

September 1, 2025

Company Update

■ Change in Estimates | ■ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		ACCUMULATE	
Target Price	1,555		1,555	
Sales (Rs. bn)	9,824	10,459	9,824	10,459
% Chng.	-	-	-	-
EBITDA (Rs. bn)	1,835	1,936	1,835	1,936
% Chng.	-	-	-	-
EPS (Rs.)	54.0	55.8	54.0	55.8
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	9,011	9,647	9,824	10,459
EBITDA (Rs. bn)	1,622	1,654	1,835	1,936
Margin (%)	18.0	17.1	18.7	18.5
PAT (Rs. bn)	696	696	730	755
EPS (Rs.)	51.4	51.5	54.0	55.8
Gr. (%)	5.0	0.0	4.8	3.5
DPS (Rs.)	10.0	5.5	5.4	5.5
Yield (%)	0.7	0.4	0.4	0.4
RoE (%)	9.2	8.5	8.3	8.0
RoCE (%)	10.2	9.5	9.6	9.3
EV/Sales (x)	2.3	2.2	2.1	1.9
EV/EBITDA (x)	12.9	12.7	11.1	10.2
PE (x)	26.4	26.4	25.2	24.3
P/BV (x)	2.3	2.2	2.0	1.9

Key Data

RELI.BO | RELIANCE IN

52-W High / Low	Rs.1,551 / Rs.1,115
Sensex / Nifty	79,810 / 24,427
Market Cap	Rs.18,367bn / \$ 2,08,223m
Shares Outstanding	13,532m
3M Avg. Daily Value	Rs.15887.41m

Shareholding Pattern (%)

Promoter's	50.33
Foreign	21.75
Domestic Institution	17.41
Public & Others	10.51
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(4.2)	13.1	(10.8)
Relative	(2.4)	3.7	(8.2)

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AGM Highlights- Transitioning into tech-driven company

Quick Pointers:

- Aims to list Jio in H1CY26, subject to necessary approvals
- A new wholly owned subsidiary, Reliance Intelligence to focus on AI initiatives

Reliance Industries' (RIL) 48th AGM gave further fillip to its journey towards a tech-driven entity focusing on New Energy and AI. For the first time, a clear timeline has been provided for listing of Jio- in H1CY26. It has also announced formation of a new subsidiary- Reliance Intelligence which would house its initiatives on AI front. The focus on hydrocarbon segment also continues with earlier announced investments of Rs750bn in 1.2mmtpa PVC plant at Nagothane, expanded cPVC and 3mmtpa PTA plant at Dahej and 1mmtpa specialty polyester at Palghar.

Digital services: The company highlighted how it has crossed 500mn customers and has emerged as the world's largest wireless data carrier. The next leg of growth is expected from building simple, scalable and secure platforms for MSMEs and enterprises. In addition to the earlier announced Jio AI Cloud, the company announced two new features this AGM- Jio PC and Jio Frames. The first enables converting any TV or screen into AI-ready computer by plugging a keyboard into Jio Set-Top Box. The latter is an AI powered wearable platform and ecosystem and enables clicking photos and recording videos. It aims to list Jio in H1CY26 subject to necessary approvals.

Reliance Intelligence: This is a new wholly owned subsidiary launched to house the company's AI initiatives. The aim is to build gigawatt-scale AI ready data centres at Jamnagar, powered by green energy. It will also develop AI solutions for consumers, small businesses and enterprises and solutions for sectors like agriculture, healthcare and education. It aims to focus on robotics to develop adaptive production systems, autonomous supply chains and precision care. It has partnered with Google to transform its businesses through AI. It has entered into a JV with Meta to deliver AI solutions using Meta's Llama platform.

Retail: It aims to open 2,000-3,000 retail outlets every year. RCPL is expected to become a direct subsidiary of RIL and will house all consumer brands under one roof. The company aims to ramp-up sales from Rs115bn in FY25 to Rs1tr within five years. Retail segment is expected to grow at a CAGR of 20% for next three years.

Hydrocarbons: Over past three years, the company has saved 10mn gigajoules in energy savings through its efficiency programmes. The company is investing Rs750bn on its 1.2mmtpa PVC plant at Nagothane, expanded cPVC and 3mmtpa PTA plant at Dahej and 1mmtpa specialty polyester plant at Palghar. Hazira carbon fibre capacity will cater to demand from aerospace, defence and advanced materials segments.

New Energy: The company has successfully produced first 200MW of HJT modules with 10% higher yield, 20% better temperature performance and 25% lower degradation. It would be expanded to 10GWp of fully integrated annual solar PV manufacturing capacity and subsequently to 20GWp. Battery gigafactory is expected to commence operations in 2026 with 40GWh capacity and will be ramped up to 100GWh subsequently. Electrolyzer facility is also expected to be operational by 2026-end scalable to 3GW/yr. At Kutch, it is developing 5,50,000 acres where at peak, 55MW of solar modules and 150MWh of battery containers would be deployed every year. Green H2 capacity would be ramped up to 3mmtpa by 2032. It is also building 55 CBG plants this year with total capacity of 0.5mmtpa. This will be expanded to 500+ plants by 2030.

Valuation and recommendation: The company has successfully demonstrated its ability to execute large scale unrelated diversifications through its foray into retail as well as digital services in the past. Since 2021, it has been working on its New Energy segment where it has also partnered with several technology companies. In absence of further details, we have valued its New Energy segment at 2x its stated capex of Rs750bn, valuing it at Rs111/share. However, New Energy segment faces 1) overcapacity and ability of the Chinese to crash prices, 2) rapid changes in technologies, 3) tight control of Chinese over the supply-chain, and 4) lack of ecosystem in the country. We have also highlighted in our [thematic note](#) the difficulties faced by non-Chinese companies in this segment, which has seen ten large size bankruptcies in 2024 alone. We use SOTP to value the company at Rs1,555 (unchanged). The stock has corrected by 7% since our last note. Due to the same, we upgrade the stock to **BUY** from Accumulate.

Exhibit 1: Valuation Table

Sum of the parts	INR/share	Remarks/Methodology
Standalone Business (O2C and E&P)	382	7.5x FY27 EV/EBITDA
Investments		
Reliance Retail equity valuation	617	39x FY27 EV/EBITDA
RJio equity valuation	546	15x FY27 EV/EBITDA
New Energy	111	2x Rs750bn announced investment
Total	1,655	
Net debt / (cash)	100	Standalone
Target price	1,555	

Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	9,011	9,647	9,824	10,459
YoY gr. (%)	2.6	7.1	1.8	6.5
Cost of Goods Sold	5,853	6,297	6,413	6,963
Gross Profit	3,157	3,350	3,412	3,495
Margin (%)	35.0	34.7	34.7	33.4
Employee Cost	257	286	291	316
Other Expenses	1,278	1,410	1,286	1,243
EBITDA	1,622	1,654	1,835	1,936
YoY gr. (%)	14.1	2.0	10.9	5.5
Margin (%)	18.0	17.1	18.7	18.5
Depreciation and Amortization	508	531	630	697
EBIT	1,114	1,123	1,205	1,239
Margin (%)	12.4	11.6	12.3	11.9
Net Interest	231	243	255	255
Other Income	161	180	173	180
Profit Before Tax	1,043	1,060	1,124	1,165
Margin (%)	11.6	11.0	11.4	11.1
Total Tax	257	252	282	293
Effective tax rate (%)	24.6	23.8	25.1	25.1
Profit after tax	786	808	842	872
Minority interest	90	111	111	117
Share Profit from Associate	-	-	-	-
Adjusted PAT	696	696	730	755
YoY gr. (%)	5.0	0.0	4.8	3.5
Margin (%)	7.7	7.2	7.4	7.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	696	696	730	755
YoY gr. (%)	5.0	0.0	4.8	3.5
Margin (%)	7.7	7.2	7.4	7.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	696	696	730	755
Equity Shares O/s (bn)	14	14	14	14
EPS (Rs)	51.4	51.5	54.0	55.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	11,351	13,981	16,043	17,186
Tangibles	11,351	13,981	16,043	17,186
Intangibles	-	-	-	-
Acc: Dep / Amortization	3,701	4,233	4,862	5,559
Tangibles	3,701	4,233	4,862	5,559
Intangibles	-	-	-	-
Net fixed assets	7,650	9,749	11,180	11,627
Tangibles	7,650	9,749	11,180	11,627
Intangibles	-	-	-	-
Capital Work In Progress	3,389	2,624	1,312	919
Goodwill	150	245	245	245
Non-Current Investments	2,257	2,424	2,424	2,424
Net Deferred tax assets	(722)	(835)	(835)	(835)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	1,528	1,461	1,487	1,584
Trade receivables	316	421	429	457
Cash & Bank Balance	972	1,065	1,753	2,610
Other Current Assets	-	-	-	-
Total Assets	17,560	19,501	20,372	21,505
Equity				
Equity Share Capital	68	135	135	135
Other Equity	7,867	8,297	8,953	9,640
Total Network	7,935	8,432	9,089	9,776
Non-Current Liabilities				
Long Term borrowings	3,461	3,696	3,821	3,946
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,784	1,868	1,902	2,025
Other current liabilities	2,334	3,007	3,062	3,260
Total Equity & Liabilities	17,560	19,501	20,372	21,505

Source: Company Data, PL Research



Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	1,043	1,060	1,124	1,165
Add. Depreciation	508	531	630	697
Add. Interest	-	-	-	-
Less Financial Other Income	161	180	173	180
Add. Other	230	211	(111)	(111)
Op. profit before WC changes	1,781	1,802	1,642	1,751
Net Changes-WC	64	237	27	97
Direct tax	(257)	(252)	(282)	(293)
Net cash from Op. activities	1,588	1,787	1,387	1,555
Capital expenditures	(1,376)	(1,376)	(750)	(750)
Interest / Dividend Income	-	-	-	-
Others	247	(48)	-	-
Net Cash from Inv. activities	(1,129)	(1,425)	(750)	(750)
Issue of share cap. / premium	209	0	-	-
Debt changes	93	192	125	125
Dividend paid	(61)	(72)	(74)	(74)
Interest paid	-	-	-	-
Others	(606)	(879)	-	-
Net cash from Fin. activities	(166)	(319)	51	51
Net change in cash	293	44	688	856
Free Cash Flow	212	411	637	805

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	51.4	51.5	54.0	55.8
CEPS	89.0	90.7	100.5	107.3
BVPS	586.4	623.1	671.6	722.4
FCF	15.7	30.4	47.1	59.5
DPS	10.0	5.5	5.4	5.5
Return Ratio(%)				
RoCE	10.2	9.5	9.6	9.3
ROIC	6.7	6.1	6.5	6.6
RoE	9.2	8.5	8.3	8.0
Balance Sheet				
Net Debt : Equity (x)	0.3	0.3	0.2	0.1
Net Working Capital (Days)	32	26	26	25
Valuation(x)				
PER	26.4	26.4	25.2	24.3
P/B	2.3	2.2	2.0	1.9
P/CEPS	15.2	15.0	13.5	12.6
EV/EBITDA	12.9	12.7	11.1	10.2
EV/Sales	2.3	2.2	2.1	1.9
Dividend Yield (%)	0.7	0.4	0.4	0.4

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	2,315	2,400	2,614	2,436
YoY gr. (%)	(0.2)	6.6	10.5	5.1
Raw Material Expenses	1,529	1,530	1,704	1,527
Gross Profit	786	870	910	910
Margin (%)	34.0	36.3	34.8	37.3
EBITDA	391	438	438	429
YoY gr. (%)	(4.7)	7.7	3.1	10.7
Margin (%)	16.9	18.2	16.8	17.6
Depreciation / Depletion	129	132	135	138
EBIT	262	306	304	291
Margin (%)	11.3	12.8	11.6	11.9
Net Interest	60	62	62	70
Other Income	49	42	49	151
Profit before Tax	250	286	291	371
Margin (%)	10.8	11.9	11.1	15.2
Total Tax	59	68	67	65
Effective tax rate (%)	23.7	23.9	22.9	17.4
Profit after Tax	191	218	224	307
Minority interest	25	33	30	37
Share Profit from Associates	-	-	-	-
Adjusted PAT	166	185	194	270
YoY gr. (%)	(4.8)	7.4	2.4	78.3
Margin (%)	7.2	7.7	7.4	11.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	166	185	194	270
YoY gr. (%)	(4.8)	7.4	2.4	78.3
Margin (%)	7.2	7.7	7.4	11.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	166	185	194	270
Avg. Shares O/s (bn)	14	14	14	14
EPS (Rs)	12.2	13.7	14.3	19.9

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Brent (US\$/bbl)	83.3	78.9	72.0	75.0
US\$/Rs	83.3	84.6	85.9	86.5
Production meant for sale(mmt)	16.8	17.8	17.4	17.5
EBITDA/mt (US\$)	79.0	46.2	69.1	84.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	20-Jul-25	Accumulate	1,555	1,476
2	03-Jul-25	Hold	1,479	1,519
3	28-Apr-25	Accumulate	1,482	1,300
4	08-Apr-25	BUY	1,481	1,166
5	17-Jan-25	Accumulate	1,472	1,266
6	08-Jan-25	Accumulate	1,453	1,241
7	15-Oct-24	Accumulate	2,942	2,745
8	07-Oct-24	Accumulate	3,038	2,741

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	420	407
2	Bharat Petroleum Corporation	Hold	333	323
3	Bharti Airtel	Accumulate	2,090	1,930
4	Clean Science and Technology	Hold	1,425	1,445
5	Deepak Nitrite	Hold	1,883	1,831
6	Fine Organic Industries	BUY	5,610	4,807
7	GAIL (India)	Hold	180	181
8	Gujarat Fluorochemicals	Hold	3,580	3,486
9	Gujarat Gas	Hold	432	431
10	Gujarat State Petronet	Accumulate	348	304
11	Hindustan Petroleum Corporation	Accumulate	422	402
12	Indian Oil Corporation	Accumulate	152	140
13	Indraprastha Gas	Reduce	186	205
14	Jubilant Ingrevia	Hold	743	777
15	Laxmi Organic Industries	Reduce	179	196
16	Mahanagar Gas	Accumulate	1,559	1,483
17	Mangalore Refinery & Petrochemicals	Accumulate	152	139
18	Navin Fluorine International	Accumulate	5,559	5,198
19	NOCIL	Hold	182	174
20	Oil & Natural Gas Corporation	BUY	273	239
21	Oil India	BUY	581	425
22	Petronet LNG	Hold	311	302
23	Reliance Industries	Accumulate	1,555	1,476
24	SRF	Hold	3,071	3,150
25	Vinati Organics	BUY	2,091	1,720

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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