower utilization rates of other Indian peers, enjoying the benefits of its integrated Oils-to-Chemicals (O2C) business model. However, RIL's guidance for the O2C business highlights near-term caution amidst challenges in terms of demand recovery (especially for refining) and the huge supply glut (especially for petchem), which are likely to keep margins under pressure.
- Using SOTP, we value refining and petrochemical segment at 7.5x to arrive at a valuation of INR545/share for the standalone. We have ascribed an equity valuation of INR1,125/share to RJio and INR580/share to Reliance Retail. Reiterate Buy with target price of INR2,250/share.

1QFY21 snapshot – EBITDA miss on both consol. and standalone

- Reliance Industries' (RIL) 1QFY21 consolidated business EBITDA was down 21% YoY to INR168.8b (19% below our est.) due to weak performance in refining/petchem businesses, followed by shutdown of Reliance Retail stores due to the lockdown. PBT (before exceptional) declined 43% YoY to INR82.2b. The company has recognized exceptional gain of INR49.7b (consol.) related to its deal with BP for the Petro Retail business. Tax rate for the quarter was lower at 2% (v/s est. 25%) due to planned restructuring of the O2C business in the current year. Reported PAT came in at INR132.5b while adj. PAT (for exceptional item) stood at INR83.8b (v/s est. -16% and -17% YoY).
- Standalone EBITDA was down 48% YoY to INR71.3b (v/s est. -38%) due to lower GRMs (at USD6.3/bbl) and petchem margins (implied EBITDA/mt declined 55% YoY to USD64). PBT before exceptional was down 64% YoY to INR43.9b. The company has recognized exceptional gain of INR44.2b (standalone) related to its deal with BP for the petro-retail business. RIL has recognized deferred tax credit during the quarter (tax rate at -10.8%) with reported PAT at INR97.5b. Adj. PAT (for exceptional item) stood at INR48.6b (v/s est. -19% and -46% YoY).
- RIL has revised useful life of the O2C expansion assets to 50 years from the respective dates of commissioning with effect from 1st Apr'20.

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RJio – ARPU hike gains with eyes on new growth engines

- Gross/net subscriber adds stood at 15.1m/10.8m (v/s 23.9m/17.5m in 4QFY20). This decrease in pace of subscriber addition could be attributed to the nationwide lockdown in Apr'20, which gradually eased in May-Jun'20.
- EBITDA increased 13.4% QoQ (8% beat) with margin expansion of 70bp to 42.3%. Incremental margin stood at 48% for 1QFY21, lower than the typical 65-70% margin benefit due to a steep 15% rise in network operating cost.
- Our workings indicate that ARPU increase for smartphone customers could be even higher at ~10%. We expect additional 5% benefit of price hike to accrue in 2QFY21. We expect robust revenue/EBITDA CAGR of 27%/49% over FY20-22E on the back of improving ARPU and continued growth in subscribers.

Reliance Retail – Grocery/connectivity/online channel cushions COVID-19 impact

- Reliance Retail's revenue declined 17% YoY to INR316b. This was due to 50% of its stores being closed and 29% operating partially during the lockdown. EBITDA plunged 47% YoY to INR10.8b while EBITDA margins stood at 3.8%, aided by grocery and the connectivity businesses.
- Lifestyle/Consumer Electronics sales plummeted 71%/69% YoY, while grocery revenues grew 5% YoY, driven by Jiomart and initiatives in the online and delivery space. Jiomart further expanded with the launch of consumer durables, and apparel and footwear categories in 2QFY21.
- We value Reliance Retail's core business at 30x FY22E EV/EBITDA and petro-retail/connectivity at FY22E 4x EV/EBITDA to arrive at an enterprise value of INR3.8t and target price of INR580/share. Our premium valuation underscores Reliance Retail's aggressive footprint addition and the recent Jiomart led online opportunity, which could offer huge growth potential over time.

Refining – GRM at USD6.3/bbl (lowest in last decade)

- 1QFY21 was caught right in the center of the global pandemic (COVID-19) and saw huge volatility in crude prices. SG GRM for the quarter declined, primarily due to huge demand destruction in the transportation fuels, declining Gasoil, Gasoline and ATF cracks. This led the quarterly average for SG GRM into negative territory – the lowest in the last two decades. While these three cracks saw the most impact during the first half of the quarter, they recovered a bit as lockdowns eased globally and demand for auto fuels saw an uptick.
- RIL reported GRM of USD6.3/bbl, which is the lowest since 2QFY10, primarily due to shrinking of product cracks and Lt-Hv crude differential. The premium over SG GRM stood at USD7.2/bbl as RIL used flexibility in its refining configuration to manage yields.
- Refining throughput was 6% higher (v/s est. 16.6mmt and -5% YoY, -9% QoQ), as the company enjoys huge benefit from its petrochemical integration, which translated into higher utilization despite lower demand during the lockdown.
- Refining EBIT was down 38% YoY to INR27.2b owing to weak GRMs.

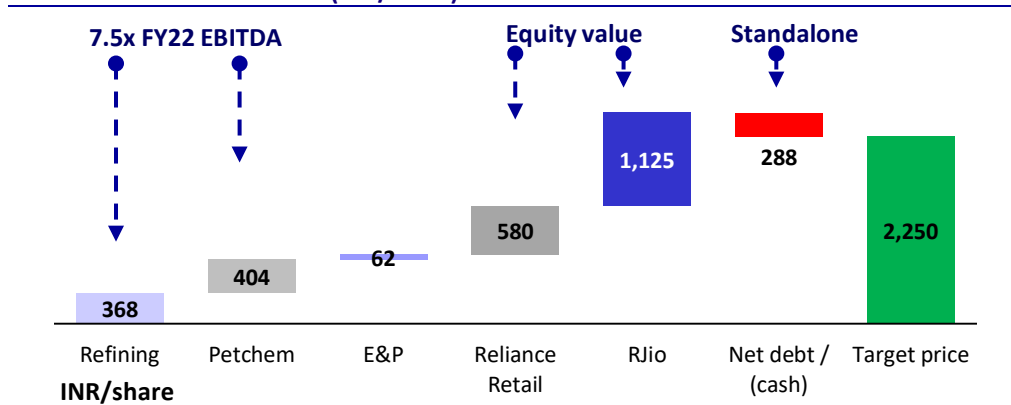
Petchem – implied EBITDA/mt declines 55% YoY to USD64

- RIL's petrochem production was 14% higher than est. at 8.9mmt (+2% YoY, -9% QoQ), owing to better product mix, feedstock flexibility and leveraging of its integration with refining unit.
- However, margins suffered a big blow due to weak demand and lower export realizations in 1QFY21. Thus, Implied EBITDA (USD/mt of total petrochem production) was 55% lower YoY at USD64/mt (-24% QoQ) – the lowest ever.
- RIL managed the slowdown in the domestic markets by boosting exports – from 80%/20% domestic/exports to 20%/80% – by leveraging its global reach and rapidly switching to multimodal logistics.
- Segmental EBIT declined 55% YoY to INR33.3b due to significant price volatility and collapse in demand, resulting in lower realizations.

Valuation and view

- RJio enjoys market leadership position in a 4-player industry with stretched balance sheet of competitors. Thus, it could leverage its position as a price maker to drive ARPU. Furthermore, the company is in the process of transforming from a telecom player to a digital company with an ability to expand revenue stream to multiple categories. Thus, we assign an EV/EBITDA multiple of 15x on Sep'22E EBITDA to arrive at TP of INR1,125 (earlier INR905). The higher multiple captures the digital revenue opportunity, expected gains from any potential tariff hikes, growing market share and possible rationalization of tax levies for the sector, which are not built into our estimates.
- Jio Platforms has raised INR1,520.6b across 13 investors with RIL holding ~66.48% equity stake on fully diluted basis. Of the total funds raised, INR229.8b would be retained in Jio Platforms while the rest would be used for optionally convertible preference share (OCPS).
- We value Reliance Retail's core business at 30x FY22E EV/EBITDA and petro-retail/connectivity at FY22E 4x EV/EBITDA to arrive at an enterprise value of INR3.8t and a target price of INR580. Our premium valuation underscores Reliance Retail's aggressive footprint addition and the recent Jiomart led online opportunity, which could offer huge growth potential over time.
- RIL is further planning to streamline its O2C integration business and focus on expanding its fuel marketing business.
- Factoring in the huge miss during the quarter, we have revised down our FY21/FY22E standalone EBITDA by -13%/-2% (with GRMs at USD7.6/11/bbl and Petchem EBITDA/mt of USD80/99/mt). Also, note that for every 10% change in petchem margins or refining GRMs, EBITDA sensitivity stands at 5-6% on standalone and 3% on consolidated basis.
- Currently, chemical conversion stands at 24% for RIL. In FY20, RIL's EBITDA from refining stood at USD6.6/bbl v/s ~USD15.6/bbl in petrochemical. According to our estimate, a 10% rise in chemical production from the current slate and improvement in EBITDA for the refinery-cum-petrochemical complex could be as much as USD476m or 6%/3% of the standalone/consol. FY22E EBITDA.
- Using SOTP, we value refining and petrochemical segment at 7.5x to arrive at a valuation of INR545/share for the standalone. We have ascribed an equity valuation of INR1,125/share to RJio and INR580/share to Reliance Retail. Reiterate Buy with a target price of INR2,250/share.

Exhibit 1: RIL SoTP valuation (INR/share)



Quarterly Earning Model

Y/E March	FY20				FY21				FY20	FY21E	FY21	Var v/s 1QE Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	882.6	871.4	863.8	741.8	474.6	504.7	546.3	556.4	3,359.8	2,082.0	550.2	-14%
YoY Change (%)	-3.2	-9.4	-13.7	-11.4	-46.2	-42.1	-36.8	-25.0	-9.6	-38.0	-37.7	
EBITDA	136.4	136.7	129.6	115.7	71.3	113.2	123.6	125.2	518.5	433.2	114.4	-38%
Margins (%)	15.5	15.7	15.0	15.6	15.0	22.4	22.6	22.5	15.4	20.8	20.8	
Depreciation	21.8	23.2	25.5	26.9	21.7	24.7	24.7	27.7	97.3	98.8	25.8	-16%
Interest	27.0	27.2	25.2	41.6	47.8	49.5	49.5	51.1	121.1	197.8	48.3	-1%
Other Income	33.5	36.3	38.7	37.2	42.1	41.3	41.3	40.4	145.4	165.0	40.1	5%
PBT before EO expense	121.1	122.6	117.5	84.4	43.9	80.3	90.7	86.8	445.6	301.6	80.4	-45%
Extra-Ord expense	0.0	0.0	0.0	42.5	-44.2	0.0	0.0	0.0	42.5	-44.2	0.0	
PBT	121.1	122.6	117.5	42.0	88.1	80.3	90.7	86.8	403.2	345.8	80.4	10%
Rate (%)	25.4	20.8	18.5	38.5	-10.8	25.2	25.2	25.2	23.3	16.0	25.2	
Reported PAT	90.4	97.0	95.9	25.8	97.5	60.1	67.9	65.0	309.0	290.4	60.1	62%
Adj PAT	90.4	97.0	95.9	51.9	48.6	60.1	67.9	65.0	335.1	241.5	60.1	-19%
YoY Change (%)	2.4	9.5	7.4	-39.4	-46.2	-38.1	-29.2	25.2	-4.7	-28.0	-33.5	
Margins (%)	10.2	11.1	11.1	7.0	10.2	11.9	12.4	11.7	10.0	11.6	10.9	
Key Assumptions												
Refining throughput (mmt)	17.5	16.7	18.1	18.3	16.6	17.5	17.5	17.5	70.6	69.1	15.6	6%
GRM (USD/bbl)	8.1	9.4	9.2	8.9	6.3	8.0	8.0	8.0	8.9	7.6	9.0	-30%
Petchem EBITDA/tonne (USD/MT)	141.6	128.3	102.7	84.6	64.0	75.0	90.0	90.0	114.3	79.8	95.0	
Petchem production (mmt)	8.7	9.9	9.9	9.8	8.9	10.0	10.0	10.0	38.3	38.9	7.8	

Consol. - Quarterly Earning Model

Y/E March	FY20				FY21				FY20	FY21E	FY21	Var v/s 1QE Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	1,569.8	1,493.0	1,531.8	1,364.9	882.5	1,198.3	1,253.5	1,547.3	5,959.5	4,881.6	1,192	-26%
YoY Change (%)	21.9	4.2	-2.4	-1.6	-43.8	-19.7	-18.2	13.4	4.7	-18.1	-24.1	
EBITDA	213.2	221.5	226.3	220.3	168.8	218.3	238.3	259.2	881.3	884.6	208	-19%
Margins (%)	13.6	14.8	14.8	16.1	19.1	18.2	19.0	16.8	14.8	18.1	17.4	
Depreciation	50.1	53.2	55.5	63.3	63.1	64.4	66.7	67.8	222.0	262.0	59	7%
Interest	51.1	54.5	54.0	60.6	67.4	64.7	64.7	62.1	220.3	258.8	59	15%
Other Income	31.5	36.1	34.1	38.8	43.9	44.1	44.1	46.0	140.5	178.0	43	2%
PBT before EO expense	143.4	150.0	150.8	135.2	82.2	133.3	150.9	175.3	579.4	541.7	133	-38%
Extra-Ord expense	0.0	0.0	1.8	42.7	-49.7	0.0	0.0	0.0	44.4	-49.7	0	
PBT	143.4	150.0	149.1	92.5	131.9	133.3	150.9	175.3	535.0	591.4	133	-1%
Rate (%)	29.5	24.7	20.9	28.9	2.0	25.5	25.1	23.7	25.7	19.6	25.0	
MI & Profit/Loss of Asso. Cos.	-0.3	-0.5	-0.6	0.3	-3.2	0.1	0.5	1.9	-1.1	-0.7	0	
Reported PAT	101.4	113.5	118.4	65.5	132.5	99.1	112.5	131.8	398.8	475.9	100	33%
Adj PAT	101.4	113.5	119.8	95.8	83.8	99.1	112.5	131.8	430.5	427.2	100	-16%
YoY Change (%)	6.9	18.9	15.5	-8.1	-17.4	-12.7	-6.1	37.6	8.1	-0.8	-1.5	
Margins (%)	6.5	7.6	7.8	7.0	9.5	8.3	9.0	8.5	7.2	8.8	8.4	

Digital services – Moving from telecom to digital play

Robust growth in weak market conditions

RJio delivered strong 11.6%/13.4% revenue/EBITDA QoQ growth, led by 7.4% ARPU increase to INR140 and 10.8m net subscriber addition to 398.3m. The ~7% ARPU increase (despite an estimated 2-3% COVID-19 related impact) underscores the ~10% benefit of the tariff hike taken in 3QFY20. Thus, of the overall ~20% price increase, an additional ~5% is yet to accrue. Incremental EBITDA margin in 1QFY21 stood at 48% despite robust revenue growth due to sharp 15% increase in network cost. This could possibly be attributed to increased capex intensity to manage the 11% data volume growth in 1QFY21 to 14.2b GB and increase in data usage/subscribers to 12GB/month.

Transforming into a digital play

With RJio's wireless business ranked #1, the company through its holding company – Jio Platforms – is now looking to expand across multiple digital products and services. Given its estimated pool of over 275m smartphone subscribers, some of the products launched across (a) entertainment (Jio TV+, Saavn, etc), (b) audio/video conferencing (Jiomeet), (c) home/enterprise broadband (Jiofiber) and other few offerings have already started seeing strong traction and could provide enormous growth opportunity.

Multiple levers of growth

RJio remains in an enviable position being the dominant market leader. This offers it monetization opportunity through various means. With a scale of 398m subscribers, a largely contracted market structure with merely four telecom players and a highly leveraged balance sheet, RJio can act as a price maker, driving healthy ARPU improvement. Subscriber growth too continues as management is targeting a lion's share of the 350-400m feature phone market. It also plans to leverage its capabilities to increase subscriber wallet share by offering additional services such as entertainment, payments, healthcare, education, etc., which could provide huge growth opportunity. Given the better-than-expected ARPUs, we have revised upwards our EBITDA by 3%/10% for FY21/FY22E. We have factored in 11%/21% ARPU/subscriber growth over FY20-22E. Subsequently, we expect revenue growth of 37%/17% and EBITDA growth of 61%/37% over FY21/FY22E.

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RJio Analyst Meet Takeaways

- **Building new digital products and services:** (a) Jio TV - Linear and non-linear content app with OTT agnostic characteristics, (b) Jiomeet - the audio/video conferencing app, (c) Jiohaptik - AI based automated chatbox, (d) Jiofiber - broadband services, and (e) EasyGov -Governance app among many others.
- **Creating in-house capabilities to drive technology upgrade** toward 5G and leverage the capabilities to (a) build new AI and IOT-based new product solutions for consumers and enterprises, and (b) export technology to other telcos globally.

RJio digital plans for India

- **India digital society plan:** There are 4 key elements of digital society such as (a) connectivity, (b) business platform, (c) consumer platform, and (d) disruptive technologies.
 - **Connectivity:** RJio has created pan-India 4G LTE network for data and the largest voice network on VoLTE globally. Additionally, it has launched narrow band LTE with minimal investments.
 - **Business platform:** It has sizeable mass of subscribers – both retail and business customers. Management believes that wireline and wireless network can be integrated to provide better services.
 - **Consumer platform:** RJio is looking to provide high quality/value solutions to its customers and has already prepared media solutions for this purpose. It is now exploring the commerce sector. Further, management is looking to extend these solutions to healthcare, IoT, etc. For instance, its Jio TV+ can be used across platforms with a single login, thus, offering inter-operability.
 - **Disruptive technology:** Cloud services, automation products and natural languages' processing could be new technologies.

5G/Jiophone capabilities

- **Next frontier:** The world has begun increasing the pace of 5G adoption for incremental capacity and to augment other digital services. Management believes that India can lead the way forward in this segment.
- **Internally built capability:** Unlike partnering with others for 4G, the company is preparing the 5G stack internally. Further, it is looking to deploy the technology initially in India and could later scale it to sell globally.
- **Cloud native 5G capabilities:** RJio has end-to-end suite of 5G technologies with cloud enablement.
- **Jiophone production:** RJio has gained good expertise in hardware and is now planning to develop and produce Jiophone internally.

New products and services

- **Jiomeet:** The app has end-to-end encryption and supports unlimited participants with cloud-ready architecture. It has gained a large set of customers in a short period of time since its launch. It is a highly scalable and a feature-rich product.
- **Jiohaptik:** This is an AI-based automated chat-box and was used in 'MyGov Corona Helpdesk'. It has been used by >30m citizens over the last 3 months.
- **EasyGov:** This app provides various schemes of central and state government on a single platform. It contains information of 350 central/state government welfare schemes.

- **Jio e-learning:** RJio has launched 65 educational channels on JioTV with both national and state content.
- **Jiofiber:** The company is aggressively rolling out last mile fiber and has set up capacity/home pass for faster rollout. Further, it is creating a platform to ramp up capacity. These would enable integration of home IOT, smart home solutions, AI-based automation and IOT devices like energy metering, smart solutions and would be a key differentiator.

Financial and operating metrics

- **Fund raise:** Jio Platforms has raised INR1.52t via stake sale of 66.48% to 13 investors. Of the total fund, INR223b would be retained by Jio Platforms.
- **EBITDA:** RJio's EBITDA was up 55% YoY to INR72.3b (including other income) with margin of 44%.
- The company did not lose revenue in the lockdown due to digital enablement of recharges.
- **Subscriber:** The company added 15.1m gross subscribers with lowest industry level churn.
- **ARPU:** RJio reported strong ARPU of INR140.
- **Data usage:** RJio's wireless data traffic was up 30% YoY to 14.2 Exabyte. Data usage/subscriber stood at 12.1GB with 14.2b GB quarterly traffic.

Valuation and view

We have revised our TP to INR1,125 (earlier TP INR905) on account of the earnings revision, assigning 15x to our Sep'22E EBITDA, translating into an enterprise value of INR7.6t. RJio has evolved from merely a telecom player to a digital company, delivering on its strategy of launching an array of digital products and services. With healthy subscriber/usage traction and ownership of large base of 4G subscribers, it has the ability to expand its revenue stream into multiple categories. Our higher multiple (Bharti India mobile valued at 12x EV/EBITDA) captures the digital revenue opportunity, expected gains from any potential tariff hikes, growing market share and possible rationalization of tax levies for the sector, which are not built into our estimates.

Exhibit 2: RJio – EV/EBITDA based valuation on Sep'22E

Particulars	(INRb)
EBITDA	499
EV/EBITDA (x)	15
EV	7,597
Debt	465
Equity Value	7,132
Value Per Share	1,125

Source: Company, MOFSL

Quarterly Earning Model

(INR B)

Y/E March	FY20				FY21				FY20	FY21	Variance	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				1QFY21E
Net Revenue	117	131	140	148	166	180	194	206	543	745	153	8.5
YoY Change (%)	NA	42.1	28.3	33.6	41.8	37.1	38.6	38.9	39.9	37.2	30.7	
Total Expenditure	70	80	84	87	96	101	105	97	327	398	88	8.9
EBITDA	47	51	56	62	70	79	89	109	216	347	65	7.9
Margins (%)	40.0	39.1	40.0	41.6	42.3	44.0	45.8	53.0	39.7	46.6	42.5	-22
Depreciation	17	18	18	22	27	30	32	34	74	124	23	18.4
Finance Cost	17	19	20	11	12	12	12	12	66	47	7	74.0
Other Income	0	0	0	0	3	1	1	1	1	5	1	153.8
PBT	14	15	19	29	34	38	46	64	76	182	36	-6.6
Tax	5	5	5	6	9	10	12	16	21	46	10	
Rate (%)	35%	35%	27%	20%	25%	25%	25%	25%	27%	25%	27%	
PAT	9	10	14	23	25	29	34	48	56	136	26	-4.4
Margins (%)	7.6	7.5	9.7	15.7	15.2	15.9	17.6	23.1	10.2	18.2	17	
YoY Change (%)	NA	NA	0.6	1.8	NA	NA	1.5	1.0	88%	144%	NA	

Exhibit 3: QoQ financial performance (INR b)

(INR b)	1QFY20	4QFY20	1QFY21	YoY%	QoQ%	1QFY21E	Var (%)
Revenue from operations	117	148	166	41.8	11.6	153	8.5
Operating expenses	70	87	96	36.3	10.3	88	8.9
EBITDA	47	62	70	50.0	13.4	65	7.9
EBITDA margin (%)	40.0	41.6	42.3	232bps	68bps	42.5	-22bps
Depreciation and amortization	17	22	27	65.2	26.3	23	18.4
EBIT	30	40	43	41.6	6.5	42	2.2
EBIT margin (%)	25.8	27.0	25.8	-3bps	-124bps	27.4	-160bps
Finance Costs	17	11	12	-29.6	3.1	7	74.0
Other income	0	0	3	1625.0	961.5	1	153.8
Profit before Tax	14	29	34	146.5	16.4	36	-6.6
Tax	5	6	9	78.9	50.3	10	-12.7
Tax rate (%)	34.9	19.6	25.3	-958bps	571bps	27.1	-177bps
Profit after Tax	9	23	25	182.8	8.1	26	-4.4
Adjusted Profit after Tax	9	23	25	182.8	8.1	26	-4.4

Source: MOFSL, Company

Exhibit 4: RJio: KPI comparison

Key Operating Metrics	1QFY20	4QFY20	1QFY21	YoY%	QoQ%	1QFY21E	Var (%)
Subscriber base (mn)	331.3	387.5	398.3	20.2	2.8	372.5	6.9
Net subs adds	24.6	17.5	10.8	-56.1	-38.3	-15.0	-172.0
Gross sub adds	34.2	23.9	15.1	-55.9	-36.8		
Churn per mth (%)	1.0%	0.6%	0.5%	-51bps	-11bps		
ARPU (INR/sub/month)	122	131	140	15.0	7.4	134	4.8
Total wireless Data traffic (cr GB)	1,090	1,284	1,420	30.3	10.6	1,824	-22.2
Wireless Data traffic per sub (GB/mth)	11.4	11.3	12.0	5.8	6.6	16.0	-24.7
Voice on Network (b min)	786	876	889	13.2	1.5	879	1.2
Voice consumption per sub (min/mth)	821	771	755	-8.1	-2.2	771	-2.2

Exhibit 5: ARPU reconciliation

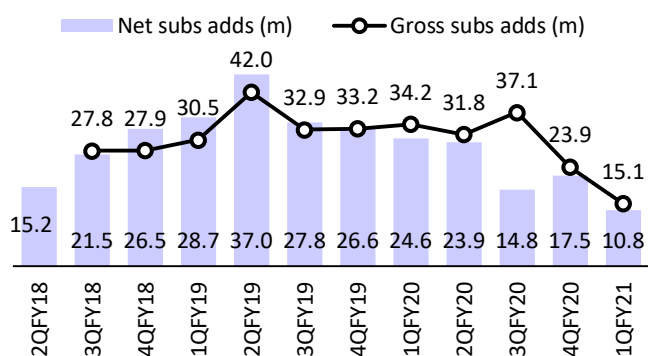
Subscriber category	Revenue (INR b)	Average Subscribers (m)	1QFY21 ARPU (INR)	4QFY20 ARPU (INR)	Growth (%)
Smartphone Subs	1,33,175	278.6	159	144	10.7%
Jiophone Subs	28,776	114.3	84	84	0.0%
Prime Subscription	3,421	138.2	8	8	0.0%
Total	1,65,372	392.9	140	131	7.4%

Exhibit 6: Subscriber working (m)

Subscribers gr. drivers	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21
Subscribers	331.30	355.20	370.00	387.50	398.30
Net Adds	24.60	23.90	14.80	17.50	10.80
Churn	0.97%	0.74%	2.1%	0.57%	0.46%
Subs churn	9.64	7.89	22.30	6.40	4.30
Gross Subscriber adds	34.24	31.79	37.1	23.9	15.1
Smartphone adds	23	23	18	7	5
Jiophone Subs adds	11.7	9.3	19.1	16.5	10.0

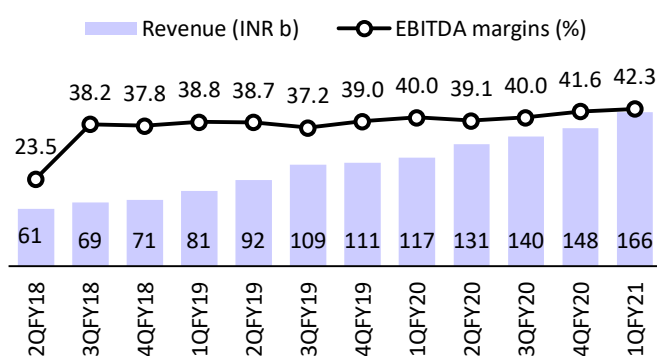
Source: MOFSL

Exhibit 7: RJio: Net subs add pace reduced due to lockdown



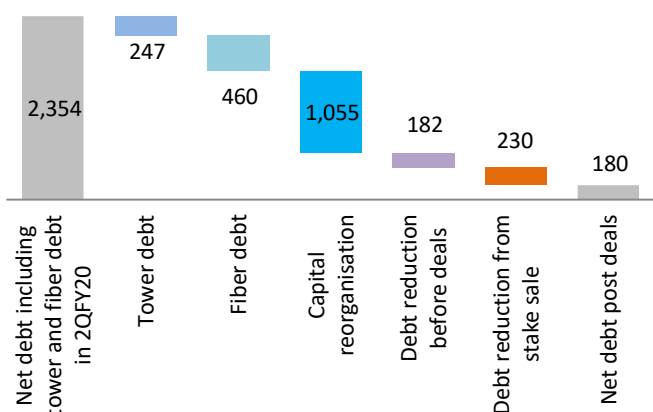
Source: MOFSL, Company

Exhibit 8: RJio: EBITDA margins expanded 70bp QoQ



Source: MOFSL, Company

Exhibit 9: RJio virtually turned debt free post stake sale (INR b)



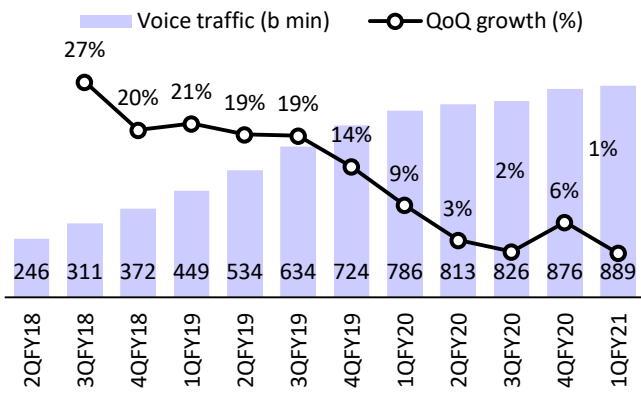
Source: MOFSL, Company

Exhibit 10: Jio Platforms consol. financials for 1QFY21

Particulars (INR b)	1QFY21
Gross revenue	202.77
Operating revenue	172.54
EBITDA	73.32
EBITDA margin (%)	42.5%
Depreciation & Amortization	27.76
EBIT	45.56
Finance cost	11.7
PBT	33.86
Net Profit	25.2

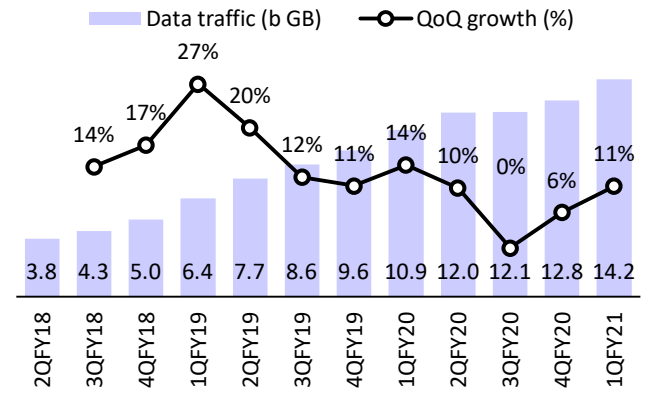
Source: MOFSL, Company

Exhibit 11: RJio: Voice traffic grew 1% in 1QFY21



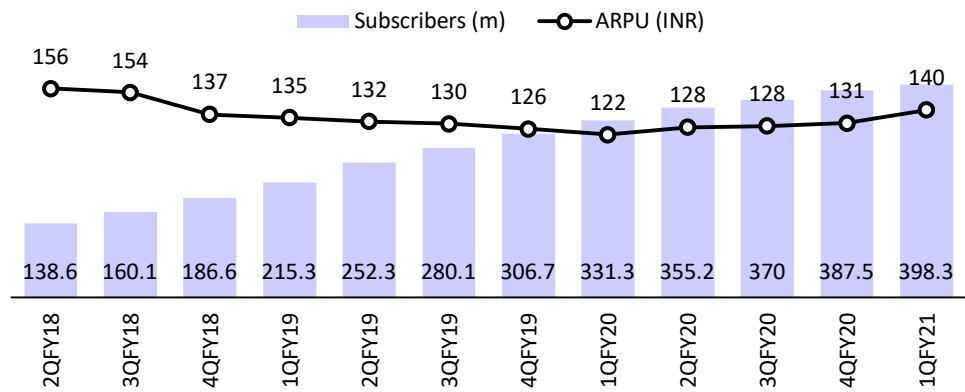
Source: MOFSL, Company

Exhibit 12: RJio: Data traffic up 11% due to surge in demand



Source: MOFSL, Company

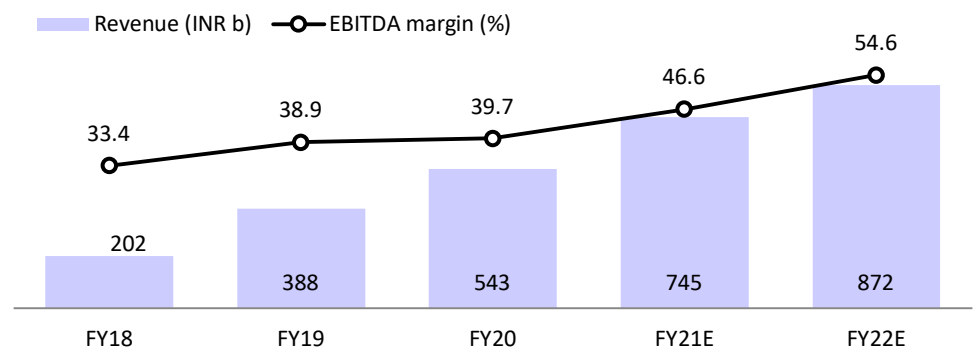
Exhibit 13: ARPU increased 7% QoQ to INR140 along with 2.8% subscriber growth



Source: MOFSL, Company

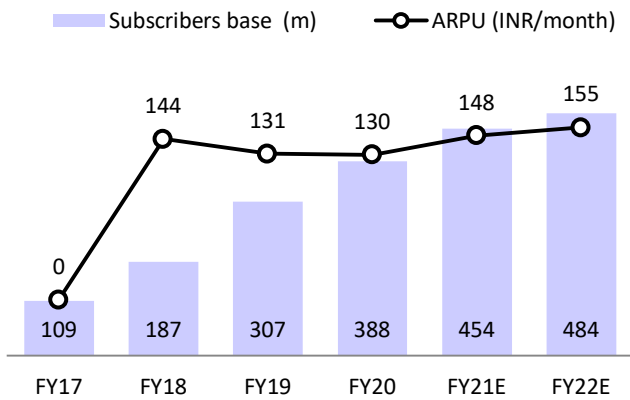
Exhibit 14: Jio: Summary of estimate change

	FY21E	FY22E
Revenue (INR b)		
Old	703	793
Actual/New	745	872
Change (%)	6.0	10.0
EBITDA (INR b)		
Old	336	432
Actual/New	347	476
Change (%)	3.3	10.3
EBITDA margin (%)		
Old	47.8	54.4
Actual/New	46.6	54.6
Change (bp)	-121bps	16bps
Net Profit (INR b)		
Old	154	219
Actual/New	136	251
Change (%)	-12.1	14.7
EPS (INR)		
Old	3.4	4.9
Actual/New	3.0	5.6
Change (%)	-12.1	14.7
MoU (min)		
Old	793	793
Actual/New	793	793
Change (%)	0.0	0.0
ARPU (INR)		
Old	142	147
Actual/New	148	155
Change (%)	3.7	5.7
Subs (m)		
Old	436	466
Actual/New	454	484
Change (%)	4.1	3.9

Exhibit 15: RJio: EBITDA margin to expand

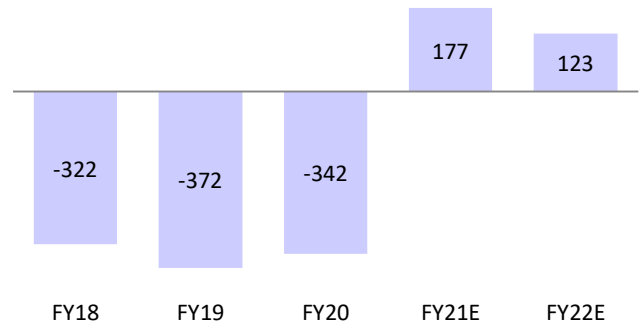
Source: MOFSL, Company

Exhibit 16: ARPU to reach INR155 in FY22



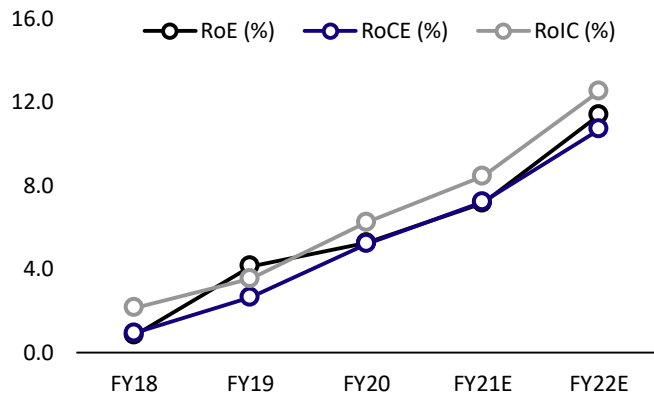
Source: MOFSL, Company

Exhibit 17: FCF to turn positive in FY21 (INR b)



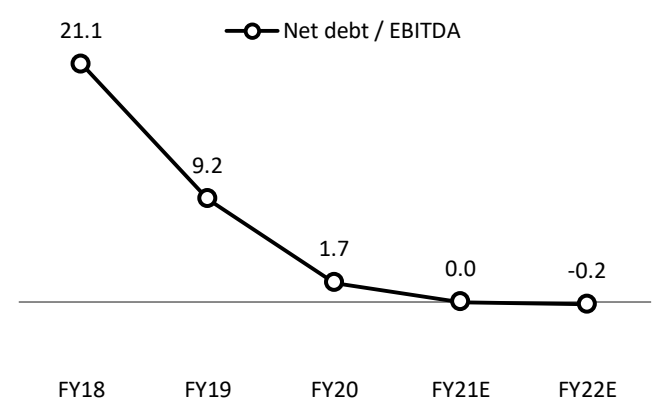
Source: MOFSL, Company

Exhibit 18: RJio: Return ratios to rise (%)



Source: Company, MOFSL

Exhibit 19: RJio: to turn cash positive in FY22



Source: Company, MOFSL

Reliance Retail: Strong focus via online channel

Grocery segments continue to shine

Reliance Retail's revenue declined 17% YoY to INR316b. This was due to 50% of its stores being closed and 29% operating partially during the lockdown. Footfalls were down 57% YoY during the quarter; however, Jun'20 saw some recovery, but footfalls were still down 39%. EBITDA plunged 47% YoY to INR10.8b while EBITDA margins stood at 3.8%, primarily aided by the grocery business.

Sales of Lifestyle/Consumer Electronics plummeted 71%/69% YoY. However, sales of the grocery segment grew 5% YoY, driven by strong business push across grocery stores, JioMart and initiatives in the online and delivery space. Lower footfalls were partly offset by higher bill values across grocery and electronics stores. Only 3% of Reliance's grocery stores were non-operational during 1QFY21. However, 52%/65% of electronics and fashion stores were non-operational during the quarter with 65%/90% drop in footfalls.

Golden opportunity for Jiomart

Jiomart went operational during the lockdown and spread its services across 200 cities, mostly supplying groceries and other staples from its own grocery stores (SMART and Fresh-format stores). It is also in the process of connecting *kirana* stores to cater to last mile connectivity. The aim is to connect nearly 30m neighboring *kirana* stores to the online platform. It is targeting to launch the consumer durables and apparel/footwear category in 2QFY21 and has created a hyper-local model linking its stores to the digital platform for inventory fulfillment.

Riding the online consumption spree during lockdown

The current lockdown phase boosted shopping of essential items and grocery shopping via the online medium. We believe this trend is likely to continue due to customers developing a habit for convenience-based shopping. Jiomart is already providing staples at sharp point prices and discounts to attract customers along with free home deliveries in the launch phase. Additional synergies are expected to come in the form of Reliance Retail pushing its private label products, which are margin accretive. Further, the company aims to strengthen its supply chain, logistics and focus highly on home delivery services, including *kirana* tie-ups that could provide an efficient last mile delivery model.

Valuation and view

We value Reliance Retail on an SOTP basis, valuing its core business at 30x FY22E EV/EBITDA and petro and connectivity at FY22E 4x EV/EBITDA to arrive at an enterprise value of INR3.8t with a target price of INR580. Our premium valuation captures Reliance Retail's aggressive footprint addition and the recent Jiomart led online opportunity. The online business is a long gestation/cash-burn business. However, with deep pockets and wide network, Reliance Retail has huge potential to create an efficient hyper local model.

Other Operating Highlights

- Reliance Retail's total store count stood at 11,806 (added net 22 stores in 1QFY21) and total retail area stood at 28.7msf.
- Core revenue plunged 43% YoY in 1QFY21 to INR122b.
- Total EBITDA fell 47% YoY to INR10.8b while margins stood at 3.8%.
- **Fashion and Lifestyle** revenue dropped 71% YoY to INR9b.
- **Consumer Electronics'** revenue declined 69% YoY to INR32b. However, on easing of the lockdown, sales of laptops, tablets and productivity devices were up 2.5x and sales of dishwashers, other home appliances, gaming and tech accessories increased 2x.
- **Food and Grocery** revenues grew 5% YoY to INR80b.
- **Petro retail** revenue fell 34% YoY to INR25b.
- **Connectivity** revenue grew 30% YoY to INR169b while EBITDA grew 24% to INR3.4b. Margins stood at 2%.

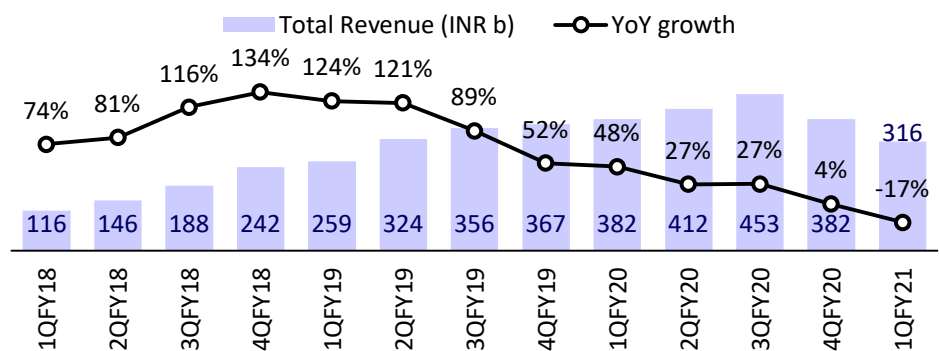
Exhibit 20: Quarterly performance (INR b)

	1QFY20	4QFY20	1QFY21	YoY%	QoQ%
Revenue from operations	382	382	316	-17.2	-17.2
a) Core Revenue	215	195	122	-43.1	-37.5
- Grocery	76	100	80	5.2	-20.1
- Consumer Electronics	106	62	32	-69.5	-47.7
- Fashion and Lifestyle	32	33	9	-70.7	-71.5
b) Connectivity	130	152	169	30.3	11.5
c) Petro Retail	37	35	25	-33.7	-28.7
EBITDA	20	26	11	-47.1	-57.6
EBITDA margin (%)	6.0%	7.5%	3.8%	-214bps	-362bps

Exhibit 21: Summary of estimate changes (INR b)

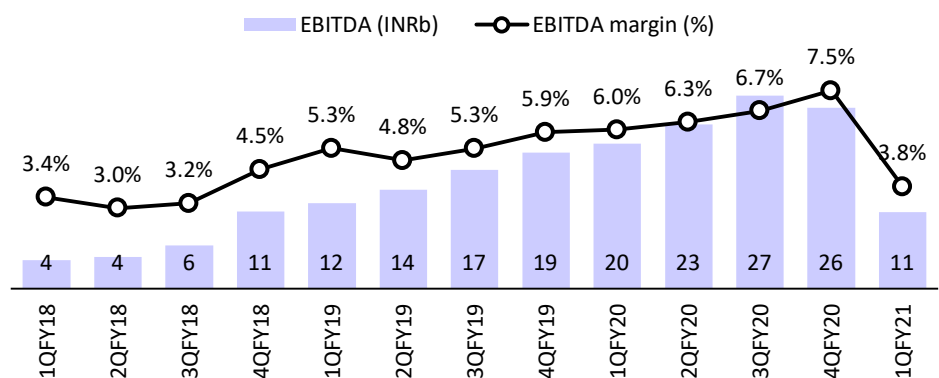
(INR b)	FY21E	FY22E
Revenue		
Old	1508	1835
Actual/New	1578	2027
Change (%)	5	10
EBITDA		
Old	76	114
Actual/New	81	136
Change (%)	6.5	18.6
EBITDA margin (%)		
Old	5.7	6.2
Actual/New	5.8	6.7
Change (bp)	10	46
Net Profit		
Old	51	79
Actual/New	54	95
Change (%)	7.3	20.2
EPS (INR)		
Old	10.2	15.8
Actual/New	10.9	19.0
Change (%)	7.3	20.2

Exhibit 22: Reliance Retail – revenue fell 17% YoY, impacted by store closures

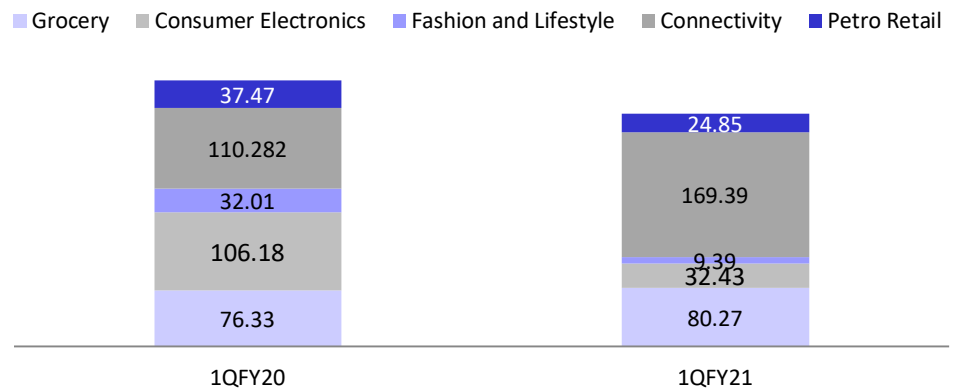


Source: Company, MOFSL

Exhibit 23: Reliance Retail – EBITDA supported by grocery segment

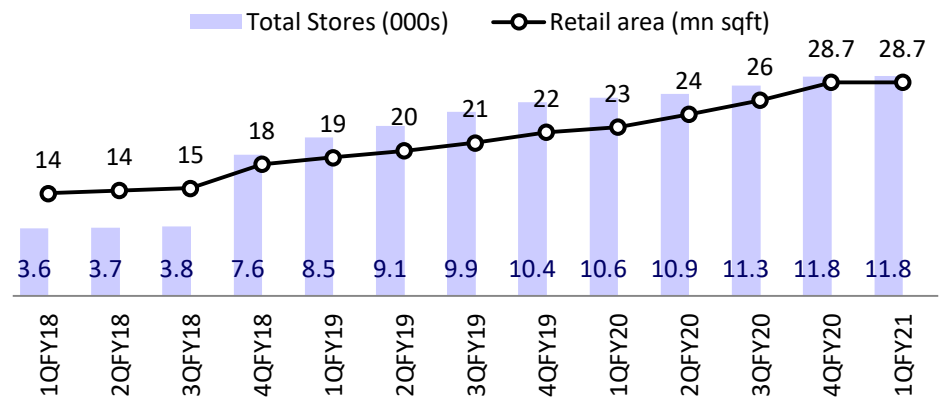


Source: Company, MOFSL

Exhibit 24: Reliance Retail store revenue contribution (INR b)**Exhibit 25: Fashion and electronics store remained closed for most period in lockdown**

Format stores	%age of non operational stores				Drop in Footfalls
	20-Apr	20-May	20-Jun	Overall 1QFY21	1QFY21
Consumer Electronics	90%	45%	20%	52%	-65%
Fashion & Lifestyle	100%	76%	37%	65%	-90%
Grocery	4%	3%	2%	3%	-45%
Total	79%	51%	24%	50%	-57%

Source: Company, MOFSL

Exhibit 26: Area under coverage steady during 1QFY21

Source: Company, MOFSL

Exhibit 27: FY22 SOTP Valuation

FY22 Valuation	EBITDA	Multiple	EV (INR b)
Core EBITDA	121	30	3,676
Petro and Connectivity	20	5	101.7
Total			3,778
Less Net Debt			100
Equity Value			3,678
No of Shares (in b)			6.3
Target price (INR)			580

Source: MOFSL, Company

Key highlights

Reliance Retail Analyst Concall Takeaways

Key Highlights

- **COVID-19 impact:** 50% of total stores remained shut while 29% were operating partially. Grocery stores remained operational with logistics challenges. Footfalls were down 57% YoY but Jun'20 has started seeing recovery. Commissioning of over 250 stores halted due to the pandemic.
- **JioMart:** It is looking to expand with launch of electronics, apparels and footwear categories in 2QFY21. Further, it is looking to widen the rollout in more cities from current 200 cities. It is leveraging existing store network and *kirana* tie-ups to improve supply chain and delivery timelines.
- **Grocery:** Despite challenges, revenue grew 5% as the business comes under essential items. Alternate channels like online also aided growth.
- **Supply chain improvement:** It is looking to improve supply chain to handle home delivery and has already converted some Reliance market stores, partly for consumers.
- **Fashion and Lifestyle:** Reliance Retail is leveraging the AJio platform to drive revenue.

COVID-19 impact

- **Operational stores:** 50% of total stores remained shut and 29% were operating partially. Consumer Electronics, Fashion and Lifestyle businesses were not operational in Apr'20 and partially in May-Jun'20. Grocery stores remained operational with logistics challenges.
- **Impact on footfalls:** Footfalls were down 57% YoY (-39% Jun'20). Furthermore, grocery stores also saw lower footfalls.
- **Delay in store opening:** Reliance Retail opened 69 new stores and SIS sections; >250 stores could not be commissioned due to the prevailing situation.

Business performance

- **Gross revenue:** Overall revenue declined 17%, however, the company still remains ahead of peers. Furthermore, the company delivered EBITDA of INR10.8b in 1QFY21.
- **Better gross margin:** Gross margin improved due to better realization and full price sell through.
- **Cost saving initiatives:** Reliance Retail has started an ambitious cost savings program that reduces the impact on profitability.
- **Healthy recovery:** The company witnessed healthy recovery in Jun'20 post reopening of the electronics stores due to pent-up demand. Also, it saw a pickup in jewelry sales in Jun'20.

New initiatives

- **New commerce launch:** The company has made steady progress – both Jiomart and Ajio ramped up with reliance digital activation.
- **Hyper local model:** The company started hyper local model for quick turnaround of inventory with order delivery in six hours.

Grocery

- **Growth despite challenges:** Despite the operational constraints, grocery revenues grew 5% YoY. Growth was led by essential and processed foods.
- **Sales through additional channels:** The company served customers through multiple channels in addition to stores such as 'Store on Wheels' to serve 3,000 societies. Further, it took orders through online, telephone, Whatsapp and NetMeds.
- **Leveraging JioMart:** It leveraged JioMart to accelerate speed of home delivery.

Fashion & Lifestyle

- **Last mile fulfillment:** It leveraged offline stores and inventory for last mile fulfillment.
- **Leveraging AJio:** The company is recognizing the fashion trend as per WFH requirement and is recreating its portfolio accordingly. It is utilizing AJio to drive *Trends'* revenues. Without AJio, performance would have been very weak.
- **Strengthens capacity:** Reliance Retail has built capacity to handle scale-up of orders and to deliver service within SLAs.

JioMart

- **Launch in Lifestyle and Consumer durables:** It is looking to launch JioMart in the consumer electronics category and apparel and footwear category in 2QFY21.
- **Accelerated roll out:** Management's key priority is to accelerate the roll out of JioMart.
- **Expansion of categories:** Planning to expand JioMart across categories, including pharmaceuticals. Partnership model with *kirana* stores are well underway.

Focus on improving supply chain

- **Home delivery:** The company is looking to bolster supply chain/fulfillment capacity to handle home delivery. Currently, solutions for 200 cities are ready.
- **Leveraging Reliance Market stores:** It has partly converted many Reliance Market stores into consumer stores to improve supply to customers.
- **Backward integration:** The benefit of backward integration with farmers has seeped in as it allows the company to manage its supply chain.
- **Focus on reopening:** It is looking to scale up digital commerce and to ramp up the offline expansion and supply chain infrastructure.

Standalone Business – Near-term outlook challenging

Refining and marketing: Better feedstock optimization leads the path

- The COVID-19 impact during the quarter was unprecedented as the pandemic impacted global economic growth and oil demand. Oil demand destruction of ~15-20mnbpod was expected in Mar'20, which we reckon has further expanded to 25-30mnbpod in Apr-May'20. **Demand destruction was primarily due to the complete halt in transportation fuel demand, while Lt-Hv differential also shrank (to USD0.4/bbl from USD1.8/bbl in 1QFY20) amidst various production cuts and cargo restrictions.**
- At the start of the quarter, the lack of co-operation among OPEC+ countries resulted in Brent slumping to ~USD20/bbl. **However, with lifting of lockdowns across the world, demand is once again seeing an uptick.** On the supply side, production cuts, both intentional (OPEC++) and unintentional (due to weak economies/bankruptcies), led the upward movement in prices.
- During the quarter, Gasoline cracks averaged USD0.4/bbl (v/s USD4.9/bbl in 4QFY20), ATF cracks averaged nil (v/s USD8.6/bbl), after touching an all-time low and even Diesel cracks faced demand issues averaging lower at USD4.5/bbl (v/s USD9.7/bbl in 4QFY20) – the lowest in the last 18 years. FO cracks remained most volatile, averaging ~USD1.5/bbl (up from -USD7.1/bbl in 4QFY20) as supplies for heavy crude oil decreased.
- However, the company is better placed with flexibility in feedstock input along with maximization of middle distillate yields. Last year, RIL already launched niche grades in middle distillates and VLSFO to meet the changing market requirements. The company has been increasing capacity of crude de-salter. It is also boosting capacity of DTA coker by 30%.
- RIL used flexibility in its refining configuration to swing significant production of ATF into Diesel and other products as ATF demand was severely impacted due to air travel restrictions. **RIL was also able to optimize its crude basket by sourcing the highest number of competitive feedstock in a quarter.**
- Outlook: RIL expects global demand recovery to remain capped in the near term with concerns over high inventory and further delayed recovery in Jet fuel demand. Also, China is likely to export more with an increase in its refinery throughput, deepening the supply glut and enhancing the pressure on product margins.
- Counter measures by RIL includes focus on its deep petrochemical integration and to expand its fuel marketing business (currently, MS/HSD demand recovery in India is ~90% of Jan levels). RIL also believes that the global driving activity recovery is robust. The US and China's demand for MS/HSD recovered to ~90% of Jan levels in 1QFY21, which could aid auto fuel refining margins in the coming months.
- Our model builds in GRM of USD8/bbl for the next three quarters of FY21 and USD11/bbl for FY22E, with strong refining capacity utilization of 111%/113%, respectively.

Petrochem: better product mix to aid weaker margins

- RIL was able to maintain sustainable petchem production during the quarter, however, margins suffered a big blow due to weak demand and lower export

realization during the quarter. Integrated polyester chain margins declined sharply YoY, with weak fiber intermediate margins. However, headline margins for Polymers were positive.

- During the quarter, domestic petrochemical demand from consumer discretionary sectors like automobile and durables led the weakness. Although, demand from key essential sectors like Hygiene and Medical, Food and Beverage Packaging, Milk Packaging and Agri was healthy.

Outlook – Supply glut to continue

- Polymer chain: New ethylene capacity addition in the US and North-East Asia is likely to keep margins under pressure. However, improving demand for PE and PP across the essential sector (mentioned above) would provide some support to demand, and thus, to margins. Resumption in construction activities with the onset of monsoons is also likely to aid PVC demand as well.
- Polyester chain: Continued capacity addition in China is likely to keep global market well supplied; however, demand should improve with the onset of the festive season in the latter part of year, further boosting demand from the textile segment.
- In the current challenging operating environment, RIL's ability to optimize between feedstock and sales mix provides an edge in improving its performance. **We believe that strong cost position and demand recovery would support operating rates and margins of RIL further.**
- **US, China and EU retail sales are back to near normal levels:** The US' clothing is up >100% and electronics are up >30% MoM in Jun'20. China mobile phones garnered 19% YoY and home appliances grew +10% YoY in Jun'20. While, India FMCG demand is back to pre-COVID level Jun'20.
- We build in petchem EBIDTA/mt of USD 75/90/90/mt over the next three quarters of FY21 and a 10% increase (to USD99/mt) in FY22E with production of ~39/40mmt.

E&P: KG D6's – R cluster project progress

- Despite the COVID-19 related lockdown and constraints (of workforce and material transportation, etc.), the company is planning to commission the project in 2HFY21 (v/s earlier target of mid-2020).
- Currently, all wells and subsea installations are completed and pre-commissioning work of mobilization of critical resources from global locations, etc. is pending.

Exhibit 28: Standalone - Estimates change table

(INR m)	FY21	FY22	FY21	FY22
EBITDA	4,33,237	6,53,462	4,98,737	6,70,138
% change	-13%	-2%		
PAT	2,41,451	3,90,768	2,71,214	4,07,946
% change	-11%	-4%		

Exhibit 29: RIL segment-wise performance snapshot (standalone)

In INRb	FY19				FY20				FY21
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Segmental Revenues									
Petchem	390	430	453	414	362	374	359	314	242
Refining	814	815	889	688	766	765	782	678	398
Oil & Gas	8	7	6	5	5	4	5	2	1
Others	3	5	4	5	3	5	5	5	3
Total	1,214	1,257	1,352	1,113	1,136	1,148	1,152	999	644
Segmental EBITDA									
Petchem	90	95	96	91	86	89	72	60	43
Refining	60	61	58	48	51	57	68	66	36
Oil & Gas	2	4	5	3	3	1	1	0	0
Total	153	160	160	142	139	147	141	126	79
EBITDA Margin (%)									
Petchem	23.1	22.0	21.2	21.9	23.7	23.9	20.2	19.1	17.9
Refining	7.4	7.5	6.6	7.0	6.6	7.4	8.7	9.7	9.1
Oil & Gas	31.0	52.3	84.7	53.5	54.7	28.6	11.8	26.9	-7.5
Total	12.6	12.7	11.8	12.7	12.2	12.8	12.3	12.6	12.3
Segmental EBIT									
Petchem	77	80	80	78	74	75	58	46	33
Refining	52	52	49	40	44	49	59	57	27
Oil & Gas	-2	-2	1	1	1	1	1	0	0
Total	128	130	131	120	120	125	117	104	61
EBIT Margin (%)									
Petchem	19.9	18.5	17.6	18.9	20.4	20.0	16.1	14.6	13.8
Refining	6.4	6.3	5.6	5.9	5.8	6.4	7.5	8.4	6.8
Oil & Gas	-32.5	-25.3	19.7	18.5	23.9	13.4	10.3	5.0	-46.3
Total	10.5	10.3	9.7	10.7	10.6	10.9	10.2	10.4	9.5

REFINING: Weak GRM, sustainable production throughput

GRM at USD6.3/bbl v/s benchmark GRM of -USD0.9/bbl

Exhibit 30: RIL's premium over benchmark stood at USD7.2/bbl in 1QFY21

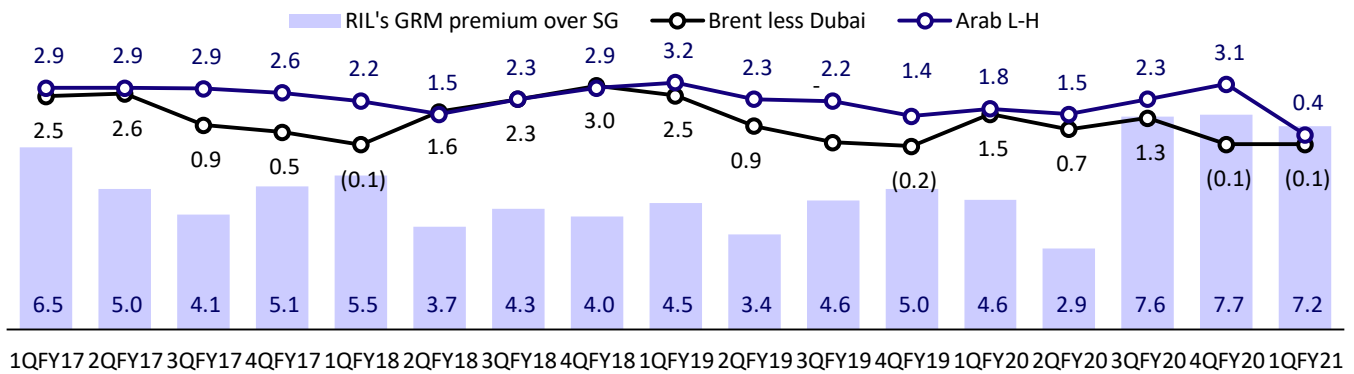


Exhibit 31: Standalone refining EBIT declined 39% YoY and 52% QoQ

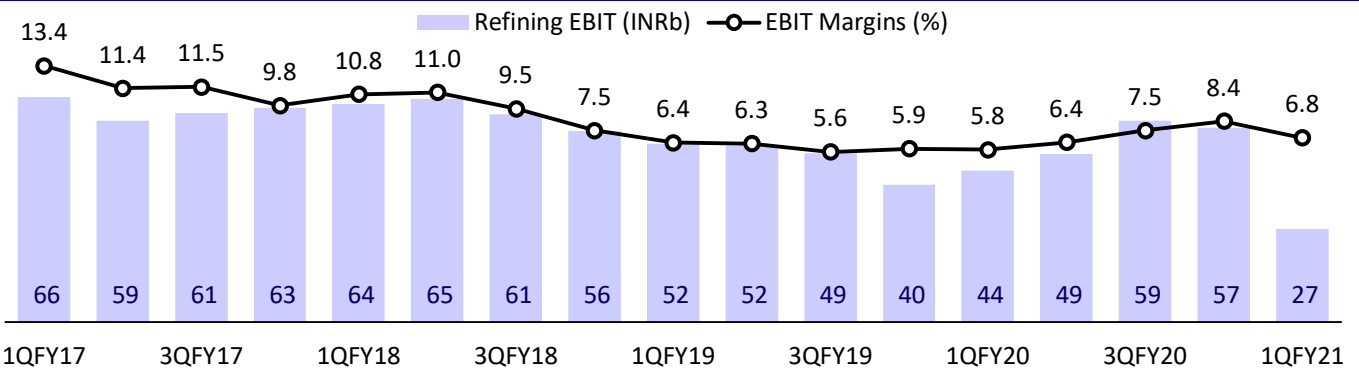


Exhibit 32: 1QFY21 GRM at USD6.3/bbl; premium of USD7.2/bbl

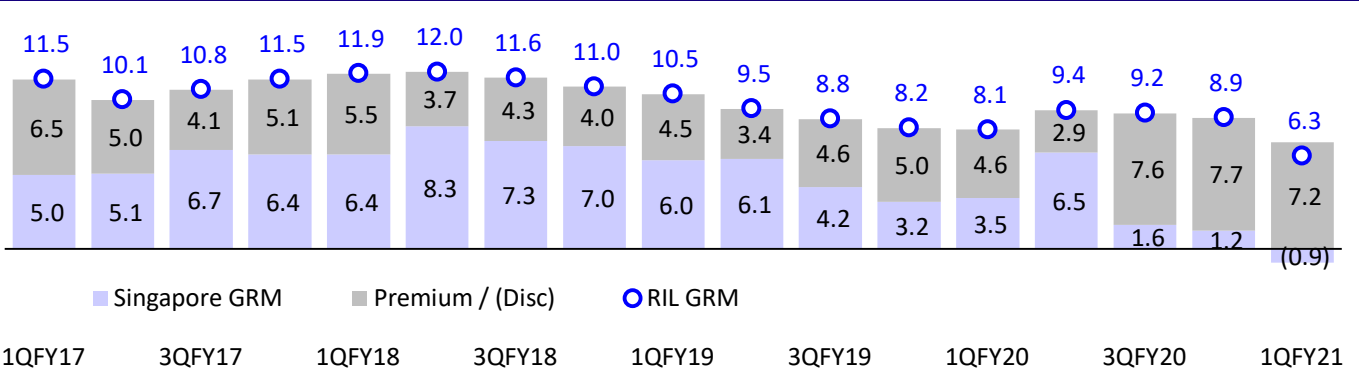
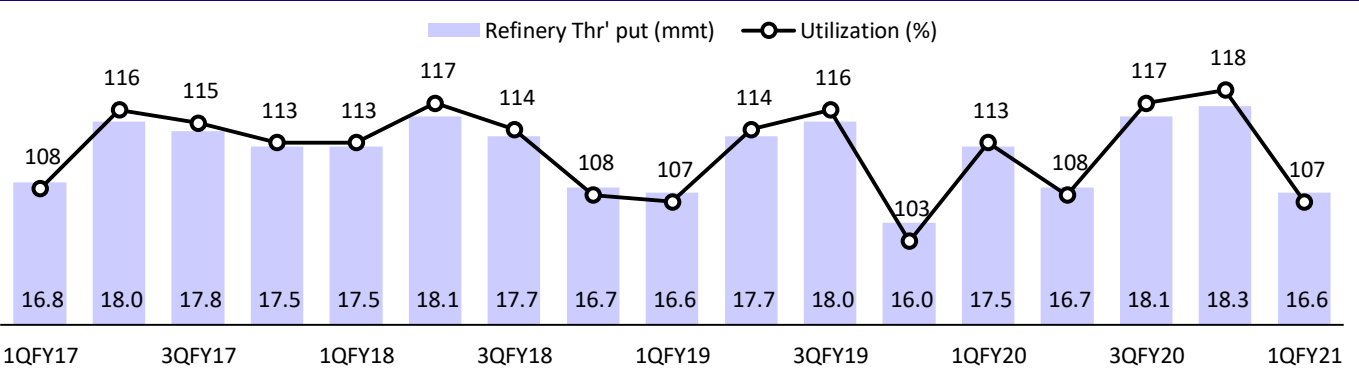


Exhibit 33: Refinery throughput was down 5% YoY at 16.6mmt, utilization at 107%



Source: Company, MOFSL

PETROCHEM: EBIT margin takes a big hit owing to weak Petchem realizations

Standalone petrochem EBIT down 55% YoY

Exhibit 34: Standalone EBIT down 55% YoY and 27% QoQ, with margin contracting YoY to 13.8%

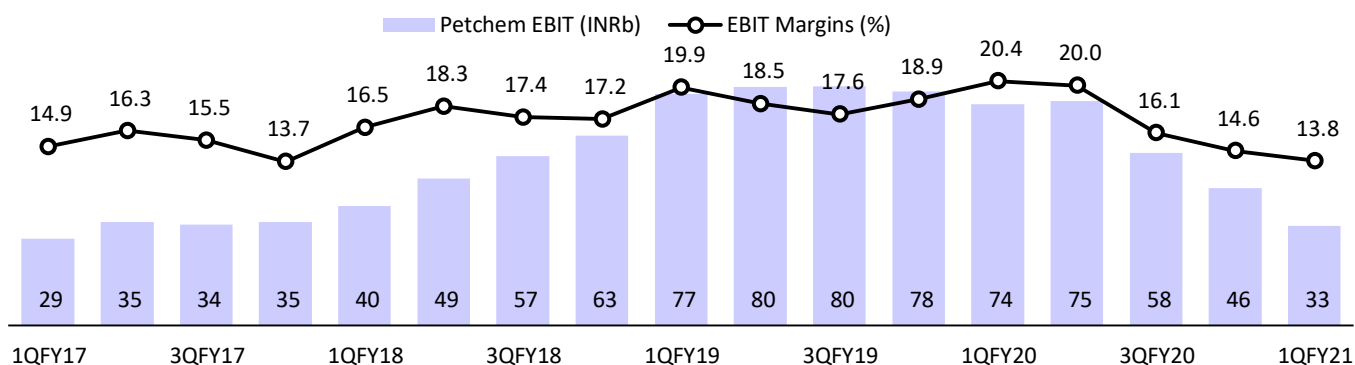


Exhibit 35: Petrochem production volume up 2% YoY and down 9% QoQ

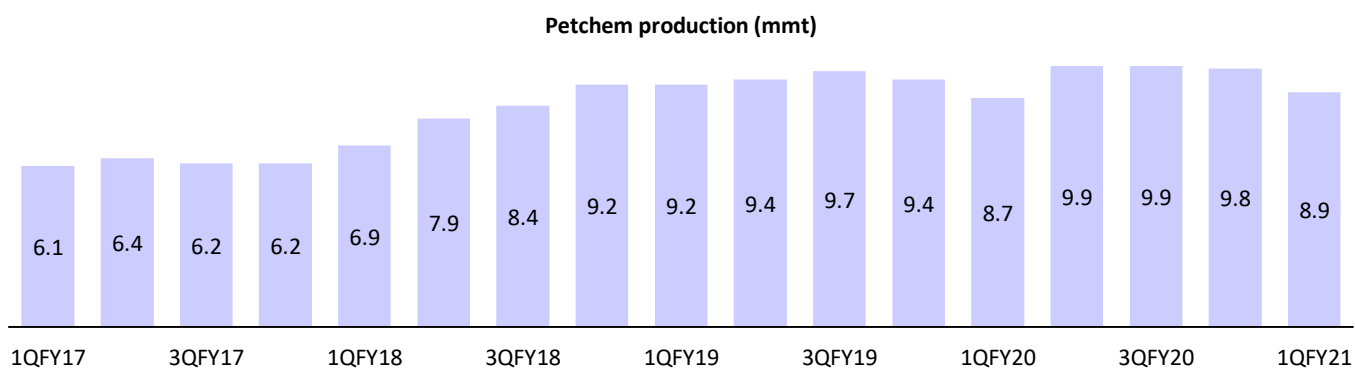


Exhibit 36: Petchem share in 1QFY21 expanded to 54% in standalone EBIT

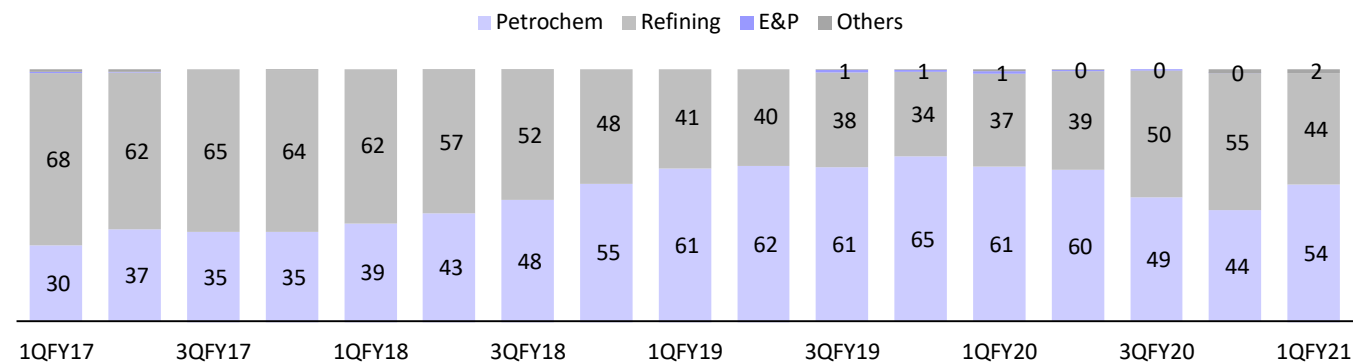


Exhibit 37: RIL production up 42% YoY, down 4% QoQ (RIL's share, bcfe)

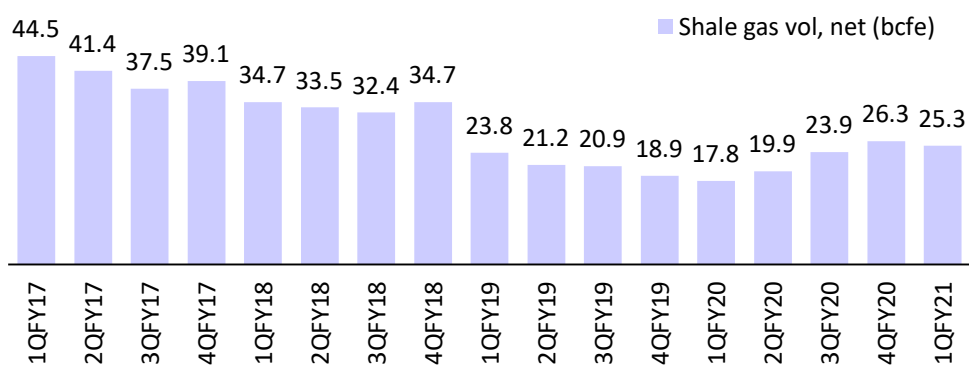
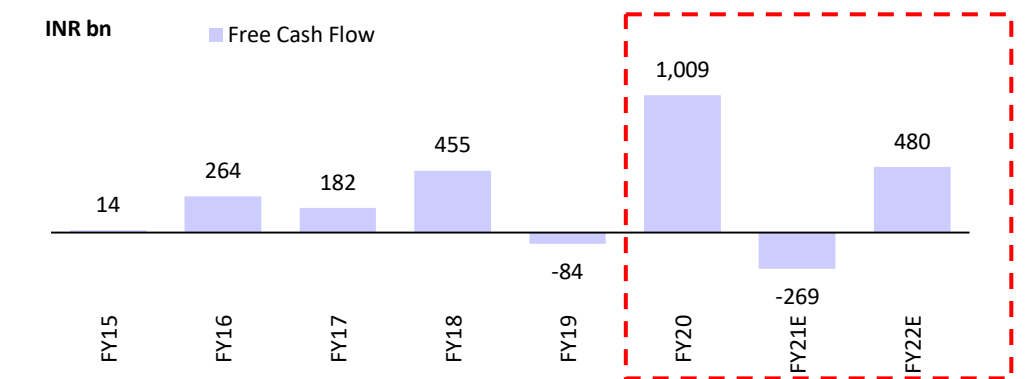


Exhibit 38: Standalone business to generate FCF of ~INR211b in FY21-22**Exhibit 39: RIL standalone- Key assumptions**

Key Metrics	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Exchange Rate (INR/USD)	61.2	65.4	67.1	64.5	70.0	70.9	74.9	75.8
Refining								
Capacity (mmt)	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0
Production (mmt)	67.9	69.5	70.1	70.0	68.3	70.6	69.1	70.0
Capacity Utilization (%)	110%	112%	113%	113%	110%	114%	111%	113%
GRM (USD/bbl)								
Singapore GRM	6.4	7.5	5.8	7.3	4.9	3.2	3.5	6.0
Premium/(disc)	2.5	3.3	5.2	4.4	4.4	5.7	4.1	5.0
RIL GRM	8.8	10.8	11.0	11.6	9.3	8.9	7.6	11.0
Petchem								
Net Production (mmt)	22.0	24.7	24.9	32.4	37.7	38.3	38.9	40.0
EBITDA/mt (USD)	87	88	102	122	141	114	80	99

Source: Company, MOFSL

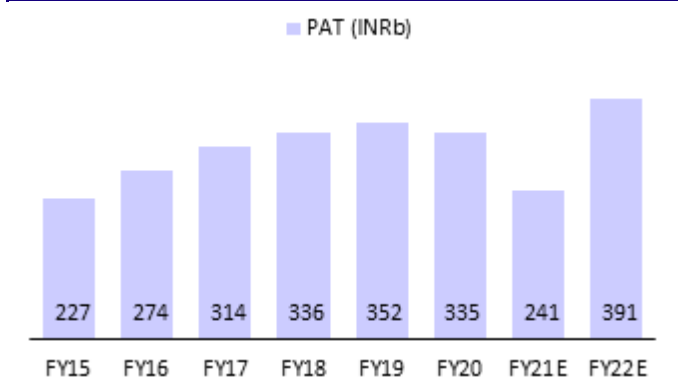
Exhibit 40: RIL: Segmental EBITDA break-up (INR b)

Segmental EBITDA (INRb)	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Refining	187	265	284	277	228	241	179	311
Petchem	118	143	171	256	372	307	261	341
E&P	37	28	10	11	14	5	(7)	(9)
Total	342	436	465	544	614	553	433	643
Segmental EBITDA share (%)								
Refining	55	61	61	51	37	44	41	48
Petrochemicals	35	33	37	47	61	56	60	53
E&P	11	6	2	2	2	1	(2)	(1)
Total	100	100	100	100	100	100	100	100

Source: Company, MOFSL

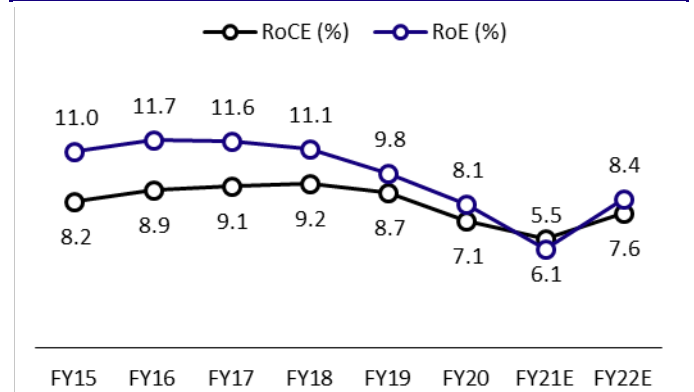
Reliance Industries: Story in charts

Exhibit 41: RIL's standalone earnings



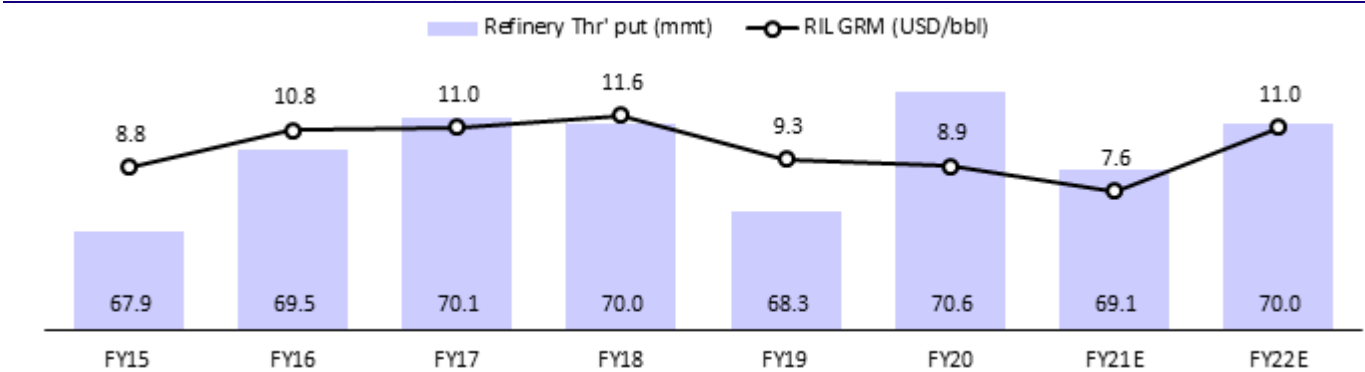
Source: Company, MOFSL

Exhibit 42: Return ratios



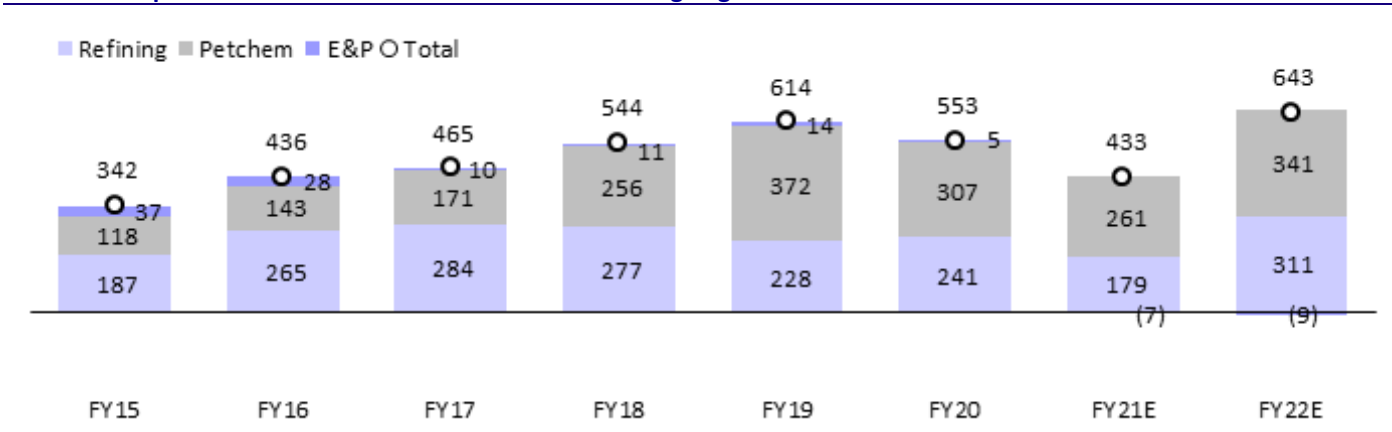
Source: Company, MOFSL

Exhibit 43: FY21 refinery throughput snapshot



Source: Company, MOFSL

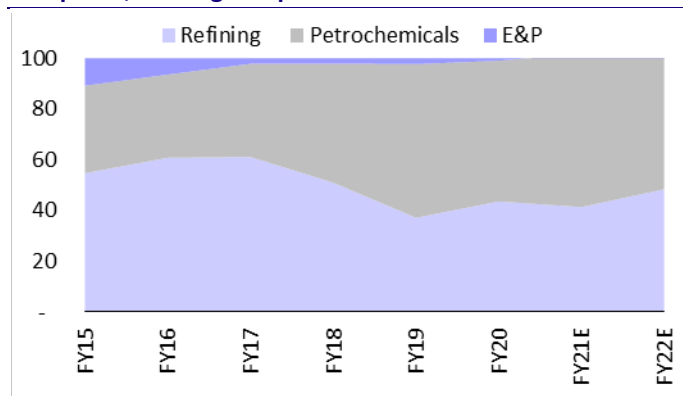
Exhibit 44: Expect Petchem EBITDA contribution to increase going forward



Source: Company, MOFSL

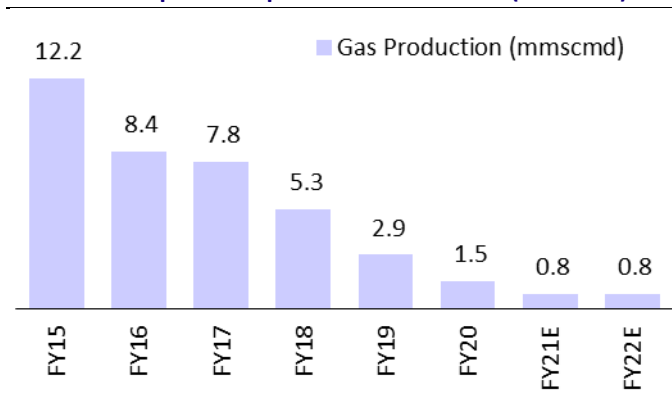
Reliance Industries: Story in charts

Exhibit 45: Segmental EBITDA break-up (%) – E&P a dampener, refining and petchem outshine



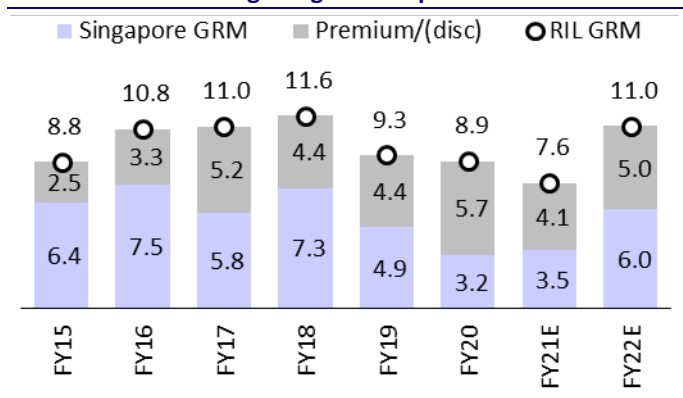
Source: Company, MOFSL

Exhibit 46: Expect E&P production to decline (mmscmd)



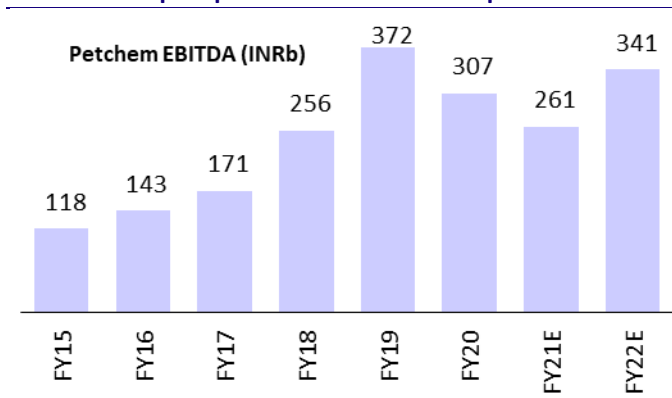
Source: Company, MOFSL

Exhibit 47: RIL refining margins to improve in FY22E



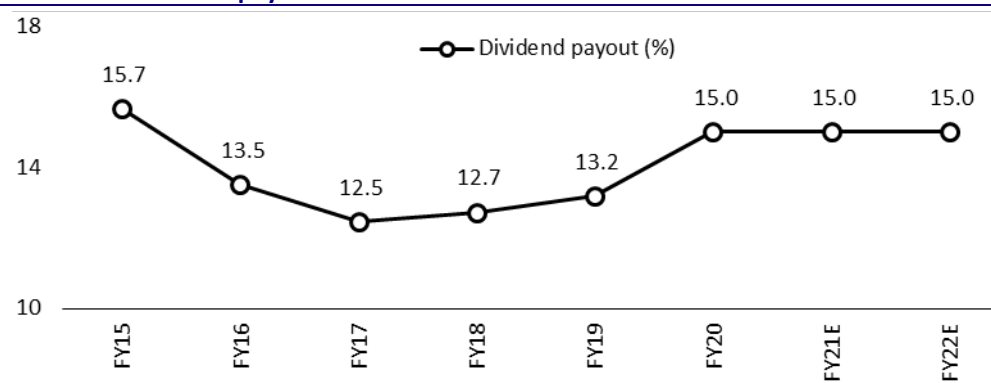
Source: Company, MOFSL

Exhibit 48: Expect petrochem EBITDA to improve in FY22E



Source: Company, MOFSL

Exhibit 49: Dividend payout



Source: Company, MOFSL

Reliance Jio Infocomm: Financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Total Income from Operations	0	0	0	202	388	543	745	872
Change (%)	NA	0.0	-50.0	NA	92.7	39.9	37.2	17.0
Total Expenditure	0	0	0	134	237	327	398	396
% of Sales	NA	NA	NA	66.6	61.1	60.3	53.4	45.4
EBITDA	0	0	0	67	151	216	347	476
Margin (%)	NA	NA	NA	33.4	38.9	39.7	46.6	54.6
Depreciation	0	0	0	36	64	74	124	114
EBIT	0	0	0	32	87	142	223	362
Int. and Finance Charges	0	0	0	20	41	66	47	47
Other Income	0	0	0	0	0	1	5	21
PBT after EO Exp.	0	0	0	11	46	76	182	336
Total Tax	0	0	0	4	16	21	46	85
Tax Rate (%)	0.0	34.4	34.5	34.8	34.9	27.2	25.3	25.3
Reported PAT	0	0	0	7	30	56	136	251
Adjusted PAT	0	0	0	7	30	56	136	251
Change (%)	NA	-31.7	98.6	LP	310.0	87.7	143.8	85.0
Margin (%)	NA	NA	NA	3.6	7.6	10.2	18.2	28.8

Consolidated - Balance Sheet

(INR b)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	301	450	450	450	450	450	450	450
Total Reserves	-1	-78	259	579	-46	1,260	1,625	1,876
Net Worth	301	372	709	1,029	404	1,710	2,075	2,326
Total Loans	239	884	1,244	1,438	1,399	470	470	470
Capital Employed	539	1,257	1,953	2,468	1,803	2,179	2,545	2,796
Gross Block	10	12	14	1,595	1,444	1,772	2,274	2,492
Less: Accum. Deprn.	1	2	4	40	104	138	301	415
Net Fixed Assets	9	9	10	1,555	1,340	1,634	1,973	2,077
Capital WIP	723	1,061	1,780	700	346	213	0	0
Total Investments	8	8	9	10	13	25	11	11
Curr. Assets, Loans&Adv.	80	197	211	272	259	545	856	1,013
Account Receivables	0	0	0	9	7	16	41	48
Cash and Bank Balance	0	0	0	7	4	75	453	550
Loans and Advances	80	197	210	256	247	454	362	415
Curr. Liability & Prov.	281	19	56	70	155	238	296	306
Account Payables	0	0	0	31	33	47	49	49
Other Current Liabilities	281	19	55	34	121	190	232	240
Provisions	0	0	1	5	1	1	14	17
Net Current Assets	-201	178	155	202	104	308	561	707
Appl. of Funds	539	1,257	1,953	2,468	1,803	2,179	2,545	2,796

E: MOFSL Estimates

Reliance Jio Infocomm: Financials and valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Basic (INR)								
EPS	0.0	0.0	0.0	0.2	0.7	1.2	3.0	5.6
Cash EPS	0.0	0.0	0.0	1.0	2.1	2.9	5.8	8.1
BV/Share	10.0	8.3	15.7	22.9	9.0	38.0	46.1	51.7
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		-4.9	-9.3	-7.2	-8.3	-7.6	3.9	2.7
Return Ratios (%)								
RoE	-0.1	0.0	-0.1	0.8	4.1	5.3	7.2	11.4
RoCE	NA	0.0	0.0	0.9	2.7	5.2	7.2	10.7
RoIC	NA	7.7	-0.2	2.1	3.5	6.2	8.5	12.5
Working Capital Ratios								
Fixed Asset Turnover (x)	0.0	0.0	0.0	0.1	0.3	0.3	0.3	0.3
Asset Turnover (x)	0.0	0.0	0.0	0.1	0.2	0.2	0.3	0.3
Debtor (Days)	274	913	3,650	17	7	11	20	20
Creditor (Days)	0	0	0	56	31	32	24	20
Leverage Ratio (x)								
Current Ratio	0.3	10.3	3.8	3.9	1.7	2.3	2.9	3.3
Interest Cover Ratio	-14.0	-18.0	-47.2	1.5	2.1	2.1	4.8	7.7
Net Debt/Equity	0.8	2.4	1.7	1.4	3.4	0.2	0.0	0.0

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
OP/(Loss) before Tax	0	0	0	11	46	76	182	336
Depreciation	0	0	0	36	64	74	124	114
Interest & Finance Charges	0	0	0	20	41	66	47	47
Direct Taxes Paid	0	0	0	-2	-10	-12	-46	-85
(Inc)/Dec in WC	-28	-43	-34	-29	-75	-37	110	-50
CF from Operations	-28	-44	-34	36	66	168	416	362
Others	0	0	0	0	0	-2	10	-21
CF from Operating incl EO	-28	-44	-34	36	67	166	427	341
(Inc)/Dec in FA	-95	-176	-385	-358	-438	-508	-250	-218
Free Cash Flow	-123	-220	-419	-322	-372	-342	177	123
(Pur)/Sale of Investments	-5	0	0	-1	0	-9	14	0
Others	0	0	0	0	0	-160	9	25
CF from Investments	-101	-177	-386	-359	-438	-677	-227	-193
Issue of Eq/Pref.Shares	71	150	337	313	0	1,250	230	0
Inc/(Dec) in Debt	72	103	141	102	460	-538	0	0
Interest Paid	-13	-33	-58	-85	-92	-103	-47	-47
Dividend Paid	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	-20	0	0
CF from Fin. Activity	129	220	420	330	368	588	183	-47
Inc/Dec of Cash	0	0	0	7	-3	75	383	101
Opening Balance	0	0	0	0	7	0	71	449
Closing Balance	0	0	0	7	4	75	453	550

Reliance Retail : Financials and valuations

Income Statement								(INR b)
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Total Income from Operations	161	183	264	515	1019	1304	1402	2027
Change (%)	26.9	13.8	44.2	94.6	98.1	27.9	7.5	44.6
Total Expenditure	153	174	253	491	960	1212	1321	1891
% of Sales	95.1	95.0	95.6	95.4	94.2	93.0	94.2	93.3
EBITDA	8	9	12	24	59	91	81	136
Margin (%)	4.9	5.0	4.4	4.6	5.8	7.0	5.8	6.7
Depreciation	3	3	4	4	6	11	6	7
EBIT	5	6	8	19	53	80	74	128
Int. and Finance Charges	2	1	1	1	6	9	4	4
Other Income	1	0	0	0	1	3	2	2
PBT bef. EO Exp.	4	5	8	19	48	74	73	127
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	4	5	7	19	48	74	73	127
Total Tax	1	2	3	6	17	19	18	32
Tax Rate (%)	31.1	38.2	43.6	33.7	34.9	25.4	25.2	25.2
Reported PAT	3	3	4	12	31	55	54	95
Adjusted PAT	3	3	4	12	31	55	54	95
Change (%)	-9.4	9.9	40.4	192.8	NA	NA	NA	NA
Margin (%)	1.7	1.6	1.6	2.4	3.1	4.2	3.9	4.7

Balance Sheet								(INR b)
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	50	50	50	50	50	50	50	50
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0	0
Preference Capital	0	0	0	0	0	0	0	0
Total Reserves	2	11	18	41	76	131	186	280
Net Worth	52	61	68	91	126	181	236	330
Total Loans	17	11	0	34	128	47	44	44
Deferred Tax Liabilities	-6	-10	-9	-6	0	0	0	0
Capital Employed	63	62	60	119	254	228	280	375
Gross Block	33	35	40	53	98	114	76	88
Less: Accum. Deprn.	13	14	17	21	26	33	39	46
Net Fixed Assets	21	20	23	32	72	82	37	42
Capital WIP	4	5	7	41	25	88	88	88
Total Investments	5	5	8	5	36	6	5	5
Curr. Assets, Loans&Adv.	51	64	70	156	211	180	396	557
Inventory	39	52	51	105	113	93	199	255
Account Receivables	2	2	7	22	43	25	82	106
Cash and Bank Balance	2	0	3	2	3	3	29	85
Loans and Advances	8	9	9	28	52	58	86	111
Curr. Liability & Prov.	17	33	48	116	90	128	247	317
Account Payables	13	28	39	82	41	57	160	205
Other Current Liabilities	4	5	9	33	48	71	86	111
Provisions	0	0	0	0	0	0	1	1
Net Current Assets	34	32	22	41	121	52	149	239
Appl. of Funds	63	62	60	119	254	228	280	375

Reliance Retail: Financials and valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Basic (INR)								
EPS	0.6	0.6	0.9	2.5	6.3	11.1	10.9	19.0
Cash EPS	1.2	1.3	1.6	3.4	7.5	13.3	12.2	20.5
BV/Share	10.4	12.3	13.7	18.2	25.2	36.3	47.2	66.2
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
Return Ratios (%)								
RoE	5.3	5.3	6.6	15.7	29.0	36.1	26.1	33.5
RoCE	5.4	5.3	6.7	13.5	18.7	25.7	22.5	29.7
RoIC	6.7	7.0	9.6	22.8	26.6	37.5	38.6	54.2
Working Capital Ratios								
Fixed Asset Turnover (x)	4.8	5.3	6.6	9.7	10.4	11.4	18.4	23.0
Asset Turnover (x)	2.6	3.0	4.4	4.3	4.0	5.7	5.0	5.4
Inventory (Days)	88	105	70	74	40	26	52	46
Debtor (Days)	5	4	10	16	16	7	21	19
Creditor (Days)	29	55	54	58	15	16	42	37
Leverage Ratio (x)								
Current Ratio	3.0	2.0	1.5	1.4	2.3	1.4	1.6	1.8
Interest Cover Ratio	3.3	5.0	10.3	19.1	8.7	9.3	20.9	36.0
Net Debt/Equity	0.2	0.1	-0.2	0.3	0.7	0.2	0.0	-0.1

Standalone - Cash Flow Statement

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
OP/(Loss) before Tax	4	5	8	19	48	74	73	127
Depreciation	3	3	4	4	6	11	6	7
Interest & Finance Charges	1	1	1	1	-1	-2	4	4
Direct Taxes Paid	-1	-1	-1	-5	-10	-11	-18	-32
(Inc)/Dec in WC	-4	2	11	-15	-33	84	-72	-34
CF from Operations	4	10	22	4	11	156	-7	71
Others	0	0	1	1	6	9	-2	-2
CF from Operating incl EO	4	11	22	5	17	165	-9	70
(Inc)/Dec in FA	-4	-4	-8	-48	-47	-67	38	-12
Free Cash Flow	0	6	14	-43	-30	98	29	57
(Pur)/Sale of Investments	1	0	-3	3	-7	18	0	0
Others	1	0	0	-4	0	2	2	2
CF from Investments	-1	-5	-11	-49	-54	-48	40	-10
Issue of Shares	0	0	0	10	4	0	0	0
Inc/(Dec) in Debt	23	-6	-8	34	94	-81	-2	0
Interest Paid	-2	-1	-1	-1	-6	-9	-4	-4
Dividend Paid	0	0	0	0	0	0	0	0
Others	-25	0	0	0	-23	-27	0	0
CF from Fin. Activity	-3	-7	-9	43	68	-117	-6	-4
Inc/Dec of Cash	-1	-1	2	-1	32	0	25	56
Opening Balance	2	2	0	3	2	33	33	59
Closing Balance	2	0	3	2	3	3	29	85

Reliance Industries - Standalone Financials and valuations

Standalone - Income Statement

(INR B)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Total Income from Operations	3,290.8	2,331.6	2,420.3	2,900.4	3,716.2	3,359.8	2,082.0	2,564.3
Change (%)	-15.6	-29.1	3.8	19.8	28.1	-9.6	-38.0	23.2
EBITDA	316.0	393.5	432.6	517.4	588.5	518.5	433.2	653.5
Margin (%)	9.6	16.9	17.9	17.8	15.8	15.4	20.8	25.5
Depreciation	84.9	85.9	84.7	95.8	105.6	97.3	98.8	102.1
EBIT	231.1	307.6	347.9	421.6	483.0	421.3	334.4	551.3
Int. and Finance Charges	23.7	25.6	27.2	46.6	97.5	121.1	197.8	195.8
Other Income	87.2	78.2	87.1	82.2	88.2	145.4	165.0	166.6
PBT bef. EO Exp.	294.7	360.2	407.8	457.3	473.7	445.6	301.6	522.2
EO Items	0.0	0.0	0.0	0.0	0.0	-42.5	44.2	0.0
PBT after EO Exp.	294.7	360.2	407.8	457.3	473.7	403.2	345.8	522.2
Total Tax	67.5	86.3	93.5	121.1	122.0	94.1	55.4	131.4
Tax Rate (%)	22.9	24.0	22.9	26.5	25.8	23.3	16.0	25.2
Reported PAT	227.2	273.8	314.3	336.1	351.6	309.0	290.4	390.8
Adjusted PAT	227.2	274.2	314.3	336.1	351.6	335.1	241.5	390.8
Change (%)	3.3	20.7	14.6	7.0	4.6	-4.7	-28.0	61.8
Margin (%)	6.9	11.8	13.0	11.6	9.5	10.0	11.6	15.2

Standalone - Balance Sheet

(INR B)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	32.4	32.4	32.5	63.4	63.4	63.4	63.4	63.4
Total Reserves	2,129.2	2,507.6	2,850.6	3,083.1	3,989.8	4,182.5	4,429.2	4,761.3
Net Worth	2,161.8	2,540.0	2,883.1	3,146.5	4,053.2	4,245.8	4,492.6	4,824.7
Total Loans	976.2	923.2	1,013.0	968.4	1,572.0	2,300.3	2,645.3	2,248.5
Deferred Tax Liabilities	126.8	237.5	247.7	279.3	473.2	505.6	505.6	505.6
Capital Employed	3,264.7	3,700.7	4,143.8	4,394.1	6,098.3	7,051.7	7,643.5	7,578.8
Gross Block	2,360.6	2,622.3	2,584.5	3,158.6	3,286.4	4,416.6	4,566.6	4,716.6
Less: Accum. Deprn.	1,215.0	1,146.9	1,053.2	1,149.0	1,254.6	1,351.8	1,450.7	1,552.8
Net Fixed Assets	1,145.6	1,475.4	1,531.3	2,009.6	2,031.9	3,064.7	3,115.9	3,163.8
Capital WIP	757.5	1,109.1	1,341.9	994.8	1,115.6	279.7	329.7	379.7
Total Investments	1,125.7	1,572.5	1,924.5	2,252.2	3,316.8	4,891.0	4,891.0	4,891.0
Curr. Assets, Loans&Adv.	949.0	659.8	669.8	918.6	1,293.2	1,453.7	941.3	1,157.3
Inventory	365.5	280.3	340.2	395.7	441.4	388.0	240.4	296.1
Account Receivables	46.6	35.0	54.7	104.6	121.1	74.8	46.4	57.1
Cash and Bank Balance	115.7	68.9	17.5	27.3	37.7	84.4	116.6	141.6
Loans and Advances	421.1	275.6	257.3	391.0	693.0	906.5	537.8	662.4
Curr. Liability & Prov.	713.2	1,116.1	1,323.6	1,781.2	1,659.1	2,637.5	1,634.4	2,013.0
Account Payables	650.6	1,093.7	1,289.8	1,749.9	1,626.5	2,612.6	1,619.0	1,994.0
Provisions	62.6	22.4	33.9	31.2	32.7	24.8	15.4	18.9
Net Current Assets	235.8	-456.3	-653.9	-862.6	-365.9	-1,183.7	-693.1	-855.7
Appl. of Funds	3,264.7	3,700.7	4,143.8	4,394.1	6,098.3	7,051.7	7,643.5	7,578.8

E: MOFSL Estimates

Reliance Industries – Standalone Financials and valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Basic (INR)								
EPS	35.8	43.3	49.6	53.0	55.5	52.9	38.1	61.6
Cash EPS	49.2	56.8	62.9	68.1	72.1	68.2	53.7	77.8
BV/Share	357.5	420.1	476.8	520.4	670.3	702.2	743.0	797.9
Valuation (x)								
P/E	58.6	48.6	42.4	39.6	37.9	39.7	55.1	34.1
Cash P/E	42.7	37.0	33.4	30.8	29.1	30.8	39.1	27.0
P/BV	5.9	5.0	4.4	4.0	3.1	3.0	2.8	2.6
EV/Sales	4.3	6.1	5.9	4.9	4.0	4.6	7.6	6.0
EV/EBITDA	44.8	36.0	33.1	27.5	25.2	29.9	36.6	23.6
Dividend Yield (%)	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4
FCF per share	2.3	41.6	28.7	71.8	-13.2	159.2	-42.5	75.8
Return Ratios (%)								
RoE	11.0	11.7	11.6	11.1	9.8	8.1	5.5	8.4
RoCE	8.2	8.9	9.1	9.2	8.7	7.1	6.1	7.6
RoIC	13.9	21.1	29.6	31.3	26.1	18.9	13.7	18.4
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	0.9	0.9	0.9	1.1	0.8	0.5	0.5
Asset Turnover (x)	1.0	0.6	0.6	0.7	0.6	0.5	0.3	0.3
Inventory (Days)	41	44	51	50	43	42	42	42
Debtor (Days)	5	5	8	13	12	8	8	8
Creditor (Days)	72	171	195	220	160	284	284	284
Leverage Ratio (x)								
Current Ratio	1.3	0.6	0.5	0.5	0.8	0.6	0.6	0.6
Interest Cover Ratio	9.8	12.0	12.8	9.1	5.0	3.5	1.7	2.8
Net Debt/Equity	-0.1	-0.3	-0.3	-0.4	-0.4	-0.6	-0.5	-0.6

Standalone - Cash Flow Statement

(INR Billion)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
OP/(Loss) before Tax	294.7	360.2	407.8	457.3	473.7	403.2	345.8	522.2
Depreciation	84.9	85.9	84.7	95.8	105.6	97.3	98.8	102.1
Interest & Finance Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Taxes Paid	-67.5	-86.3	-93.5	-121.1	-122.0	-94.1	-55.4	-131.4
(Inc)/Dec in WC	174.5	560.6	146.2	218.5	-486.3	864.5	-458.5	187.6
CF from Operations	486.5	920.3	545.1	650.4	-29.1	1,270.8	-69.2	680.5
CF from Operating incl EO	491.1	1,031.0	555.3	682.0	164.8	1,303.2	-69.2	680.5
(Inc)/Dec in FA	-476.8	-767.2	-373.4	-227.1	-248.6	-294.2	-200.0	-200.0
Free Cash Flow	14.3	263.8	181.9	455.0	-83.7	1,009.0	-269.2	480.5
(Pur)/Sale of Investments	-231.1	-446.8	-352.0	-327.7	-1,064.6	-1,574.2	0.0	0.0
CF from Investments	-707.9	-1,214.0	-725.4	-554.8	-1,313.2	-1,868.4	-200.0	-200.0
Inc/(Dec) in Debt	36.6	31.8	89.8	-44.7	603.6	728.3	345.0	-396.8
Interest Paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Paid	-35.6	-37.0	-39.2	-42.8	-46.4	-46.4	-43.6	-58.7
CF from Fin. Activity	0.3	136.2	118.7	-117.5	1,158.7	611.9	301.4	-455.5
Inc/Dec of Cash	-216.5	-46.8	-51.4	9.8	10.4	46.8	32.2	25.0
Opening Balance	332.2	115.7	68.9	17.5	27.3	37.7	84.4	116.6
Closing Balance	115.7	68.9	17.5	27.3	37.7	84.4	116.6	141.6

E: MOFSL Estimates

Reliance Industries – Consolidated Financials and valuations

Consolidated - Income Statement

(INR B)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Total Income from Operations	3,754.4	2,740.0	3,053.8	3,916.8	5,692.1	5,959.5	4,881.6	6,115.5
Change (%)	-13.6	-27.0	11.5	28.3	45.3	4.7	-18.1	25.3
EBITDA	373.6	417.0	461.9	641.8	841.7	881.3	884.6	1,268.6
Margin (%)	10.0	15.2	15.1	16.4	14.8	14.8	18.1	20.7
Depreciation	115.5	115.7	116.5	167.1	209.3	222.0	262.0	256.6
EBIT	258.2	301.4	345.5	474.7	632.3	659.2	622.6	1,012.1
Int. and Finance Charges	33.2	36.9	38.5	80.5	165.0	220.3	258.8	256.8
Other Income	86.1	122.9	93.4	88.6	83.9	140.5	178.0	195.2
PBT bef. EO Exp.	311.1	387.4	400.3	482.8	551.2	579.4	541.7	950.5
EO Items	0.0	0.0	0.0	0.0	0.0	-44.4	49.7	0.0
PBT after EO Exp.	311.1	387.4	400.3	482.8	551.2	535.0	591.4	950.5
Total Tax	74.7	88.8	102.0	133.5	153.9	137.3	116.1	244.8
Tax Rate (%)	24.0	22.9	25.5	27.6	27.9	25.7	19.6	25.8
Minority Interest	0.7	1.2	-0.7	-11.5	-1.0	-1.1	-0.7	-0.7
Reported PAT	235.7	297.5	299.0	360.8	398.4	398.8	475.9	706.4
Adjusted PAT	235.7	297.5	299.0	360.8	398.4	430.5	427.2	706.4
Change (%)	4.8	26.2	0.5	20.7	10.4	8.1	-0.8	65.3
Margin (%)	6.3	10.9	9.8	9.2	7.0	7.2	8.8	11.6

Consolidated - Balance Sheet

(INR B)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	29.4	29.5	29.6	59.2	59.3	63.4	63.4	63.4
Total Reserves	2,155.4	2,286.0	2,607.5	2,875.8	3,811.9	4,469.9	4,852.6	5,500.3
Net Worth	2,185.0	2,315.6	2,637.1	2,935.1	3,871.1	4,533.3	4,916.0	5,563.7
Minority Interest	30.4	33.6	29.2	35.4	82.8	80.2	80.2	80.2
Total Loans	1,682.5	1,947.1	1,836.8	1,816.0	2,719.4	2,914.2	3,014.2	2,514.2
Deferred Tax Liabilities	129.7	204.9	212.0	245.4	499.2	541.2	541.2	541.2
Capital Employed	4,027.6	4,501.2	4,715.0	5,031.9	7,172.6	8,068.9	8,551.5	8,699.2
Gross Block	2,844.7	3,312.5	3,564.0	5,775.5	5,867.8	7,450.1	8,572.9	9,197.5
Less: Accum. Deprn.	1,324.1	1,505.9	1,627.7	1,794.7	2,004.1	2,226.1	2,488.1	2,744.7
Net Fixed Assets	1,520.6	1,806.6	1,936.3	3,980.7	3,863.8	5,224.0	6,084.8	6,452.8
Goodwill on Consolidation	44.0	42.5	48.9	58.1	120.0	102.6	102.6	102.6
Capital WIP	1,664.6	2,287.0	3,248.4	1,870.2	1,794.6	1,091.1	468.2	343.6
Total Investments	764.5	840.2	856.1	855.3	2,403.0	2,767.7	2,767.7	2,767.7
Curr. Assets, Loans&Adv.	1,051.2	1,013.8	978.3	1,348.4	1,842.7	2,473.8	2,065.2	2,711.8
Inventory	532.5	464.9	489.5	608.4	675.6	739.0	604.6	757.4
Account Receivables	53.2	44.7	81.8	175.6	300.9	196.6	160.8	201.4
Cash and Bank Balance	125.5	110.3	30.2	42.6	110.8	309.2	294.4	493.5
Loans and Advances	340.1	394.0	376.8	521.9	755.4	1,229.1	1,005.4	1,259.5
Curr. Liability & Prov.	1,017.2	1,488.8	2,353.0	3,080.8	2,851.5	3,590.3	2,937.0	3,679.4
Account Payables	594.1	603.0	766.0	1,068.6	1,083.1	968.0	791.9	992.0
Other Current Liabilities	353.7	855.8	1,545.9	1,970.8	1,721.1	2,580.8	2,111.2	2,644.9
Net Current Assets	33.9	-475.0	-1,374.7	-1,732.5	-1,008.8	-1,116.4	-871.8	-967.5
Appl. of Funds	4,027.6	4,501.2	4,715.0	5,031.9	7,172.6	8,068.9	8,551.5	8,699.2

E: MOFSL Estimates

Reliance Industries – Consolidated Financials and valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
EPS	37.2	46.9	47.2	56.9	62.8	67.9	67.4	111.4
Cash EPS	55.4	65.2	65.5	83.3	95.9	102.9	108.7	151.9
BV/Share	344.7	365.3	416.0	463.0	610.7	715.1	775.5	877.7
DPS	4.6	4.9	5.1	5.6	6.1	6.1	5.7	7.7
Payout (%)	15.1	12.4	13.1	11.9	11.6	11.6	9.2	8.3
Valuation (x)								
P/E	56.5	44.8	44.5	36.9	33.4	30.9	31.2	18.8
Cash P/E	37.9	32.2	32.0	25.2	21.9	20.4	19.3	13.8
P/BV	6.1	5.7	5.0	4.5	3.4	2.9	2.7	2.4
EV/Sales	4.0	5.5	5.0	3.9	2.8	2.7	3.3	2.5
EV/EBITDA	39.8	36.3	32.7	23.5	18.9	18.1	18.1	12.1
Dividend Yield (%)	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4
FCF per share	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)								
RoE	11.3	13.2	12.1	13.0	11.7	10.2	9.0	13.5
RoCE	7.2	8.0	7.5	8.8	9.1	8.5	8.4	11.2
RoIC	12.8	17.0	27.9	24.2	17.8	14.5	11.2	14.9
Working Capital Ratios								
Fixed Asset Turnover (x)	1.3	0.8	0.9	0.7	1.0	0.8	0.6	0.7
Asset Turnover (x)	0.9	0.6	0.6	0.8	0.8	0.7	0.6	0.7
Inventory (Days)	52	62	59	57	43	45	45	45
Debtor (Days)	5	6	10	16	19	12	12	12
Creditor (Days)	58	80	92	100	69	59	59	59
Leverage Ratio (x)								
Current Ratio	1.0	0.7	0.4	0.4	0.6	0.7	0.7	0.7
Interest Cover Ratio	7.8	8.2	9.0	5.9	3.8	3.0	2.4	3.9
Net Debt/Equity	0.7	0.8	0.7	0.6	0.7	0.6	0.6	0.4

Consolidated - Cash Flow Statement

(INR B)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
PBT	311.1	387.4	400.3	482.8	551.2	535.0	541.7	950.5
Depreciation	115.5	115.7	116.5	167.1	209.3	222.0	262.0	256.6
Tax paid	-74.7	-88.8	-102.0	-133.5	-153.9	-137.3	-116.1	-244.8
Change in deferred tax liability	10.5	75.2	7.0	33.5	253.8	42.0	0.0	0.0
Change in net working capital	279.9	493.8	819.6	370.1	-655.4	306.0	-259.4	294.8
Operating cash flow	641.5	982.1	1,242.1	931.4	206.1	968.8	428.8	1,257.7
Capex	-1,015.6	-1,022.5	-1,214.0	-842.5	-1,427.5	-2,210.1	-500.0	-500.0
Change in investments	-158.5	-75.6	-15.9	0.8	-198.9	984.2	0.0	0.0
Investing cash flows	-1,174.1	-1,098.2	-1,229.9	-841.7	-1,626.4	-1,226.0	-500.0	-500.0
Change in borrowings	294.9	264.6	-110.4	-20.7	903.4	194.8	100.0	-500.0
Issuance of equity	-2.0	-129.9	61.7	-20.0	584.1	309.8	0.0	0.0
Dividend paid	-35.6	-37.0	-39.2	-42.8	-46.4	-46.4	-43.6	-58.7
Financing cash flow	278.2	100.9	-92.3	-77.3	1,488.5	455.5	56.4	-558.7
Net change in cash	-254.4	-15.2	-80.1	12.3	68.3	198.4	-14.8	199.1
Closing cash balance	125.5	110.3	30.2	42.6	110.8	309.2	294.4	493.5

E: MOFSL Estimates

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