# RELIANCE INDUSTRIES



RESULT UPDATE

## KEY DATA

| Rating | BUY |
|---|---|
| Sector relative | Outperformer |
| Price (INR) | 1,417 |
| 12 month price target (INR) | 1,769 |
| 52 Week High/Low | 1,551/1,115 |
| Market cap (INR bn/USD bn) | 19,173/217.8 |
| Free float (%) | 50.9 |
| Avg. daily value traded (INR mn) | 15,473.5 |

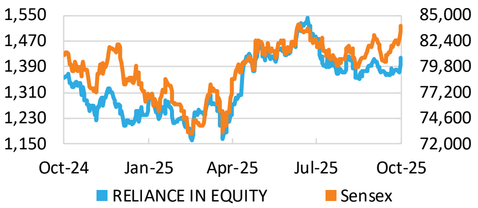
## SHAREHOLDING PATTERN

| | Sep-25 | Jun-25 | Mar-25 |
|---|---|---|---|
| Promoter | 50.0% | 50.1% | 50.1% |
| FII | 18.7% | 19.2% | 19.1% |
| DII | 20.3% | 19.7% | 19.4% |
| Pledge | 0.0% | 0.0% | 0.0% |

## FINANCIALS (INR mn)

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Revenue | 9,647 | 9,940 | 10,734 | 11,489 |
| EBITDA | 1,654 | 1,883 | 2,186 | 2,441 |
| Adjusted profit | 696 | 777 | 911 | 1,006 |
| Diluted EPS (INR) | 51.5 | 57.4 | 67.3 | 74.3 |
| EPS growth (%) | 0 | 11.6 | 17.2 | 10.4 |
| RoAE (%) | 9.9 | 10.5 | 11.4 | 11.6 |
| P/E (x) | 27.5 | 24.7 | 21.0 | 19.1 |
| EV/EBITDA (x) | 12.3 | 10.9 | 9.3 | 8.0 |
| Dividend yield (%) | 0.4 | 0.5 | 0.5 | 0.6 |

## PRICE PERFORMANCE




# NE ramp up; multi-decadal drivers

Three new big drivers – i) **New Energy (NE)** ecosystem is ramping up with cell facility starting next month. 10GW module/cell may add ~6% to FY27 consolidated PAT; PS-to-module value chain, 40GWh BESS, 3GW electrolyser to contribute from FY28. ii) RTC power plant (H1FY27) in Kutch for 3MTPA GH2 production (3% of global H2 demand); its captive power cost may fall 25%, potentially adding ~6% to PAT. iii) **Artificial Intelligence:** All data centre investments to be via RI; Meta JV for AI solutions. iv) **FMCG** to focus on brand building/food parks. v) PVC expansion by end-CY26 (exhibit 42). 'BUY'; TP: INR1,769.

Q2 EBITDA was INR459bn (+17% YoY/+7% QoQ), 4% above estimate led by strong showing across segments; PAT at INR182bn was in line.

### O2C +21% YoY/3% QoQ; gas -5%/flat; digital +17%/3%; retail +16%/7%

O2C/gas accounted for half of attributable PAT. **O2C EBITDA** +21% YoY (+3% QoQ) on better fuel cracks and polymer deltas, partly offset by weak polyester margins. **O&G** EBITDA -5% YoY/flat QoQ on lower KG-D6 production (-8% YoY/-1% QoQ). **Digital** (26% of PAT) EBITDA rose 17% YoY on 8% YoY rise in ARPU to INR211, 6% YoY rise in subs. **Retail** (less than 15% of PAT) rose 16% YoY/7% QoQ on better realisation (up 21%). Adjusted PAT was in line at INR182bn (+10% YoY/1% QoQ).

### NE scaling up; cell facility starting soon; multi-decadal opportunity

NE rollout in progress (exhibit 20) with cell starting next month; four active module lines with ramp up to 10GW ongoing (aim 20GW). At 10GW module/cell capacity, RIL could add 6% to FY27 PAT (exhibit 18). PS, ingot/wafer, 3GW electrolyser (~50% of global capacity) on track. 40GWh battery gigafactory phase-I equipment procured (scalable to 100GWh). Setting up RTC power plant in Kutch for internal use for GH2 production, green chemicals, unlocking multi-decadal opportunity. We believe captive power cost will fall 25%, possibly adding ~6% to PAT (exhibit 11). Reliance Intelligence (RI) to lead data centre/AI investments; JV with Meta on Llama models; India monetisation still in early stages. RCPL to focus on brand building/food parks. PVC expansion internal target by end-CY26. JioMart pivoting to 30minute delivery; expand dark store network. Jio growth initiatives: bundled services, device-led penetration, targeted campaigns. E&P: aims to add wells in FY26 to hike production.

### Outlook: New Energy takes shape; multiple growth levers

Modest net debt of INR1.19tn (+2% YoY) keeps WACC in check. Our *Golden Refining era* thesis for USD10+/bbl in GRM is intact. NE rollout to not only add 50%+ to PAT, but also rerate valuation, including O2C given its net zero-carbon target by 2035. We are cutting FY26E/27E EPS by 1%/1% and roll forward valuation to FY28; retain '**BUY**'.

### Financials

| Year to March | Q2FY26 | Q2FY25 | % Change | Q1FY26 | % Change |
|---|---|---|---|---|---|
| Net Revenue | 25,46,230 | 23,15,350 | 10.0 | 24,36,320 | 4.5 |
| EBITDA | 4,58,850 | 3,90,580 | 17.5 | 4,29,050 | 6.9 |
| Reported Profit | 1,81,650 | 1,65,630 | 9.7 | 2,69,940 | (32.7) |
| Diluted EPS (INR) | 13.4 | 12.2 | 9.7 | 20.0 | (32.7) |

**Jal Irani**
Jal.Irani@nuvama.com

**Akshay Mane**
akshay.mane@nuvama.com

**Tanay Kotecha**
tanay.kotecha@nuvama.com

# Financial Statements

### Income Statement (INR mn)

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Total operating income | 96,46,930 | 99,39,661 | 1,07,34,057 | 1,14,88,607 |
| Gross profit | 33,50,040 | 37,89,095 | 42,88,481 | 48,09,895 |
| Employee costs | 2,85,590 | 2,92,250 | 2,97,792 | 3,12,493 |
| Other expenses | 14,10,010 | 16,13,528 | 18,04,294 | 20,56,280 |
| EBITDA | 16,54,440 | 18,83,316 | 21,86,395 | 24,41,122 |
| Depreciation | 5,31,360 | 5,96,159 | 6,86,968 | 7,76,798 |
| Less: Interest expense | 2,42,690 | 2,60,353 | 2,63,698 | 2,78,152 |
| Add: Other income | 1,79,780 | 1,86,016 | 1,98,277 | 2,05,243 |
| Profit before tax | 10,60,170 | 12,12,820 | 14,34,006 | 15,91,415 |
| Prov for tax | 2,52,300 | 3,05,267 | 3,60,939 | 4,00,559 |
| Less: Other adj | 0 | 89,240 | 0 | 0 |
| Reported profit | 8,13,090 | 9,13,295 | 10,79,383 | 11,97,803 |
| Less: Excp.item (net) | 1,16,610 | 1,36,032 | 1,68,181 | 1,91,895 |
| Adjusted profit | 6,96,480 | 7,77,264 | 9,11,202 | 10,05,909 |
| Diluted shares o/s | 13,530 | 13,530 | 13,530 | 13,530 |
| Adjusted diluted EPS | 51.5 | 57.4 | 67.3 | 74.3 |
| DPS (INR) | 5.5 | 6.8 | 7.2 | 7.9 |
| Tax rate (%) | 23.8 | 25.2 | 25.2 | 25.2 |

### Balance Sheet (INR mn)

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Share capital | 1,35,320 | 1,35,300 | 1,35,300 | 1,35,300 |
| Reserves | 82,96,680 | 88,92,123 | 97,05,968 | 1,06,04,401 |
| Shareholders funds | 84,32,000 | 90,27,423 | 98,41,268 | 1,07,39,701 |
| Minority interest | 16,64,260 | 18,00,292 | 19,68,472 | 21,60,367 |
| Borrowings | 34,75,300 | 26,94,763 | 24,86,741 | 27,04,368 |
| Trade payables | 18,67,890 | 20,06,668 | 20,53,010 | 20,87,000 |
| Other liabs & prov | 23,97,700 | 17,79,652 | 17,89,356 | 17,86,580 |
| Total liabilities | 1,95,01,210 | 1,89,72,857 | 1,98,02,907 | 2,11,42,076 |
| Net block | 68,31,020 | 72,10,238 | 75,71,864 | 80,47,191 |
| Intangible assets | 31,62,910 | 35,72,558 | 38,14,927 | 37,40,377 |
| Capital WIP | 26,23,580 | 25,38,560 | 25,38,560 | 25,38,560 |
| Total fixed assets | 1,26,17,510 | 1,33,21,356 | 1,39,25,351 | 1,43,26,128 |
| Non current inv | 12,36,720 | 12,42,462 | 12,48,778 | 12,55,726 |
| Cash/cash equivalent | 22,52,110 | 12,63,300 | 14,25,130 | 22,92,859 |
| Sundry debtors | 4,21,210 | 4,35,650 | 4,50,855 | 4,67,900 |
| Loans & advances | 1,20,120 | 1,26,126 | 1,32,432 | 1,39,054 |
| Other assets | 28,53,540 | 25,83,963 | 26,20,360 | 26,60,409 |
| Total assets | 1,95,01,210 | 1,89,72,857 | 1,98,02,907 | 2,11,42,076 |

### Important Ratios (%)

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Brent prices ($/bbl) | 78.2 | 70.0 | 70.0 | 70.0 |
| Dom.gas ($/mmbtu) | 10.0 | 9.5 | 9.0 | 9.0 |
| Teleco subscribers (mn) | 426.2 | 410.2 | 439.3 | 481.8 |
| EBITDA margin (%) | 17.1 | 18.9 | 20.4 | 21.2 |
| Net profit margin (%) | 7.2 | 7.8 | 8.5 | 8.8 |
| Revenue growth (% YoY) | 7.1 | 3.0 | 8.0 | 7.0 |
| EBITDA growth (% YoY) | 2.0 | 13.8 | 16.1 | 11.7 |
| Adj. profit growth (%) | 0 | 11.6 | 17.2 | 10.4 |

### Free Cash Flow (INR mn)

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Reported profit | 6,96,480 | 7,77,264 | 9,11,202 | 10,05,909 |
| Add: Depreciation | 5,31,360 | 5,96,159 | 6,86,968 | 7,76,798 |
| Interest (net of tax) | 1,84,934 | 1,94,822 | 1,97,325 | 2,08,141 |
| Others | (1,35,134) | (79,436) | 29,960 | 49,715 |
| Less: Changes in WC | 5,09,390 | 2,30,140 | 1,861 | 32,502 |
| Operating cash flow | 17,87,030 | 12,58,670 | 18,23,594 | 20,08,061 |
| Less: Capex | 13,99,670 | 13,00,005 | 12,90,963 | 11,77,575 |
| Free cash flow | 3,87,360 | (41,335) | 5,32,631 | 8,30,486 |

### Assumptions (%)

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| GDP (YoY %) | 7.2 | 7.0 | 6.8 | 6.2 |
| Repo rate (%) | 6.0 | 5.0 | 4.5 | 4.5 |
| USD/INR (average) | 84.4 | 86.5 | 85.0 | 86.7 |
| ARPU (INR) | 143.1 | 153.4 | 178.1 | 181.2 |
| Retail area (mn sq. ft.) | 77.4 | 79.7 | 82.1 | 84.6 |
| Number of stores | 19,836.0 | 20,836.0 | 21,836.0 | 22,836.0 |
| PP margins ($/mt) | 195.7 | 205.4 | 215.7 | 220.0 |
| GRM ($/bbl) | 13.3 | 13.4 | 13.8 | 14.2 |
| Ref. throughput (mmt) | 68.2 | 68.2 | 68.2 | 68.2 |

### Key Ratios

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| RoE (%) | 9.9 | 10.5 | 11.4 | 11.6 |
| RoCE (%) | 10.0 | 10.9 | 12.2 | 12.5 |
| Inventory days | 87 | 70 | 51 | 51 |
| Receivable days | 14 | 16 | 15 | 15 |
| Payable days | 106 | 115 | 115 | 113 |
| Working cap (% sales) | (0.4) | 2.0 | 1.8 | 2.0 |
| Gross debt/equity (x) | 0.3 | 0.2 | 0.2 | 0.2 |
| Net debt/equity (x) | 0.1 | 0.1 | 0.1 | 0 |
| Interest coverage (x) | 4.6 | 4.9 | 5.7 | 6.0 |

### Valuation Metrics

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Diluted P/E (x) | 27.5 | 24.7 | 21.0 | 19.1 |
| Price/BV (x) | 2.3 | 2.1 | 1.9 | 1.8 |
| EV/EBITDA (x) | 12.3 | 10.9 | 9.3 | 8.0 |
| Dividend yield (%) | 0.4 | 0.5 | 0.5 | 0.6 |

### Valuation Drivers

| Year to March | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| EPS growth (%) | 0 | 24.4 | 5.2 | 10.4 |
| RoE (%) | 9.9 | 10.5 | 11.4 | 11.6 |
| EBITDA growth (%) | 2.0 | 13.8 | 16.1 | 11.7 |
| Payout ratio (%) | 10.7 | 10.7 | 10.7 | 10.7 |

*Source: Company and Nuvama estimates*

# Result snapshot: EBITDA up 17% YoY

### Exhibit 1: EBITDA up 17% YoY; beats our estimate by 4%, consensus by 3%

| RIL Consolidated (INR mn) | Q2FY26 | Q2FY25 | YoY (%) | Q1FY26 | QoQ (%) | Nuvama estimate | Change from estimates (%) | Consensus | Beat/Miss (%) |
|---|---|---|---|---|---|---|---|---|---|
| Revenues | 2,546,230 | 2,315,350 | 10.0% | 2,436,320 | 4.5% | 2,264,103 | 12.5% | 2,488,000 | 2.3% |
| EBITDA | 458,850 | 390,580 | 17.5% | 429,050 | 6.9% | 442,829 | 3.6% | 444,788 | 3.2% |
| EBIT | 314,690 | 261,780 | 20.2% | 290,630 | 8.3% | 302,444 | 4.0% | 303,168 | 3.8% |
| PAT post minority | 181,650 | 165,630 | 9.7% | 269,940 | -32.7% | 181,827 | -0.1% | 189,010 | -3.9% |

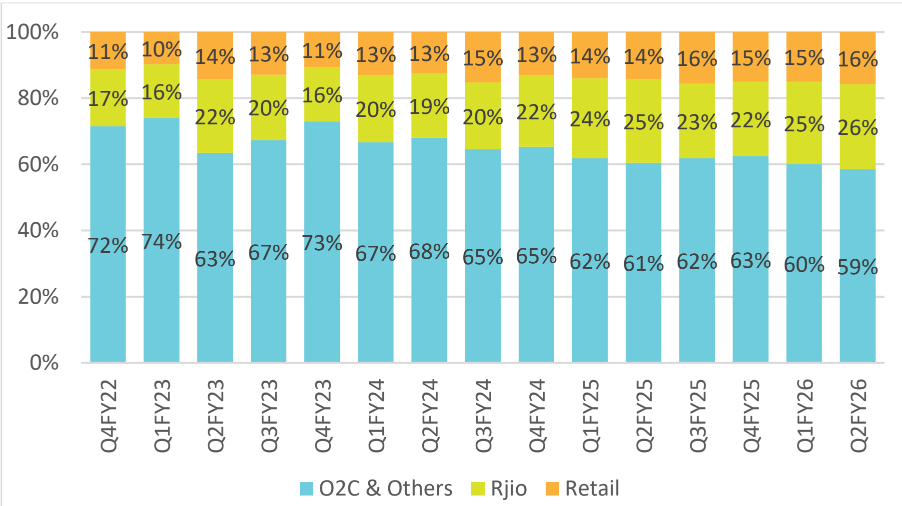
*Source: Company, Bloomberg, Nuvama Research*

### Exhibit 2: EBITDA beat across the board as O2C/Digital beat our estimates by 1% each; O&G +2% and Retail +5%

| Consol Segmental EBITDA (INR mn) | Q2FY26 | Q2FY25 | % change YoY | Q1FY26 | % change QoQ | Nuvama estimate | Deviation (%) |
|---|---|---|---|---|---|---|---|
| O2C (reported) | 150,080 | 124,130 | 20.9 | 145,110 | 3.4 | 149,289 | 0.5 |
| Oil and Gas | 50,020 | 52,900 | (5.4) | 49,960 | 0.1 | 48,957 | 2.2 |
| Organised retail | 68,170 | 58,610 | 16.3 | 63,810 | 6.8 | 65,217 | 4.5 |
| Digital services | 188,820 | 161,390 | 17.0 | 183,120 | 3.1 | 187,365 | 0.8 |
| Others | 1,760 | (6,450) | (127.3) | (12,950) | NM | (8,000) | NM |
| **Total EBITDA** | **458,850** | **390,580** | **17.5** | **429,050** | **6.9** | **442,829** | **3.6** |

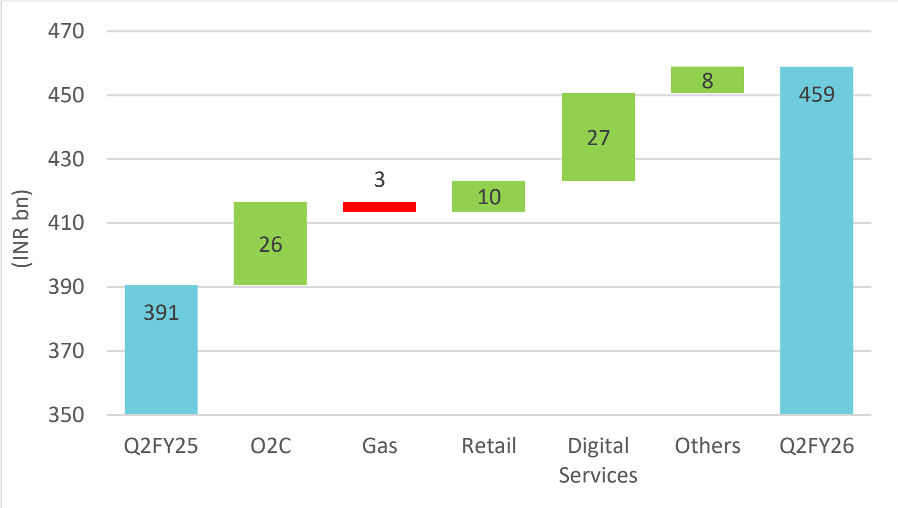
*Source: Company, Nuvama Research*

### Exhibit 3: Quarterly PAT breakdown; legacy business share moving down



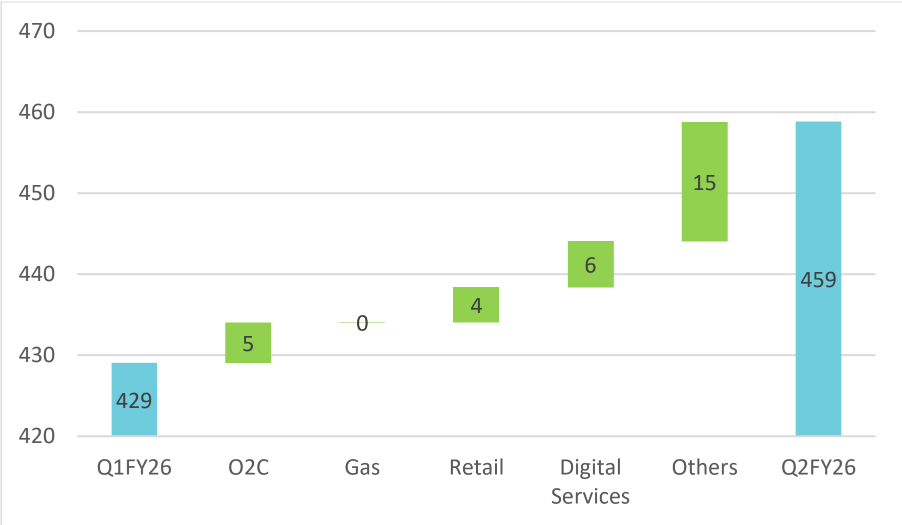

*Source: Company, Nuvama Research*

**Exhibit 4: O2C, Digital and Retail lead YoY EBITDA growth in Q2…**




*Source: Company, Nuvama Research*

**Exhibit 5: …with all segments contributing to sequential EBITDA growth**




*Source: Company, Nuvama Research*

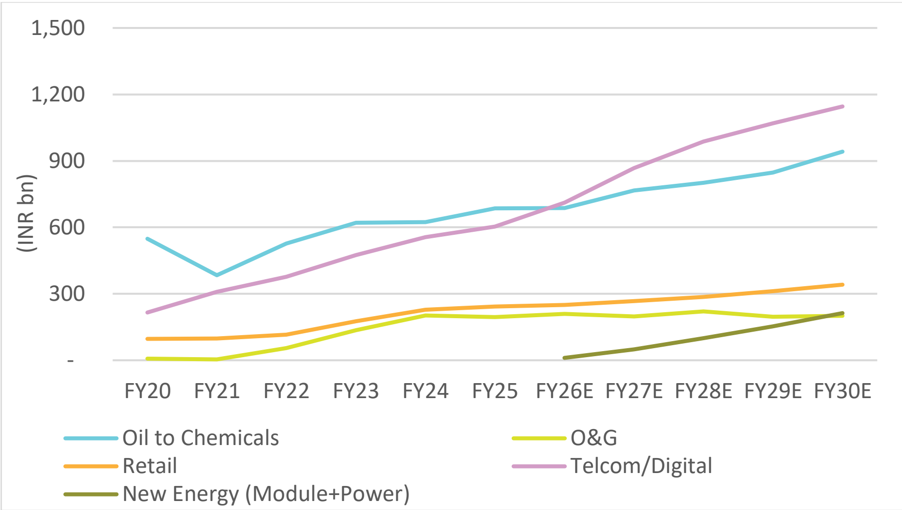
# Earnings forecast: NE 9% of FY30E PAT conservatively

**Exhibit 6: New Energy EBITDA contribution to grow from INR11bn to INR213bn at a CAGR of 111% over FY26E–30E**

| Segment wise EBITDA (INR bn) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E | FY29E | FY30E | CAGR (FY25-30E) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Oil to Chemicals | 549 | 384 | 527 | 621 | 624 | 686 | 688 | 767 | 801 | 847 | 942 | 7% |
| O&G | 7 | 4 | 55 | 136 | 202 | 194 | 209 | 197 | 221 | 197 | 200 | 1% |
| Retail | 97 | 98 | 116 | 176 | 229 | 243 | 249 | 267 | 286 | 312 | 341 | 7% |
| Telcom/Digital | 216 | 309 | 376 | 476 | 555 | 603 | 712 | 867 | 987 | 1,069 | 1,146 | 14% |
| New Energy (Module+Power) | | | | | | | 11 | 49 | 100 | 154 | 213 | *111% |
| Others | 14 | 12 | 30 | 13 | 13 | -72 | 15 | 39 | 47 | 51 | 51 | -193% |
| **Consolidated EBITDA** | 882 | 807 | 1,105 | 1,422 | 1,622 | 1,654 | 1,883 | 2,186 | 2,441 | 2,630 | 2,893 | 12% |

*Source: Company, Nuvama Research. *Note: New Energy CAGR from FY26–30E*

**Exhibit 7: NE (Module + Power) EBITDA to surpass O&G EBITDA by FY30E**




*Source: Company, Nuvama Research*

## PAT attributable to RIL to record huge addition from NE business

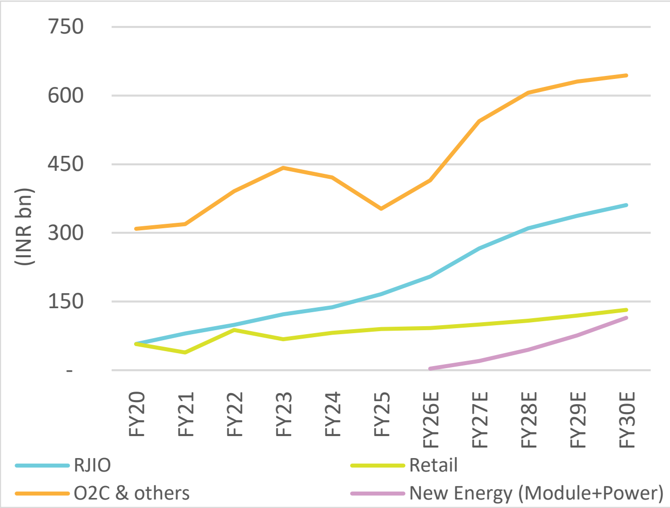
We reckon PAT from the New Energy segment shall increase from INR3bn in FY26E to INR114bn by FY30E, soaring at a 140% CAGR over FY26–30E. NE share in PAT shall hence rise to 9% by FY30E. However, we believe additional businesses in the NE segment shall also start to contribute in a phased manner. This shall enable RIL to meet its target of increasing PAT contribution from the New Energy segment to 50%-plus by 2030 as announced during AGM 2024 (New Energy to add 50% plus PAT).

**Exhibit 8: Share of New Energy PAT—burgeoning at a 140% CAGR over FY26–30E—shall rise to 9% by FY30E**

| PAT attributable to RIL (INR bn) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E | FY29E | FY30E | CAGR (FY25-30E) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| RJIO | 57 | 81 | 99 | 122 | 137 | 166 | 204 | 266 | 310 | 337 | 361 | 17% |
| Retail | 58 | 39 | 88 | 68 | 82 | 90 | 92 | 100 | 108 | 120 | 132 | 8% |
| O2C & others | 309 | 319 | 391 | 442 | 421 | 353 | 415 | 544 | 607 | 631 | 644 | 13% |
| New Energy (Module + Power) | | | | | | | 3 | 20 | 45 | 76 | 114 | *140% |
| **Total profits attributable to RIL** | 424 | 439 | 578 | 632 | 641 | 609 | 715 | 931 | 1,070 | 1,163 | 1,251 | 15% |

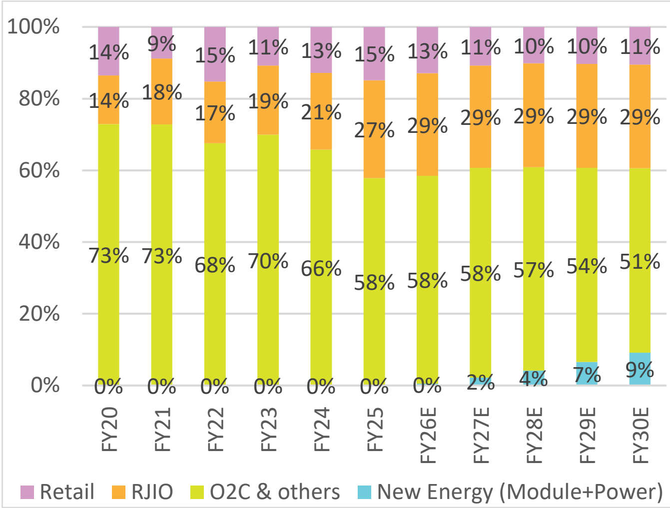
*Source: Company, Nuvama Research. *Note: New Energy CAGR from FY26-30E*

**Exhibit 9: New Energy PAT to be near Retail PAT by FY30E…**




*Source: Company, Nuvama Research*

**Exhibit 10: …while NE share in PAT shall rise to 9% by FY30E**




*Source: Company, Nuvama Research*

Renewable Energy produced from RIL's facility shall serve its captive purposes to a significant extent (20GW currently with O2C consuming largest chunk). Management estimates this shall aid in reducing RIL's power cost by 25%. Our calculation suggests RIL's PAT could conservatively increase ~6% potentially due to savings in power cost.

**Exhibit 11: RE for captive usage to likely add 6% to PAT on conservative basis**

| | **Particulars (Consolidated)** | **INR bn** |
|---|---|---|
| A | Net Revenues: FY25 (INR bn) (A) | 9,647 |
| B | Power, Fuel and Water cost: FY25 (INR bn) | 238 |
| C=B/A | % of Net Revenues | 2.5% |
| | | |
| D | Profit after Tax (PAT): FY25 (INR bn) | 696 |
| E=D/A | PAT Margin (%) | 7.2% |
| | | |
| **F=B*25%** | **Post-tax increase in PAT on 25% reduction in power cost (INR bn)** | **44.7** |
| **G=F/D** | **% increase in PAT due to power cost reduction** | **6.4%** |

*Source: Company, Nuvama Research*

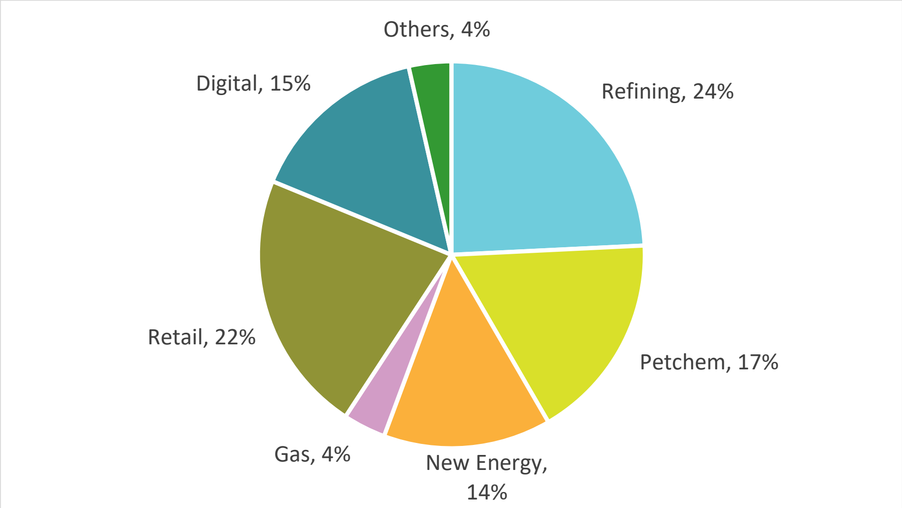
# Valuation: SotP of INR1,769

### Exhibit 12: SotP valuation of INR1,769

| | Base value (USD bn) | Base value (INR bn) | Base value (INR/share) | % | Comments |
|---|---|---|---|---|---|
| **Refining (@ EV/FY28E EBITDA = 12.5x)** | **66** | **5,670** | **419** | **23%** | **Global Refining peers trade at ~7x. Assumed ~USD13.8/14.2 bbl GRMs in FY27/28** |
| **Petchem (@ EV/FY28E EBITDA = 12.5x)** | **50** | **4,338** | **321** | **17%** | **Global petchem peers trade at ~8x. Assumed EBITDA of USD100/100/mt in FY27/28** |
| **India Upstream** | **10** | **889** | **66** | **4%** | **DCF basis. Includes CBM, R-Series and Satellite fields** |
| **BP Petro Retail @51% stake** | **4** | **358** | **26** | **1%** | **300% premium to BP Plc's acquisition of 49% during 2019-20** |
| Retail (@ EV/FY28E EBITDA = 27x) | 96 | 8,227 | 608 | 33% | Retail valued at 27x EV/EBITDA on FY28 |
| JIO Mart | 5 | 441 | 33 | 2% | Valued at 35x EV/Gross profit, similar to D-Mart |
| **Retail business equity value** | **101** | **8,667** | **641** | **35%** | |
| Less: Holdco discount | 20 | 1,733 | 128 | | Holdco discount at 20% |
| Less: Minority Interest in Retail | 17 | 1,454 | 107 | | 16.78% stake held by minority holders |
| **RIL's holding in Retail business** | **64** | **5,480** | **405** | **22%** | **RIL has 83.22% stake in RIL Retail** |
| Digital (Implied EV/EBITDA=~8.3x) | 95 | 8,170 | 604 | | |
| Less: Holdco discount | 19 | 1,634 | 121 | | Holdco discount at 20% |
| Less: Minority Interest | 32 | 2,739 | 202 | | 33.52% stake held by PE funds |
| **RIL's holding in Digital business** | **44** | **3,798** | **281** | **15%** | **DCF based EV of INR5.9trn; RIL holds 66.48% stake** |
| **Jiohotstar** | **4** | **359** | **27** | **1%** | **Jiohotstar value at $8.5bn; RIL holds ~49.1%** |
| **Real estate ventures** | **6** | **544** | **40** | **2%** | **Valued at 2x investment value** |
| **RIL New Energy** | **24** | **2,096** | **155** | **8%** | **DCF based EV of INR1.5trn and 2.5x on FY28 sales for electrolyser businesses. Discounted to NPV with WACC at ~10%** |
| **RIL Renewable Energy** | **16** | **1,403** | **104** | **6%** | **DCF-based valuation with ~8% WACC for its upcoming renewable power capacity** |
| **Value of operating assets** | **290** | **24,933** | **1,843** | **100%** | |
| **Net debt/ (Net Cash)** | **17** | **1,431** | **106** | **-6%** | |
| **SOTP** | **278** | **23,932** | **1,769** | **100%** | |
| **CMP** | | **19,169** | **1,417** | | |
| **Return on CMP (%)** | | | **25%** | | |

*Source: Company, Nuvama Research*

### Exhibit 13: SotP mix: O2C/gas: 45%, New Energy 14%, Retail 22%, Digital 15%



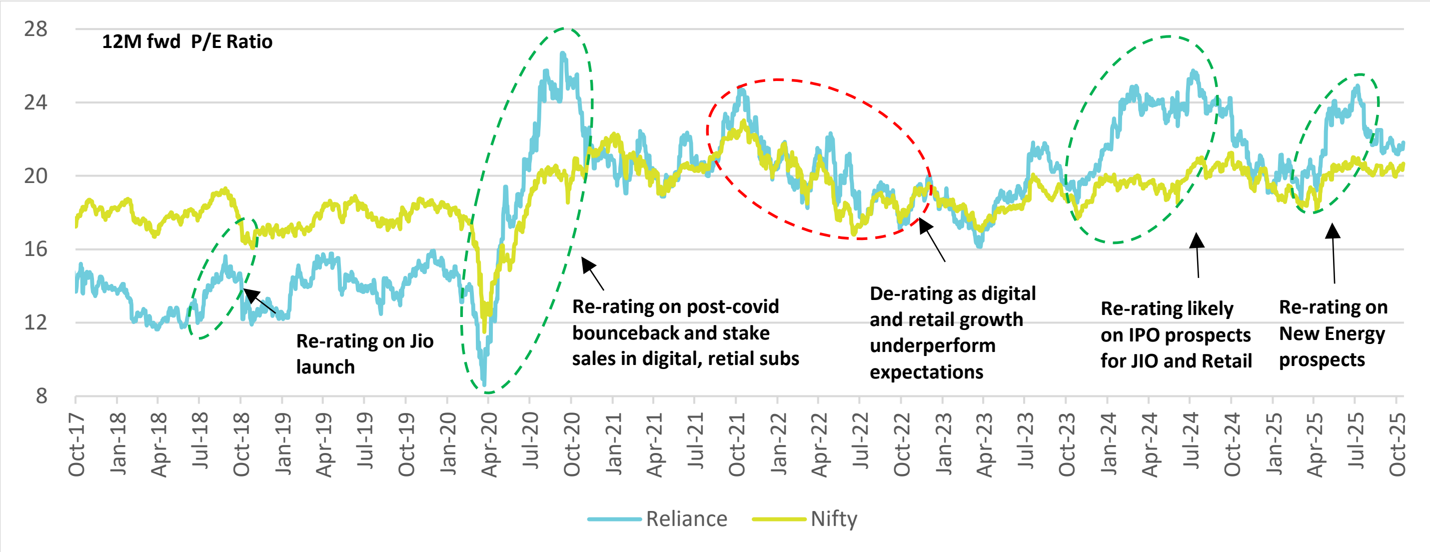

*Source: Company, Nuvama Research*

## Valuation re-rating potential

Drawing a solar module/cell capacity comparison with Waaree (16.1/5.4GW) and Premier (5.1/3.2GW), whose EVs are ~USD11 and USD6bn, respectively, RIL's 20GW fully integrated solar equipment manufacturing facility could potentially translate to a much higher EV.

Waaree/Premier are trading at 14x/14.5x FY27E EV/EBITDA. Ascribing a 15x EV/EBITDA to RIL's modules business (20GW capacity) yields an EV of USD20bn, which could trigger a valuation re-rating for RIL's stock price—similar to the trend seen following RJIO's launch in 2017. RIL's New Energy rollout shall not only add 50%-plus to PAT, but also re-rate valuations, including the O2C business given its net zero-carbon target by 2035.

**Exhibit 14: New Energy to drive next leg of growth; potential valuation re-rating**




*Source: Bloomberg, Nuvama Research*

**Exhibit 15: Solar modules/EPC peer valuation**

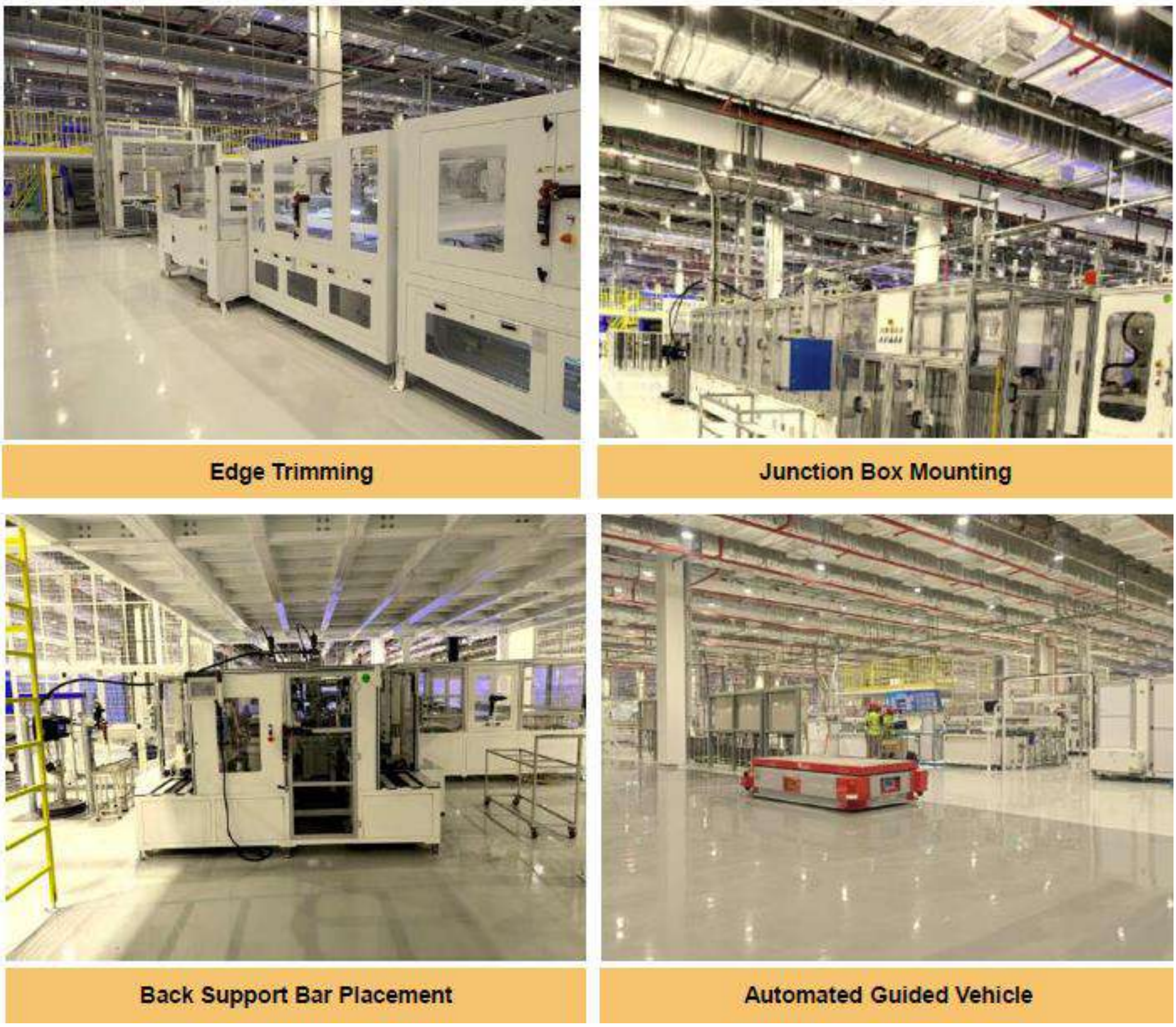
| | Mkt Cap | P/E | | | P/B | | | EV/EBITDA | | | EV/Sales | | | RoE | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Companies** | **(USD bn)** | **FY25** | **FY26E** | **FY27E** | **FY25** | **FY26E** | **FY27E** | **FY25** | **FY26E** | **FY27E** | **FY25** | **FY26E** | **FY27E** | **FY25** | **FY26E** | **FY27E** |
| **Solar EPC** | | | | | | | | | | | | | | | | |
| Sterling & Wilson | 0.6 | 64.9 | 22.0 | 14.1 | 5.3 | 4.3 | 3.2 | 22.2 | 14.8 | 8.9 | 0.9 | 0.7 | 0.5 | 8.6 | 20.1 | 23.7 |
| Waaree Renewable | 1.5 | 56.8 | 38.2 | 29.9 | 29.1 | 16.5 | 10.6 | 42.2 | 27.9 | 21.9 | 8.2 | 5.4 | 4.1 | 66.5 | 55.1 | 43.2 |
| | | | | | | | | | | | | | | | | |
| **Other EPC** | | | | | | | | | | | | | | | | |
| Suzlon Energy | 8.2 | 49.9 | 34.8 | 24.7 | 13.5 | 8.9 | 6.6 | 40.0 | 23.1 | 17.1 | 6.3 | 4.1 | 3.2 | 30.5 | 28.0 | 30.0 |
| Inox Wind | 2.9 | 40.6 | 30.1 | 19.7 | 8.9 | 4.1 | 2.9 | 37.6 | 23.4 | 16.5 | 6.7 | 4.2 | 2.9 | 18.9 | 14.1 | 16.5 |
| BHEL | 9.2 | 86.3 | 42.6 | 25.3 | 3.3 | 3.1 | 2.9 | 52.8 | 30.2 | 17.5 | 2.6 | 2.2 | 1.8 | 3.0 | 7.1 | 12.5 |
| Techno, Electric & Engineering | 1.7 | 42.4 | 27.3 | 21.0 | 4.2 | 3.7 | 3.2 | 40.8 | NA | NA | 5.4 | 3.7 | 2.8 | 12.5 | 13.5 | 15.0 |
| KEC International | 2.6 | 38.5 | 23.1 | 16.9 | 4.4 | 3.6 | 3.1 | 16.6 | 12.5 | 10.0 | 1.2 | 1.0 | 0.9 | 12.5 | 16.7 | 19.4 |
| Kalpataru Projects | 2.5 | 33.4 | 22.8 | 17.8 | 3.3 | 2.9 | 2.6 | 12.4 | 10.2 | 8.5 | 1.1 | 0.9 | 0.8 | 10.8 | 13.9 | 15.5 |
| | | | | | | | | | | | | | | | | |
| **Module/Cell Mfg** | | | | | | | | | | | | | | | | |
| Premier Energies | 5.5 | 51.6 | 36.6 | 26.5 | 17.2 | 11.6 | 8.0 | 27.6 | 20.3 | 14.5 | 7.2 | 5.6 | 3.6 | 50.0 | 38.0 | 36.8 |
| Waaree Energies | 11.6 | 52.3 | 28.4 | 21.7 | 10.4 | 7.7 | 5.7 | 38.1 | 18.5 | 14.0 | 6.7 | 4.4 | 3.4 | 26.5 | 33.1 | 31.7 |
| **India average** | | **51.7** | **30.6** | **21.8** | **10.0** | **6.6** | **4.9** | **33.0** | **20.1** | **14.3** | **4.6** | **3.2** | **2.4** | **24.0** | **24.0** | **24.4** |
| | | | | | | | | | | | | | | | | |
| **Energy Conglomerates** | | | | | | | | | | | | | | | | |
| Reliance Industries | 217.9 | 27.0 | 23.4 | 21.2 | 2.2 | 2.0 | 1.9 | 13.9 | 12.2 | 10.7 | 2.3 | 2.2 | 2.1 | 8.6 | 9.1 | 9.3 |
| Tata Power | 14.4 | 30.7 | 27.4 | 23.3 | 3.5 | 3.2 | 2.9 | 14.6 | 13.2 | 12.1 | 2.8 | 2.5 | 2.3 | 12.2 | 11.6 | 12.2 |
| NTPC | 37.6 | 15.4 | 13.7 | 12.7 | 2.0 | 1.7 | 1.6 | 10.2 | 9.6 | 9.0 | 3.1 | 2.9 | 2.7 | 12.8 | 12.8 | 12.7 |
| | | | | | | | | | | | | | | | | |
| **Global Solar Companies** | | | | | | | | | | | | | | | | |
| LONGi Green | 20.9 | NM | NA | 71.6 | 2.4 | 2.6 | 2.5 | NM | 165.9 | 17.0 | 1.7 | 1.9 | 1.6 | (11.5) | (6.0) | 3.4 |
| Jinko Solar | 7.7 | 44.7 | NA | 42.0 | 1.6 | 1.8 | 1.7 | 7.4 | NA | 7.4 | 0.8 | 1.0 | 0.9 | 3.4 | (9.8) | 3.6 |
| Trina Solar | 5.5 | NM | NA | 47.4 | 1.4 | 1.7 | 1.6 | NM | NA | NA | 0.9 | 1.1 | 0.9 | (8.8) | (13.8) | 2.1 |
| JA Solar | 6.3 | NM | NA | 118.3 | 1.4 | 1.8 | 1.9 | 8.1 | 18.3 | 9.3 | 1.0 | 1.3 | 1.1 | (9.3) | (12.5) | 2.6 |
| First Solar (US) | 25.0 | 17.7 | 15.4 | 10.3 | 3.1 | 2.6 | 2.2 | 13.4 | 11.7 | 8.4 | 5.8 | 4.6 | 3.9 | 17.5 | 18.4 | 21.7 |
| **Global average** | | **34.7** | **23.0** | **34.0** | **4.9** | **3.8** | **3.0** | **18.1** | **41.3** | **11.3** | **3.9** | **3.1** | **2.5** | **11.6** | **10.6** | **16.3** |

*Source: Bloomberg, Nuvama Research*

## NE green shoots; multi-decadal driver

RIL has commissioned four lines of HJT module manufacturing facility, which is being scaled up rapidly in phases to a fully integrated 10GW by early-CY26E and progressively expand up to 20GW; backward integration includes polysilicon.

**Exhibit 16: Four solar PV module lines commissioned**




*Source: Company, Nuvama Research*

**Exhibit 17: First solar cell to be commissioned in a few weeks**

**Print Line Loaders**
Plays a crucial automation and logistics role within the cell production and metallization (printing line)

**Texturization Tool**
Enables wafer surface etching to enhance light absorption and overall cell efficiency

*Source: Company, Nuvama Research*

## RIL's DCR modules could add at least ~INR39bn/6% to PAT

Assuming 75% capacity utilisation for its initial 10GW solar module facility and based on our channel checks suggesting 5%-plus introductory premium pricing for its DCR modules, we reckon RIL shall conservatively add PAT of ~INR39bn on 10GW facility (~6% of FY25 consolidated PAT).

**Exhibit 18: RIL's DCR modules can add ~INR39bn (~6% of FY25 consolidated PAT)**

| RIL's - Module business contribution scenario in FY27E | (INR mn) |
|---|---|
| USDINR | 87.0 |
| Installed Capacity (GW) | 10.0 |
| Capacity utilisation (%) | 75% |
| Actual production (GW) | 7.5 |
| **HJT module realisation (USD/w)** | **0.27** |
| **Revenue from modules** | **1,79,373** |
| Cost of raw material | 1,15,696 |
| **Gross profit** | **63,677** |
| Gross profit margin (%) | 36% |
| **EBITDA** | **57,795** |
| EBITDA margin (%) | 32% |
| **PAT** | **39,094** |
| **RIL's consolidated PAT (FY25)** | **6,96,480** |
| **% contribution to consolidated PAT** | **5.6%** |

*Source: Company, Nuvama Research*

## Case to go by: Tata Power Solar's PAT contribution up to 11% in FY25

Tata Power Solar's (TP Solar) profitability in Tata Power's overall consolidated PAT rose from 6% in Q1FY25 to 18% in Q4FY25, averaging ~11% in FY25. We reckon a similar trajectory for RIL's solar module and cell manufacturing business.

**Exhibit 19: PAT contribution of TP Solar in Tata Power's consolidated PAT**

| (INR mn) | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | FY25 |
|---|---|---|---|---|---|---|
| TP Solar PAT | -150 | 543 | 662 | 1,121 | 1,889 | 4,216 |
| Tata Power Consolidated PAT | 8,953 | 8,877 | 10,615 | 10,307 | 10,427 | 39,707 |
| **% share** | **-1.7%** | **6.1%** | **6.2%** | **10.9%** | **18.1%** | **10.6%** |

*Source: Company, Nuvama Research*

## HJT module ramping up; solar cell to start soon. NE to add huge EBITDA by FY30E

Our analysis suggests EBITDA contribution from the NE businesses (module and renewable power) can potentially grow to ~INR213bn by FY30, surging at a CAGR of 111% over FY26–30E. Our analysis indicates that the NE EBITDA can surpass O&G EBITDA by FY30E and move closer to the Retail EBITDA. We incorporate earnings from the NE segment in our estimates; we foresee 7% EBITDA contribution by FY30.

**Exhibit 20: RIL's new energy ecosystem scaling up**

| Sr No. | Project | Capacity/annum | Timeline | Remarks |
|---|---|---|---|---|
| 1 | **Integrated Solar Giga Factory** | 20 GW | 10GW: FY26-end; progressively ramp-up to 20GW | RIL to set up integrated manufacturing facility from Polysilicon (PS) to modules. Four lines of modules capacity has commenced with ramp up to 10GW by FY26-end. RIL shall progressively expand the solar giga-factory capacity to 20GW. Cell capacity is starting shortly with a similar timeline for ramp-up. Backward Integration in wafers, ingots and polysilicon is underway and shall fully commence by FY27. Manufactured modules will be based on the next gen HJT technology and first in India; can produce more than its nameplate capacity. RIL shall produce Polysilicon of M12 grade, which can not be used only for wafers, but can also be used as a feed in the semi-conductor industry. |
| 2 | **Battery Giga Factory** | 100GWh | 40GWh: CY26. Subsequent ramp-up to 100GWh | Integrated battery giga-factory with manufacturing of cells, battery packs and battery chemicals. Battery factory can produce more than its nameplate capacity. |
| 3 | **Electrolyser Manufacturing Facility** | 3GW | CY26-end | This giga-factory would be fully adaptable; capable of supporting various technologies such as Alkaline, PEM and AEM. RIL shall use alkaline technology for electrolysers initially. |
| 4 | **Green Hydrogen Production** | 3MTPA | CY32 | RIL is planning 3MTPA of Green H2 production by 2032E. First green hydrogen production shall start within two years to meet PLI subsidy timelines. |
| 5 | **Renewable Energy Generation** | 100GW | 20GW over 2–3 years; ramp up to 100GW by 2030 | Aims to establish 100GW by 2030. RIL has leased 550k acres arid wasteland in Kutch, Gujarat. Part of power generated would be used to meet RIL's large captive RE-RTC requirements across group businesses and GH2 production. First 20GW of round-the-clock power should start over two–three years. |
| 6 | **Compressed Biogas Plants** | 55 | CY25-end | Plans to commission 55 biogas plants with annual capacity of 0.5MT; ramp-up has already started. Target is to scale up to 500+ plants by 2030E. |

*Source: Company, Nuvama Research*

# Analyst meet: Key highlights

**Q2FY26 EBITDA up 17% YoY led by strong showing across segments**

- In Q2FY26, RIL reported a strong showing despite higher finance cost and depreciation.
- The company reported growth across all segments except E&P (-5% YoY); management indicated there has been an improvement in quality of numbers.
- This quarter's capex of INR400bn was supported by higher cash flow generation.

**Reliance Jio—crosses over 500mn subscribers**

- Jio continues to position itself as a next-generation and at-scale tech platform, crossing over 506mn subscribers, including more than 234mn 5G users alongside 23mn home-broadband connections and 9.5mn JioAirFiber homes.
- Mobility trends remain healthy with an uptick in data consumption and 5G contributing roughly 50% of total wireless traffic on Jio's network. The company is actively targeting conversion of 215mn 2G users to its latest network.
- Jio is adding about 1mn new home connections each month taking fixed broadband subscribers to 23mn while the JioAirFiber base has reached 9.5mn.
- Management also highlighted UBR readiness to deliver 1Gbps connectivity virtually anywhere in India. Unlike last year, currently there is no indication of an imminent ARPU hike.

**Reliance Intelligence: spearheading GW-scale, green-powered AI/data-centre; Meta JV on Llama**

- Reliance Intelligence (RI) has been announced as Reliance's new AI and data-infrastructure vehicle starting with a gigawatt-scale, 100% green-energy-powered data-centre campus in Jamnagar.
- All the investments in data centres shall be done through RI. RI has formed a JV with Meta to build AI solutions on open-source Llama models while Jio intends to co-develop its own products in concert with RI.
- Management noted that global peers have begun monetising AI infrastructure and applications, but India remains in the early stages; near-term monetisation may emerge first in search-like use cases with a broader rollout likely to evolve over the next few quarters.

**Reliance Retail: FMCG strength and quick-commerce scale—pivoting JioMart to sub-30-minute delivery while premiumising fashion**

- Reliance Retail delivered 18% YoY revenue growth with broad-based momentum across consumption and continued scale-up of online channels.
- FMCG remained strong at INR53bn revenue, with emphasis on brand building and food parks while Consumer Products leaned on general trade, now 75% of sales with Campa sustaining double-digit share in key markets.
- Grocery operations tightened last-mile economics by shrinking delivery radius and expanding dark-store coverage; JioMart pivoted from scheduled deliveries to a quick-commerce model (sub-30-minute promise, typically even faster), driving strong growth in average daily orders and extending into quick electronics and accessories.

- Fashion & Lifestyle focused on ethnic wear for the festive season and AJIO continued to premiumise its mix.
- In electronics, demand briefly softened between the GST rate-cut announcement and implementation, but rebounded on pent-up purchases thereafter.
- Quick commerce is now a major growth vector with 40% YoY growth along with 600 dark stores (and rising), coverage across 5,000-plus pin codes and 3,000-plus stores; management says network streamlining is largely complete and execution is centred on speed, density and assortment.

**JioStar: Profitability boosted by ]IPL**

- JioStar, positioned as India’s largest sports platform, reported revenue of INR61,790mn and EBITDA of INR17,380mn, translating to a robust 28.1% EBITDA margin; profitability improved sharply in Q2 on the back of IPL.

**E&P: Lower gas volumes from natural decline partly offset by better realisations**

- E&P performance was tempered by natural decline, which affected gas production in Q2, but was partly offset by stronger realisations; management highlighted that the decline has been slower than anticipated.
- KG-D6 production was 26.1mmscmd and the team is pursuing measures to augment output.
- On pricing, LNG prices are likely to remain range-bound in the near term due to a roughly 16% QoQ drop in China’s demand and higher US LNG exports, which have created an oversupply.

**O2C: EBITDA jumps on stronger fuel cracks and polymer spreads**

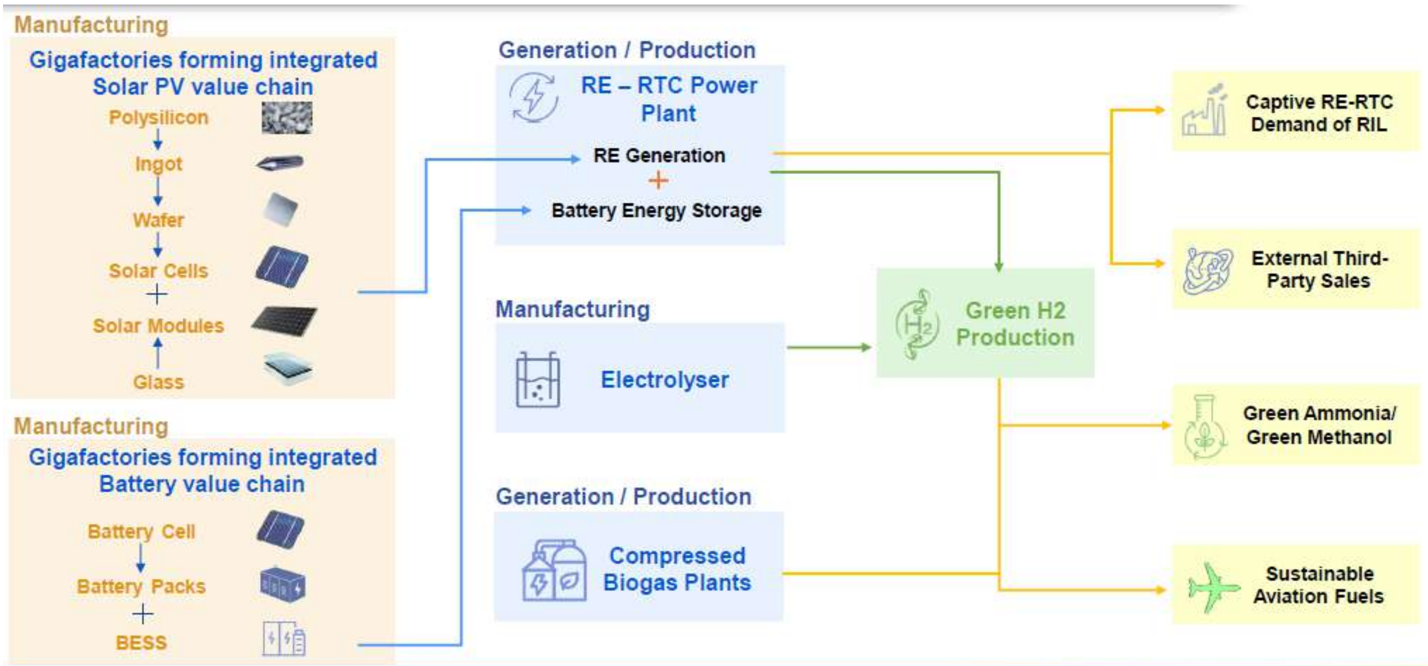
- O2C EBITDA improved sharply, driven by stronger fuel cracks and better polymer deltas, partially offset by weakness in the polyester chain deltas. Management cautioned that higher global supplies could keep margins in check though fuel placement through Jio-BP supported growth during the quarter.
- The retail network stands at 2,057 outlets, with continued expansion planned.
- The market perceives Russian refinery being attacked by drones to be a threat and this has kept margins elevated.
- The feedstock slate is roughly 25% naphtha, 25% ethane and 50% off-gases with room to shift based on pricing and demand-supply conditions.
- On the petchem side, the PVC expansion is progressing with an internal target to complete by end-CY26, acknowledging the project’s large scale.

**New Energy: Solar-cell giga factory starts next month; first battery facility due next year; RTC power to start next year**

- Reliance’s new energy (NE) business is advancing on multiple fronts. In Kutch, the company is developing round-the-clock (RTC) renewable power plants that shall be paired with BESS to store and dispatch energy as required; initial output will serve internal demand, with external marketing of RTC power to follow.
- The solar cell giga factory in Jamnagar is slated to start next month; four module lines have already been commissioned and the first cell line is due to come online next month.

- Polysilicon and ingot–wafer facilities are being set up, aiming towards vertical integration.
- A glass giga factory, positioned as India's largest, will supply glass for modules. On batteries, the first facility is targeted to start next year with a 40GWh BESS programme already achieving significant construction and EPC execution. The battery cell factory is progressing, phase-1 equipment has been procured from a diversified global supplier base not limited to China.
- Parallel efforts include setting up an electrolyser giga factory to support green hydrogen production, reinforcing the broader strategy to start RTC plant next year and scale up exports only after internal needs are met. Commissioning plans would be sequenced and communicated as the programmes advance.

**Exhibit 21: RIL's end-to-end integrated Green Energy business**




*Source: Company, Nuvama Research*

# Sprinting towards New Energy

## Invested/bought out ten global technology innovators in New Energy

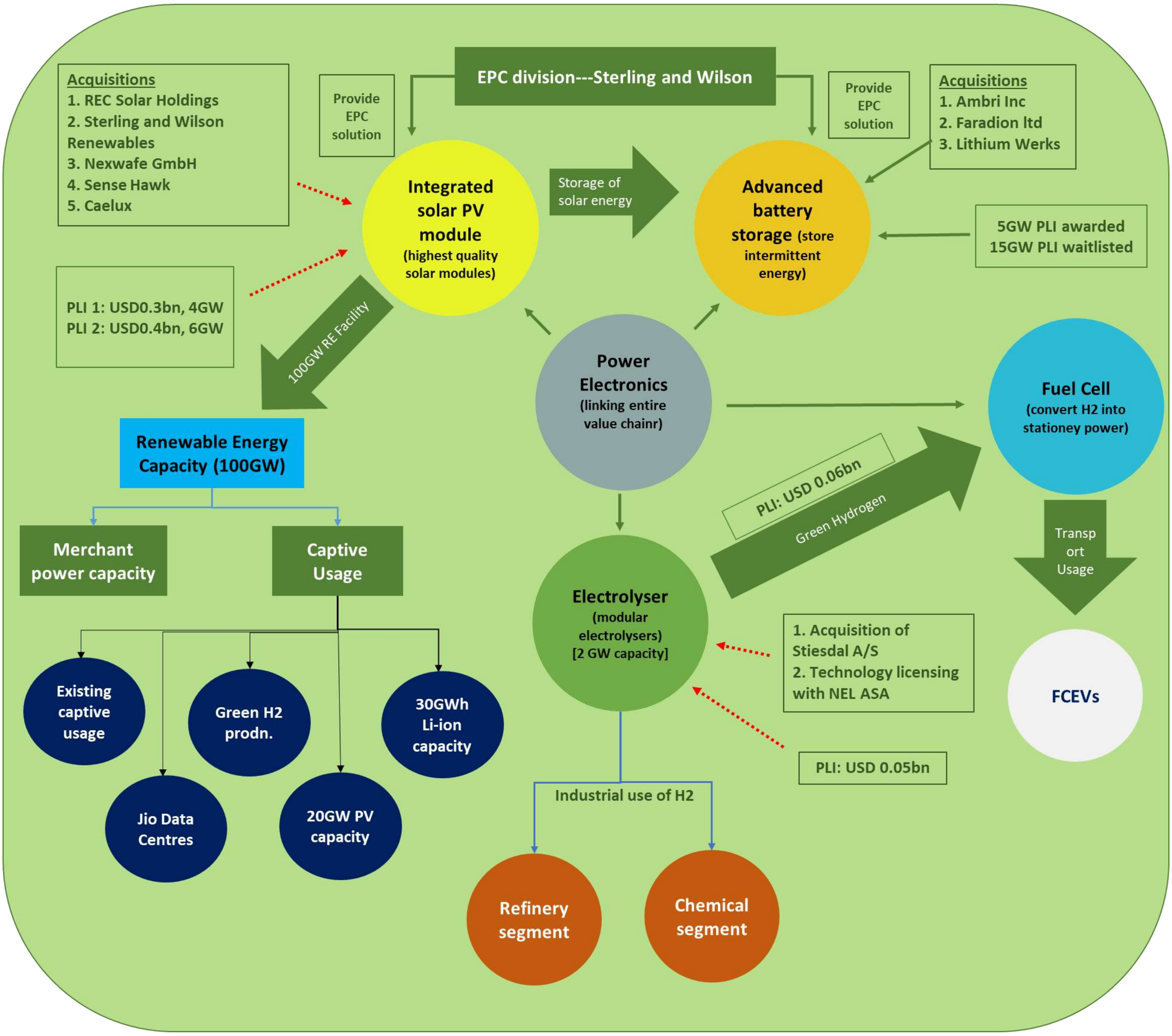
RIL has strategically invested in ten global technology innovators across New Energy verticals. These companies have strong expertise that shall assist RIL to accomplish its New Energy vision. RIL aims to be one of the world's leading New Energy and new materials company as part of its 15-year vision.

### Exhibit 22: List of companies acquired across New Energy verticals

| Name of the company | New energy verticals | Cost of Acquisition (USD mn) |
|---|---|---|
| REC Solar Holdings AS (REC Group) | Solar cells/panels | 771 |
| Sterling & Wilson Solar | Solar EPC and O&M | 285 |
| Faradion Ltd | Sodium-ion battery technology | 159 |
| Ambri Inc | Energy Storage | 144 |
| Lithium Werks | LFP batteries provider | 61 |
| SenseHawk | Software tools for solar energy | 32 |
| NexWafe | Solar photovoltaics | 29 |
| Caelux Corporation | Solar technology | 12 |
| skyTran Inc | ‘Transportation-as-a-Service’ platform. | 12 |
| Stiesdal A/S | Electrolyzers | N.A |

*Source: Company, Nuvama Research*

**Exhibit 23: RIL has strategically invested/bought out ten global technology innovators in New Energy space**




*Source: Company, Nuvama Research*

## Smartly moving up the ladder; wins several PLIs (USD0.7/kg yearly)

RIL is smartly inching closer to its New Energy vision, bagging several PLIs on the way. It won PLIs under both rounds of solar modules (Round 1: USD0.3bn, 4GW; Round 2: USD0.4bn, 6GW).

RIL (apart from Greenko) is the only company to have won incentives for both G-H2 and Electrolysers concluded recently. It won incentives of USD0.3/kg for electrolyser capacity of 300MW (25% of allotted capacities) and USD0.23 for G-H2 capacity of 90,000MT (22% of allotted capacities).

Cumulatively, it won incentives worth USD0.7/kg, which is 18% of the G-H2 value chain. Furthermore, it has won PLI under ACC battery storage for 5GW capacity.

**Exhibit 24: RIL uniquely bagged PLIs across New Energy verticals**

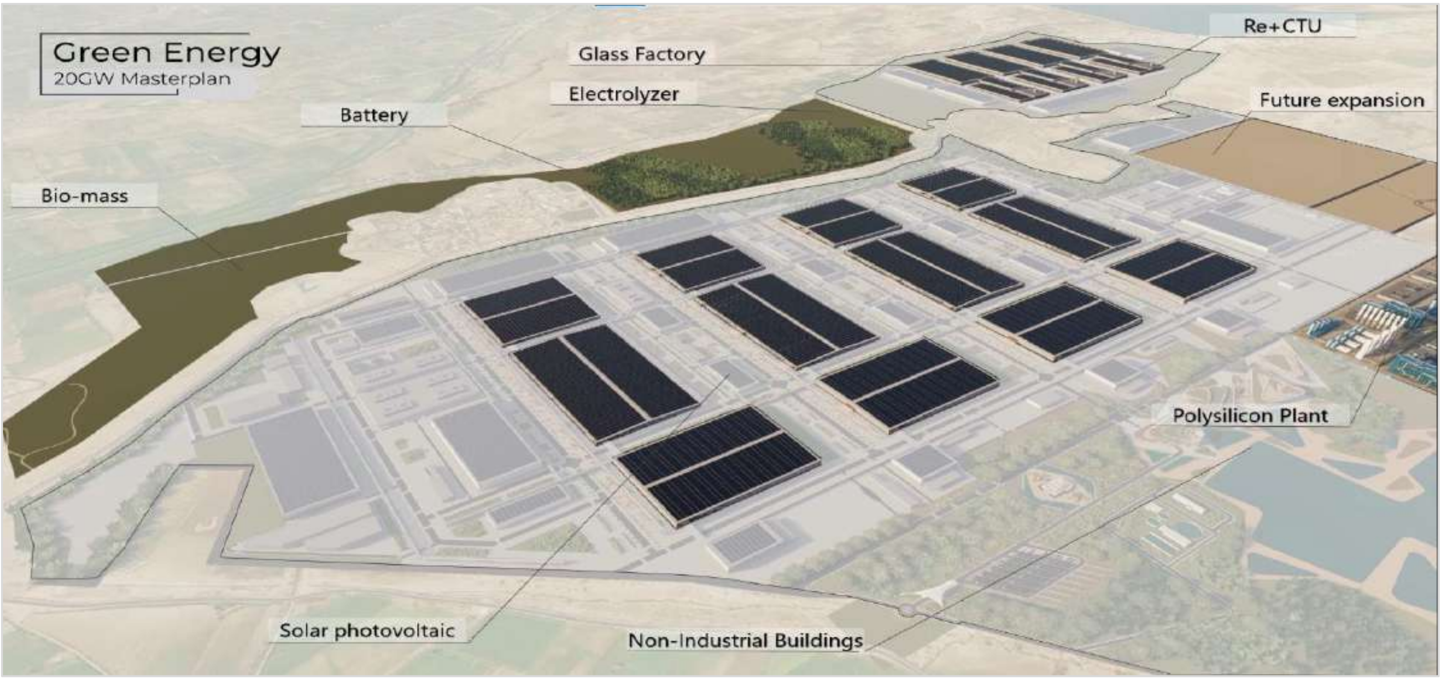
| Reliance Industries | Capacity | Eligible Capacity | Units | Number of years for incentives | Cumulative Incentives | | Annual incentive |
|---|---|---|---|---|---|---|---|
| | | | | | INR Bn | USD Mn | USD/kg |
| Green Hydrogen | 90,000 | 90,000 | MT | 3 | 5 | 61 | 0.23 |
| Electrolyser | 300 | 300 | MW | 5 | 4 | 54 | 0.29 |
| Solar modules PLI | 10,000 | 5,000 | MW | 5 | 50 | 635 | 0.20 |
| **Total** | | | | | **60** | **750** | **0.72** |
| ***Of which….*** | | | | | | | |
| *Solar PLI Tranche 1* | *4,000* | *2,000* | *MW* | *5* | *19* | *255* | *0.20* |
| *Solar PLI Tranche 2* | *6,000* | *3,000* | *MW* | *5* | *31* | *380* | *0.20* |

*Source: Company, Nuvama Research*

## Giga complex spread over 5,000 acres to start operations soon

The company has put out a schema of its upcoming *Dhirubhai Ambani Green Energy Giga Complex* in Jamnagar spread over 5,000 acres. The first line of solar PV module (1GW) with HJT technology has already been commissioned with plans to expand to 10GW with full backward integration until the polysilicon stage.

**Exhibit 25: RIL's Green Energy 20GW master plan at Jamnagar**




*Source: Company, Nuvama Research*

# RIL to build world's largest AI data centre at Jamnagar

- RIL plans to build a **3 GW "AI-powered" mega-data-centre** in Jamnagar, Gujarat—likely the largest globally—at an estimated cost of **USD20–30bn**.
- It is designed to support **OpenAI and Meta models internally**, keeping data in India and providing ultra-low-cost AI inference.
- **1GW likely to be operational by end-2026 with the rest in 2027**, with NVIDIA chips powering most workloads and fully utilising **green energy (solar, wind and hydrogen)**.

**Other key facilities in progress**

- **Kolkata**: Upgraded into a state-of-the-art AI-ready data centre; completion likely within **nine months** from February 5, 2025.
- **Assam**: Announced at the Feb-25 Advantage Assam Summit: an AI-ready high-performance computing (HPC) data centre to empower education, healthcare, and agriculture. Part of a broader INR500bn (~USD6bn) investment in the state.

**Strategic partnerships and JV expansion**

- **Digital Connexion**: RIL holds a 33% stake in the JV with Brookfield and Digital Realty, which currently operates greenfield data centres in **Mumbai and Chennai**, with plans to **quadruple capacity (4–5 GW)** by 2028.
- Deals with **NVidia**: To procure top-tier AI chips (GH200, Blackwell) for Jamnagar and other facilities.
- In discussions with **OpenAI and Meta** for model hosting and enterprise distribution inside RIL's national infrastructure.

**Big picture and industry context**

- India's overall data-centre capacity was roughly **950MW in early-2024**; likely to nearly **double to 1.8GW by 2026.**
- Reliance's cumulative projects (Jamnagar, Kolkata, Assam and JV expansion) shall likely push their total to **4–5 GW**, equivalent to **half of India's entire projected capacity**—a clear leadership position.

# Retail: Strong performance

## Q2FY26 performance strong across major segments

EBITDA from operations increased 16% YoY to INR68bn, whereas margins fell slightly by 20bp YoY to 8.6% for Q2FY26, which reported growth across consumption baskets with a focus on offering a wide range of products at an attractive price value proposition continuing to draw customers to the stores and digital platforms. Consequently, PAT surged 22% YoY to INR35bn led by increase in investment income by 9% YoY, which was more than offset by 9% YoY increase in depreciation and higher interest costs by 5% YoY.

The business expanded its physical store network by adding 229 new stores QoQ, taking the total store count to 19,821 stores in Q2FY26, with area of 77.8mn sq. ft.

Reliance Retail recorded 434mn total transactions, up 27% YoY with market leading performance in grocery and fashion. Consumer electronics and devices were hurt by the early onset of monsoons with a recovery already underway.

**JioMart:** Quick hyper-local commerce reported a strong pickup in daily orders with 42% QoQ/200%-plus YoY growth. Operations were scaled up to more than 5,000 pin codes serviced by 3,000-plus stores in 1,000-plus cities. Acquisition of new customers surged by 120% QoQ at 5.8mn while the platform’s seller base surged 20% YoY with further expansion to live catalogue selection to augment customer choice. JioMart extended its Quick Hyper-Local deliveries to the electronics and accessories categories, promising 30-minute delivery across ten cities while maintaining a continued focus on building brand awareness with its festive campaign "JioUtsav" with the proposition "Kyonki India Chahe Aur".

**Consumer electronics:** Consumer electronics business achieved steady growth, driven by festive build-up, though demand was hurt between the announcement and implementation of lower GST rates on September 22, 2025, with a strong pickup occurring after that date. The segment reported a strong category performance as laptops soared 37%, mobiles surged 22%, and appliances expanded 10% YoY. The Digital India Sale, the flagship Independence Day event, delivered 24% YoY growth and registered highest-ever single-day sales during the event. resQ continued to operate with the largest services network, encompassing 1,625 locations, which represented a 15% YoY increase. The Own Brands business tapped into overseas markets and launched new variants in both refrigerators and TVs.

**Fashion & Lifestyle:** The Fashion & Lifestyle business delivered strong growth with the onset of the festive season. Emerging Formats such as Yousta and Azorte registered growth of 66% YoY, and Yousta reached the significant milestone of 100 stores. The business tapped into regional festivals such as Pujo in Navratri, through strong promotions, which resulted in eastern markets delivering their best-ever sales. There was a pickup in ethnic wear categories during the early festive period, and smart casuals and semi-formals also performed well, strengthening the own brands play.

A strategic shift occurred from seasonal fashion to fresh fashion every day, creating newness in the range with the introduction of over 300 new options per week. As customers sought a 'complete look,' the demand for non-apparel items including footwear, beauty, accessories, and imitation jewellery was observed to be rising. AJIO delivered steady growth, led by a wider assortment, promotions, and festive buying. The platform successfully executed the All Stars Dussehra event and recorded the highest-ever daily sales. AJIO expanded its catalogue to over 2.7mn options, representing a 35% YoY surge, and launched several new brands on its platform. AJIO Rush gained significant traction and was live in over 300 pin codes across the top six cities. Compared with the platform average, the service achieved superior results, including a 16% higher average selling price (ASP), 17% better conversion rates and 500bp lower sales returns.

Shein surpassed 6 million app installs and reached 11.4 million monthly active users (MAU) while its portfolio expanded to more than 25,000 options. The Premium brands business signed exclusive partnerships with the British designer brand Stella McCartney, a conscious luxury label that offers ready-to-wear, vegan accessories, and footwear, and with Max & Co, a youth-oriented women's ready to wear affordable luxury brand. Sephora exclusively launched Fenty Beauty in India and continued to expand its presence across new Tier 1 markets. AJIO Luxe continued to expand its catalogue; its brand portfolio grew 33% YoY, with the option count growing 16% YoY. The Jewels business delivered a steady performance amid volatile gold prices, with the average bill value surging 52% YoY. Old gold exchange contribution increased to 32.5% compared with 21.9% recorded last year.

**Grocery:** Business delivered industry-leading performance led by a pickup in festive demand. The business logged double-digit growth YoY in core categories: Packaged Food grew 20%, Staples expanded 18%, and Home and Personal Care (HPC) grew 13%. Furthermore, the volume of Fruits and Vegetables (F&V) was up 62% YoY. Large store formats registered strong 19% YoY growth during the Full Paisa Vasool Sale. Staples/HPC categories outperformed, registering growth of 35% YoY/25% YoY. Premium Formats, which delivers an immersive food experience, continued to gain traction; FreshPik grew with 35% LFL. Metro continued its strong growth momentum with growth across all categories. Commodities grew 20% YoY while Home Care, Hair Care, and Air Care all grew 15% YoY. The business launched a specialised Corporate Gifting campaign, called 'A World of Gifts', in an effort to capture gifting business opportunities.

**Exhibit 26: India's fastest growing FMCG company; RCPL demerger process in progress**

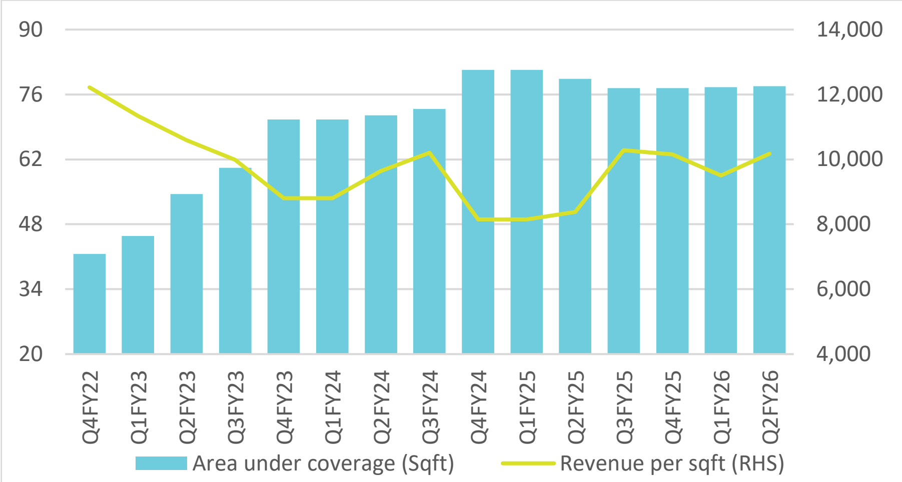

*Source: Company, Nuvama Research*

### Exhibit 27: Retail EBITDA growth healthy at 17% YoY

| Reported | Q4FY21 | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue (INR bn) | 413 | 336 | 455 | 507 | 508 | 516 | 577 | 601 | 616 | 622 | 689 | 744 | 676 | 663 | 665 | 796 | 786 | 737 | 791 |
| *Revenue growth YoY (%)* | *8.1* | *6.1* | *10.5* | *53.4* | *23.1* | *53.7* | *26.9* | *18.6* | *21.1* | *20.5* | *19.5* | *23.8* | *9.8* | *6.6* | *-3.5* | *7.0* | *16.3* | *11.3* | *19.0* |
| EBITDA (INR bn) | 36 | 14 | 29 | 38 | 36 | 39 | 43 | 47 | 48 | 49 | 56 | 61 | 57 | 54 | 57 | 66 | 65 | 60 | 66 |
| *EBITDA growth YoY (%)* | *32.6* | *28.3* | *45.5* | *24.2* | *-0.9* | *180.4* | *46.6* | *21.4* | *33.1* | *25.3* | *30.8* | *30.1* | *19.1* | *11.5* | *1.2* | *9.4* | *14.6* | *10.9* | *16.7* |
| EBITDA margins (%) | 8.8 | 4.1 | 6.4 | 7.6 | 7.1 | 7.6 | 7.4 | 7.7 | 7.7 | 7.9 | 8.1 | 8.1 | 8.4 | 8.2 | 8.5 | 8.3 | 8.3 | 8.2 | 8.4 |

*Source: Company, Nuvama Research*

### Exhibit 28: Area under coverage falls 2% YoY (reduced 1.6mn sq. ft. YoY)




*Source: Company, Nuvama Research*

### Exhibit 29: Reliance Retail EBITDA/PAT up 17%/22% YoY

| (INR bn) | Q2FY26 | Q2FY25 | YoY (%) | Q1FY26 | QoQ (%) |
|---|---|---|---|---|---|
| **Revenues** | **791.3** | **665.0** | **19.0%** | **737.2** | **7.3%** |
| **EBITDA** | **66.2** | **56.8** | **16.7%** | **60.4** | **9.7%** |
| Depreciation | 15.5 | 14.2 | 8.9% | 15.2 | 1.8% |
| **EBIT** | **50.8** | **42.6** | **19.3%** | **45.2** | **12.3%** |
| Other Income | 1.9 | 1.8 | 9.7% | 3.4 | -43.5% |
| Interest expense | 6.0 | 5.7 | 4.7% | 5.9 | 1.0% |
| **PBT** | **46.7** | **38.6** | **21.0%** | **42.7** | **9.4%** |
| Tax | 12.2 | 10.3 | 18.6% | 10.0 | 21.6% |
| **PAT** | **34.6** | **28.4** | **21.9%** | **32.7** | **5.7%** |
| Share of JVs/Associates | -0.2 | 1.0 | -118.2% | 0.0 | 350.0% |
| PAT (incl. share of JVs/Associates) | 34.4 | 29.4 | 17.2% | 32.7 | 5.3% |
| Minority interest stake (%) | 16.4% | 16.4% | | 16.4% | |
| PAT after minority interest allocation | 28.8 | 24.5 | 17.2% | 27.3 | 5.3% |
| | | | | | |
| **Revenues growth (% YoY)** | **19.0%** | **-3.5%** | | **11.3%** | |
| **EBITDA margins (%)** | **8.4%** | **8.5%** | | **8.2%** | |
| **PAT margins (%)** | **4.3%** | **4.4%** | | **4.4%** | |
| **Tax rate (%)** | **26.0%** | **26.5%** | | **23.4%** | |
| **EBITDA Growth (% YoY)** | **16.7%** | **1.0%** | | **10.9%** | |

*Source: Company, Nuvama Research*

**Exhibit 30: Retail: Operational peer matrix**

| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue(INR mn)** | | | | | | | | | | | |
| Reliance Retail | 5,14,562 | 10,19,465 | 13,03,674 | 13,16,878 | 17,57,045 | 23,09,310 | 27,30,790 | 29,09,790 | 31,77,491 | 34,69,820 | 37,89,043 |
| Vmart | 12,224 | 14,337 | 16,620 | 10,755 | 16,662 | 24,648 | 27,901 | 32,539 | 37,957 | 44,353 | 51,477 |
| Dmart | 1,50,332 | 2,00,045 | 2,48,702 | 2,41,431 | 3,09,763 | 4,28,396 | 5,07,888 | 5,93,581 | 6,86,141 | 8,00,250 | 9,40,403 |
| Trent | 20,366 | 24,912 | 31,411 | 20,118 | 38,183 | 75,977 | 1,17,689 | 1,64,155 | 1,98,115 | 2,60,317 | 3,19,256 |
| Vishal Megamart | 22,511 | 29,869 | 52,922 | 44,524 | 55,885 | 75,860 | 89,119 | 1,07,163 | 1,24,492 | 1,48,190 | 1,75,599 |
| **EBITDA (INR mn)** | | | | | | | | | | | |
| Reliance Retail | 23,643 | 59,201 | 91,390 | 80,831 | 1,59,211 | 1,76,090 | 2,22,220 | 2,42,650 | 2,54,199 | 2,77,586 | 3,03,123 |
| Vmart | 1,367 | 1,369 | 2,188 | 1,350 | 2,091 | 2,766 | 2,170 | 3,870 | 5,018 | 6,264 | 7,643 |
| Dmart | 13,528 | 16,333 | 21,283 | 17,431 | 24,985 | 36,370 | 41,038 | 44,873 | 48,353 | 56,691 | 66,293 |
| Trent | 2,014 | 2,365 | 5,632 | 2,038 | 6,335 | 11,193 | 19,269 | 27,540 | 33,257 | 45,645 | 60,349 |
| Vishal Megamart | 1,702 | 2,203 | 6,399 | 6,097 | 8,037 | 10,205 | 12,486 | 15,302 | 17,916 | 21,511 | 25,705 |
| **Area (mn sqft)** | | | | | | | | | | | |
| Reliance Retail | 17.7 | 22.0 | 28.7 | 33.8 | 41.6 | 65.6 | 79.1 | 77.4 | 81.3 | 85.3 | 89.6 |
| Vmart | 1.4 | 1.8 | 2.2 | 2.3 | 2.5 | 2.9 | 3.1 | 3.5 | 4.1 | 4.6 | 5.3 |
| Dmart | 4.9 | 5.9 | 7.8 | 8.8 | 11.5 | 13.4 | 15.2 | 17.2 | 19.7 | 22.5 | 26.2 |
| Trent | 2.4 | 3.1 | 3.7 | 4.2 | 5.5 | 7.1 | 9.6 | 13.6 | 17.4 | 22.0 | 22.0 |
| Vishal Megamart | 3.8 | 5.5 | 6.7 | 7.7 | 9.1 | 10.2 | 11.0 | 12.2 | 13.7 | 15.1 | 16.7 |
| **Revenue(INR / sqft)** | | | | | | | | | | | |
| Reliance Retail | 29,071 | 46,339 | 45,424 | 38,961 | 42,237 | 35,203 | 34,523 | 37,594 | 39,098 | 40,662 | 42,288 |
| Vmart | 8,489 | 8,010 | 7,555 | 4,676 | 6,665 | 8,499 | 9,000 | 9,297 | 9,367 | 9,545 | 9,742 |
| Dmart | 30,680 | 33,906 | 31,885 | 27,435 | 26,936 | 31,970 | 33,524 | 34,510 | 34,900 | 35,519 | 35,866 |
| Trent | 8,555 | 8,006 | 8,583 | 4,793 | 6,887 | 10,728 | 12,257 | 12,070 | 11,410 | 11,821 | 14,497 |
| Vishal Megamart | 5,930 | 5,473 | 7,880 | 5,795 | 6,114 | 7,452 | 8,094 | 8,784 | 9,117 | 9,809 | 10,487 |
| **Revenue / store (INR mn/store)** | | | | | | | | | | | |
| Reliance Retail | 134.1 | 97.9 | 110.6 | 103.6 | 115.6 | 128.0 | 145.0 | 146.7 | 152.5 | 158.9 | 165.9 |
| Vmart | 71.5 | 67.0 | 62.5 | 38.5 | 43.8 | 58.3 | 62.8 | 65.5 | 67.5 | 70.2 | 72.8 |
| Dmart | 969.9 | 1136.6 | 1162.2 | 1031.8 | 1090.7 | 1322.2 | 1391.5 | 1430.3 | 1444.5 | 1468.3 | 1480.9 |
| Trent | 138.5 | 120.9 | 119.4 | 64.7 | 87.0 | 130.3 | 145.1 | 157.4 | 151.9 | 161.1 | 197.6 |
| Vishal Megamart | 108.2 | 99.9 | 143.8 | 105.8 | 111.5 | 136.2 | 145.9 | 155.1 | 161.5 | 174.1 | 186.6 |
| **EBITDA(INR / sqft)** | | | | | | | | | | | |
| Reliance Retail | 1,336 | 2,691 | 3,184 | 2,391 | 3,827 | 2,684 | 2,809 | 3,135 | 3,128 | 3,253 | 3,383 |
| Vmart | 949 | 765 | 994 | 587 | 837 | 954 | 700 | 1,106 | 1,238 | 1,348 | 1,447 |
| Dmart | 2,761 | 2,768 | 2,729 | 1,981 | 2,173 | 2,714 | 2,709 | 2,609 | 2,459 | 2,516 | 2,528 |
| Trent | 846 | 760 | 1,539 | 486 | 1,143 | 1,580 | 2,007 | 2,025 | 1,915 | 2,073 | 2,740 |
| Vishal Megamart | 448 | 404 | 953 | 794 | 879 | 1,002 | 1,134 | 1,254 | 1,312 | 1,424 | 1,535 |
| **EBITDA/ store (INR mn/store)** | | | | | | | | | | | |
| Reliance Retail | 6.2 | 5.7 | 7.8 | 6.4 | 10.5 | 9.8 | 11.8 | 12.2 | 12.2 | 12.7 | 13.3 |
| Vmart | 8.0 | 6.4 | 8.2 | 4.8 | 5.5 | 6.5 | 4.9 | 7.8 | 8.9 | 9.9 | 10.8 |
| Dmart | 87.3 | 92.8 | 99.5 | 74.5 | 88.0 | 112.3 | 112.4 | 108.1 | 101.8 | 104.0 | 104.4 |
| Trent | 13.7 | 11.5 | 21.4 | 6.6 | 14.4 | 19.2 | 23.8 | 26.4 | 25.5 | 28.2 | 37.3 |
| Vishal Megamart | 8.2 | 7.4 | 17.4 | 14.5 | 16.0 | 18.3 | 20.4 | 22.1 | 23.2 | 25.3 | 27.3 |
| **Stores** | | | | | | | | | | | |
| Reliance Retail | 7,573 | 10,415 | 11,784 | 12,711 | 15,196 | 18,040 | 18,836 | 19,836 | 20,836 | 21,836 | 22,836 |
| Vmart | 171 | 214 | 266 | 279 | 380 | 423 | 444 | 497 | 562 | 632 | 707 |
| Dmart | 155 | 176 | 214 | 234 | 284 | 324 | 365 | 415 | 475 | 545 | 635 |
| Trent | 147 | 206 | 263 | 311 | 439 | 583 | 811 | 1,043 | 1,304 | 1,616 | 1,616 |
| Vishal Megamart | 208 | 299 | 368 | 421 | 501 | 557 | 611 | 691 | 771 | 851 | 941 |
| **OCF/ Capital employed** | | | | | | | | | | | |
| Reliance Retail | 4.6% | 6.6% | 14.9% | 8.5% | 8.7% | 5.6% | 4.7% | 4.0% | 3.4% | 3.0% | 2.6% |
| Vmart | 16.2% | 18.1% | 9.5% | 11.0% | -0.7% | 8.5% | 18.7% | 24.7% | 27.1% | 21.3% | 20.4% |
| Dmart | 14.3% | 12.8% | 11.5% | 11.3% | 10.0% | 16.4% | 14.7% | 11.5% | 13.2% | 13.5% | 13.7% |
| Trent | -4.6% | -13.4% | 4.5% | 19.4% | -29.0% | 18.8% | 29.3% | 27.3% | 35.5% | 35.4% | 37.7% |
| Vishal Megamart | 5.9% | 4.6% | NA | NA | 12.3% | 12.0% | 14.8% | 20.3% | 21.6% | 23.3% | 24.6% |

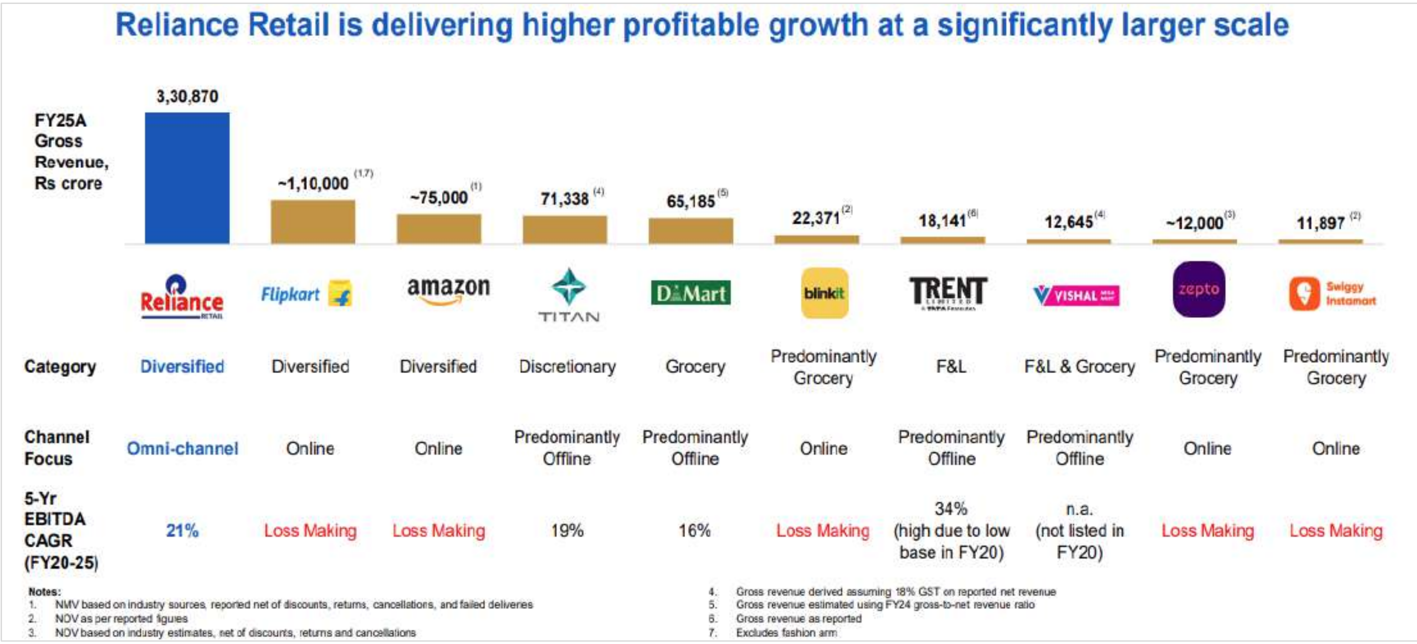
*Source: Company, Nuvama Research*

### Exhibit 31: Retail peer comparisons

| Company | Mcap | Diluted EPS (LC) | | | EV/EBITDA( x) | | | ROE (%) | | | Div yield (%) | EPS CAGR (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (USD mn) | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY26E | FY25-27E |
| **India Grocery** | | | | | | | | | | | | |
| Reliance Retail | 98,576 | 17.2 | 18.0 | 19.9 | 32.9 | 31.4 | 28.8 | 19.0 | 16.6 | 15.6 | NA | 7.5 |
| Avenue Supermarts | 34,797 | 44.4 | 48.9 | 59.4 | 64.8 | 57.7 | 47.9 | 14.4 | 13.7 | 14.4 | 0.0 | 15.7 |
| **India Grocery-Mean** | | | | | **48.8** | **44.6** | **38.3** | **16.7** | **15.2** | **15.0** | **0.0** | **11.6** |
| **India Apparel** | | | | | | | | | | | | |
| Trent | 22,452 | 45.4 | 57.3 | 74.3 | 71.6 | 54.4 | 42.5 | 33.5 | 32.2 | 30.9 | 0.1 | 27.9 |
| V-Mart | 707 | (1.7) | 13.4 | 19.1 | 16.2 | 12.8 | 10.4 | 0.7 | 12.0 | 15.2 | 0.2 | NM |
| **India Apparel -Mean** | | | | | **43.9** | **33.6** | **26.5** | **17.1** | **22.1** | **23.1** | **0.2** | **27.9** |
| **India Footwear** | | | | | | | | | | | | |
| Bata | 1,686 | 20.8 | 20.2 | 24.5 | 20.5 | 18.7 | 16.9 | 15.8 | 16.3 | 18.7 | 1.2 | 8.5 |
| **India jewellery** | | | | | | | | | | | | |
| Titan | 36,403 | 39.7 | 53.1 | 64.6 | 56.3 | 42.9 | 36.0 | 31.8 | 34.2 | 32.5 | 0.4 | 27.6 |
| **India retail-Mean** | | | | | **43.7** | **36.3** | **30.4** | **19.2** | **20.8** | **21.2** | **0.4** | **17.5** |
| **US Retailing** | | | | | | | | | | | | |
| GAP | 7,801 | 1.2 | 2.1 | 2.2 | 7.7 | 4.4 | 4.3 | 18.9 | 26.7 | 23.5 | 2.9 | 36.3 |
| Kroger | 46,109 | 4.5 | 4.5 | 4.8 | 7.2 | 7.4 | 7.6 | 27.5 | 28.0 | 38.0 | 1.8 | 3.0 |
| Costco | 4,34,319 | 16.2 | 18.1 | 20.0 | 37.6 | 33.1 | 29.8 | 29.4 | 30.3 | 27.8 | 0.5 | 11.1 |
| Walmart | 8,03,628 | 2.2 | 2.5 | 2.6 | 21.9 | 19.8 | 18.9 | 20.1 | 21.9 | 21.5 | 0.8 | 9.9 |
| **US Retailing-Mean** | | | | | **18.6** | **16.2** | **15.1** | **24.0** | **26.7** | **27.7** | **1.5** | **15.1** |
| **Europe Retailing** | | | | | | | | | | | | |
| M&S | 10,017 | 0.3 | 0.2 | 0.3 | 6.2 | 6.7 | 5.4 | 18.3 | 14.7 | 18.1 | 1.3 | 8.3 |
| H&M | 24,447 | 7.2 | 6.9 | 8.0 | 7.4 | 7.5 | 6.9 | 25.3 | 24.8 | 29.7 | 4.8 | 6.0 |
| Inditex | 1,60,367 | 1.7 | 1.9 | 2.0 | 12.8 | 11.9 | 11.5 | 29.8 | 30.4 | 30.1 | 3.8 | 6.5 |
| Carrefour | 11,167 | 1.7 | 1.5 | 1.8 | 3.8 | 3.3 | 3.2 | 9.8 | 9.4 | 10.4 | 7.7 | 0.9 |
| **Europe Retailing-Mean** | | | | | **7.6** | **7.4** | **6.7** | **20.8** | **19.8** | **22.1** | **4.4** | **5.4** |
| **Japan Retailing** | | | | | | | | | | | | |
| Fast Retailing | 1,06,059 | 1,339 | 1,384 | 1,513 | 19.4 | 18.2 | 16.7 | 19.2 | 17.8 | 17.3 | 1.0 | 6.3 |
| **Japan Retailing-Mean** | | | | | **19.4** | **18.2** | **16.7** | **19.2** | **17.8** | **17.3** | **1.0** | **6.3** |
| **Global Retailing-Mean** | | | | | **22.3** | **19.5** | **17.3** | **20.8** | **21.3** | **22.1** | **1.8** | **11.1** |

*Source: Bloomberg, Nuvama Research*

### Exhibit 32: Reliance Retail's performance vis-a-vis peers




*Source: Company, Nuvama Research*

## RJIO: Subscriber base crosses 500mn

- RJio's revenue came in line with our estimates while EBITDA came in slightly above our estimates. Revenue grew 3.2% QoQ driven by ARPU growth of 1.2% to INR211.4 in Q2FY26 versus our INR210.8 expectations.
- EBITDA margins improved 20bp QoQ to 54.2%, taking absolute EBITDA to INR172.8bn (our estimate–INR170.5bn, margin of 53.7%).
- RJio customer base increased by +8.3mn versus +9.9mn increase in Q1FY26. The total subscriber base is now at 506.4mn. Data use further increased to 38.7GB per customer per month, from 37.0GB in Q1FY26.

**Higher mix of 5G and home users** drove 29.8% YoY growth in data traffic to 58.4 Exabyte in Q2FY26 with improving customer experience across both 5G and 4G network. JioAirFiber subscribers base came in at 9.5mn (+2.1mn QoQ). Jio AirFiber rollout continues to accelerate at scale with over 1mn new homes being connected every month. Jio Fixed Broadband subscribers stood at ~23mn (+3mn QoQ).

About 234mn subscribers of Jio have already migrated to 5G (earlier 213mn, +21mn increase). ARPU rose to INR211.4 driven by a better subscriber mix, increased data consumption and newer offerings. 5G now accounts for ~50% of total wireless traffic driven by a consistent increase in customer engagement. 5G Jio customers enjoy 1.4x faster data speed than nearest competitor. Net subscriber addition in Q2FY26 was 8.3mn and monthly churn remained stable at 1.9%. It was another quarter of record home connects complemented by continued gains in mobility market share.

Data traffic also continues to grow with per capita data consumption increasing to 38.7GB per month. The capex intensity is likely to reduce given that large part of the 5G rollout has been completed.

### Key takeaways from Reliance Jio (RJIO) Q2FY26 analyst meet

**Mobile: Leadership in Traffic, Innovation and Efficiency**

- ARPU increased to INR211.4 (INR208.8 in Q1FY26) driven by increased consumption and positive seasonality.
- Net subscriber addition was +8.3mn, another quarter of record home connects complemented by continued gains in mobility market share.
- Over 234mn subscribers have migrated to 5G (~213mn at the end of Q1FY26). Net subscribers migrated to 5G stood at 21mn.
- Data traffic/voice traffic increased 29.8%/5.6% YoY.
- Per capita monthly data usage increased to 38.7GB driven by increasing mix of 5G customers and home users (37.0GB in Q1FY26).

**Home: Driving Digitisation of ~1 million Homes Monthly**

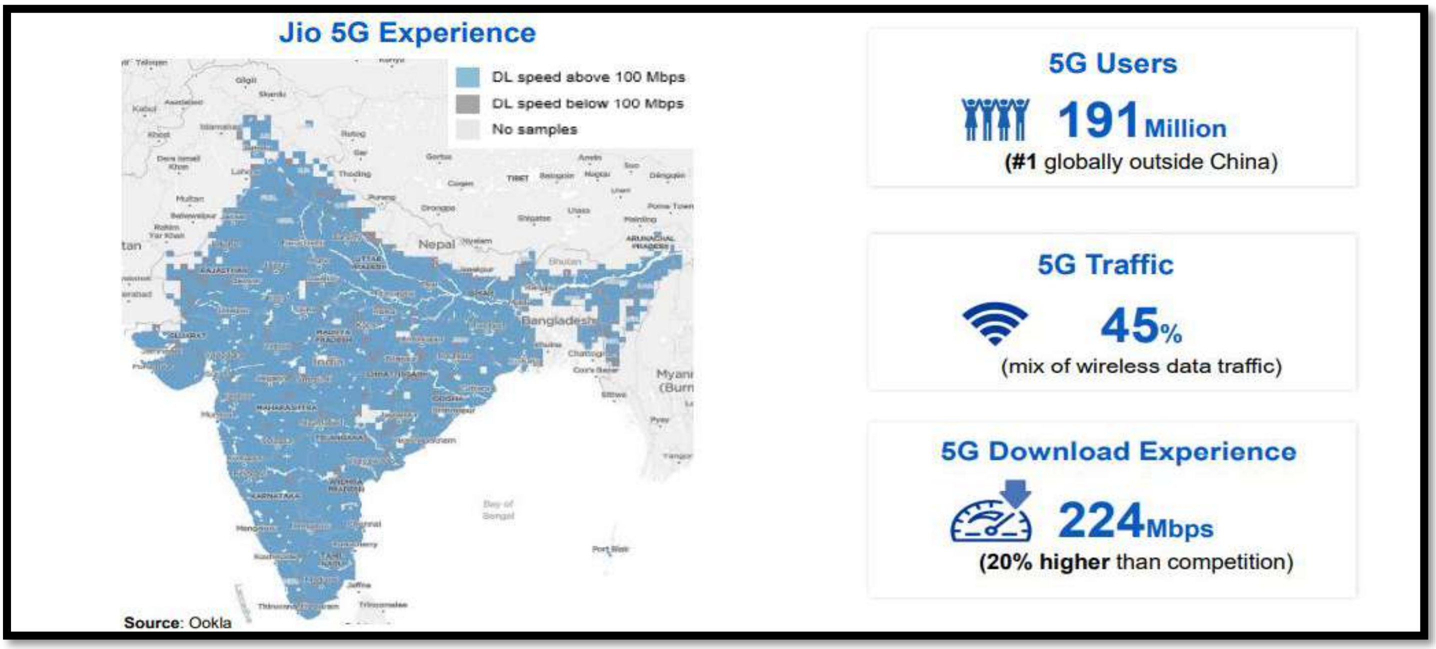
- Home connects addition was 3.0mn in Q2FY26 taking total connected premises count to ~23mn.
- AirFiber subscribers base came in at 9.5mn (+2.1mn QoQ).
- Jio has successfully scaled up the multi-technology architecture for fixed broadband to 1 million new home connects every month during the quarter.
- **Enterprises Business – 'One Jio' approach across products and distribution**

- Up to 1Gbps connectivity for rural enterprises across India led by UBR tech.
- SaaS partners leveraging Jio's distribution to give comprehensive digital services.
- Comprehensive suite of managed services including Managed Wi-Fi, Managed Compute, Managed Security, Managed Cloud, CPaaS and IoT.
- Network feasibility to provide Gbps level connectivity with observability and enhanced enterprise grade security.
- Single point ownership for connectivity services for locations of an enterprise spread across India.

**Jio's new launches for customers and enterprises**

- Launched JioPC AI Assistant - helps user generate content in real time, automate desktop customisations, etc.
- Wearable ecosystem (Audio and Audio + Camera variants) powered by Jio's own AI. Multi-lingual Voice AI with cultural nuances.
- To celebrate the achievement of connecting 500 million subscribers and the ninth anniversary, Jio rolled out an exciting array of initiatives for both mobile and home subscribers including unlimited data over the anniversary weekend.
- Jio's "Safety-First" solution is designed to help families stay connected and protected, allowing guardians to monitor children, elderly parents and dependents with a simple, secure and always-on experience.

**Exhibit 33: Jio 5G at a glance; 191mn users have migrated to Jio 5G**

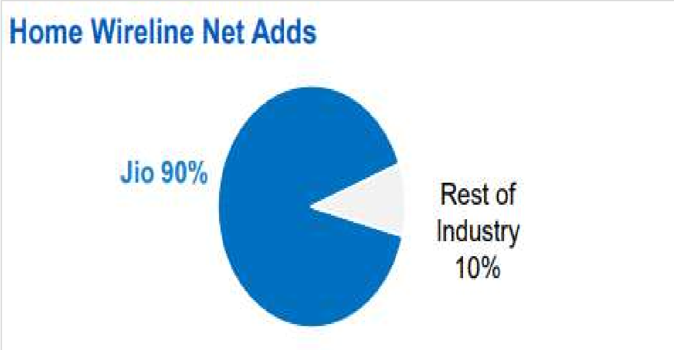



*Source: Ookla, Company, Nuvama Research*

**Exhibit 34: Jio AirFiber subscribers increasing rapidly**


*Source: Company, Nuvama Research*

**Exhibit 35: Jio dominating home wireline additions**



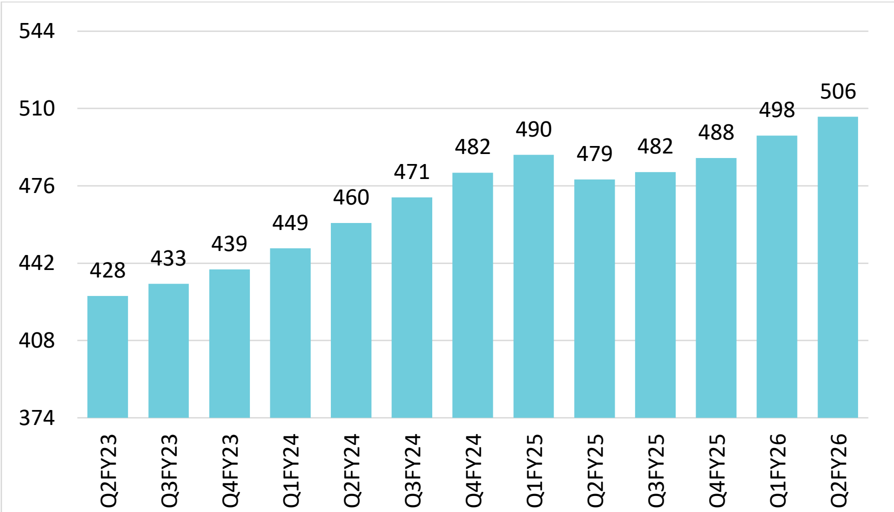

*Source: Company, Nuvama Research*

**Exhibit 36: Key performance indicators (ARPU up 8% YoY, 1% QoQ)**

| Operational Parameters | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Subscribers (mn) | 428 | 433 | 439 | 449 | 460 | 471 | 482 | 490 | 479 | 482 | 488 | 498 | 506 |
| Subscriber addition (mn) | 7.7 | 5.3 | 6.4 | 9.2 | 11.2 | 11.2 | 10.9 | 7.9 | -10.9 | 3.3 | 6.1 | 9.9 | 8.3 |
| ARPU (INR) | 177 | 178 | 179 | 181 | 182 | 182 | 182 | 182 | 195 | 203 | 206 | 209 | 211 |
| Data usage/sub/month (GB) | 22.2 | 22.4 | 23.1 | 24.9 | 26.6 | 27.3 | 28.7 | 30.3 | 31 | 32.3 | 33.6 | 37 | 38.7 |

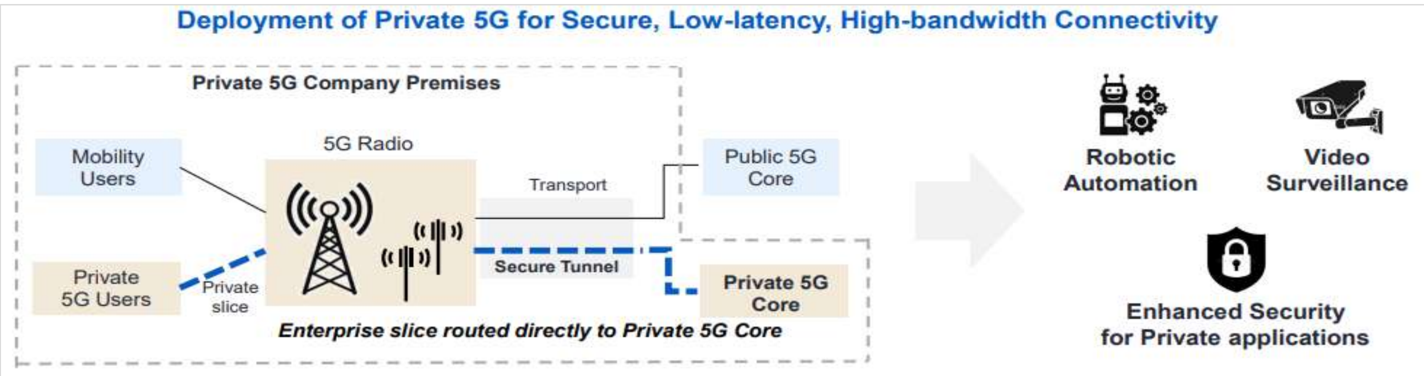
*Source: Company, Nuvama Research*

**Exhibit 37: RJio customer base up 6mn QoQ/27mn YoY in Q2FY26**




*Source: Company, Nuvama Research*

**Exhibit 38: Introduction of private 5G for enhanced data privacy and reliable connectivity**




*Source: Company, Nuvama Research*

### Exhibit 39: RJio quarterly financial snapshot

| Year to March | Q2FY26 | Q1FY26 | % change | Q2FY25 | % change | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|
| Revenues (net) | 318,570 | 308,820 | 3.2 | 283,380 | 12.4 | 1,141,410 | 1,316,717 | 1,602,081 | 1,823,401 |
| Network Operating expense | 84,430 | 84,520 | (0.1) | 82,440 | 2.4 | 329,320 | 367,058 | 456,593 | 519,669 |
| Access charges (net) | 6,520 | 3,850 | 69.4 | 3,650 | 78.6 | 16,850 | 18,987 | 20,222 | 23,017 |
| Employee benefits expenses | 4,750 | 4,970 | (4.4) | 4,960 | (4.2) | 19,870 | 20,060 | 24,031 | 27,351 |
| Selling and distribution expenses | 10,810 | 10,340 | 4.5 | 8,800 | 22.8 | 36,410 | 44,236 | 53,816 | 61,246 |
| Other expenses | 10,150 | 10,040 | 1.1 | 7,210 | 40.8 | 31,160 | 33,977 | 32,042 | 36,468 |
| License fee / Spectrum charges | 29,160 | 28,200 | 3.4 | 25,960 | 12.3 | 104,940 | 120,778 | 148,335 | 168,844 |
| Total expenditure | 145,820 | 141,920 | 2.7 | 133,020 | 9.6 | 538,550 | 605,095 | 735,039 | 836,596 |
| **EBITDA** | **172,750** | **166,900** | **3.5** | **150,360** | **14.9** | **602,860** | **711,622** | **867,042** | **986,806** |
| Depreciation | 63,910 | 62,040 | 3.0 | 57,340 | 11.5 | 230,980 | 259,706 | 287,755 | 316,156 |
| EBIT | 108,840 | 104,860 | 3.8 | 93,020 | 17.0 | 371,880 | 451,916 | 579,287 | 670,650 |
| Net finance cost | 21,180 | 20,810 | 1.8 | 11,220 | 88.8 | 48,370 | 55,612 | 50,124 | 53,610 |
| Other income | 5,990 | 6,110 | (2.0) | 1,890 | 216.9 | 9,470 | 13,100 | 2,000 | 2,000 |
| PBT | 93,650 | 90,160 | 3.9 | 83,690 | 11.9 | 332,980 | 409,404 | 531,163 | 619,040 |
| Tax | 23,930 | 23,050 | 3.8 | 21,380 | 11.9 | 85,030 | 103,762 | 133,694 | 155,812 |
| **Reported profit** | **69,720** | **67,110** | **3.9** | **62,310** | **11.9** | **247,950** | **305,642** | **397,469** | **463,228** |
| | | | | | | | | | |
| **As % of sales** | | | | | | | | | |
| N/W cost | 26.5 | 27.4 | | 29.1 | | 28.9 | 27.9 | 28.5 | 28.5 |
| Employee costs | 1.5 | 1.6 | | 1.8 | | 1.7 | 1.5 | 1.5 | 1.5 |
| Other operating costs | 26.2 | 25.1 | | 22.2 | | 22.2 | 24.6 | 24.1 | 24.1 |
| EBITDA | 54.2 | 54.0 | | 53.1 | | 52.8 | 54.0 | 54.1 | 54.1 |
| Net profit after tax | 21.9 | 21.7 | | 22.0 | | 21.7 | 23.2 | 24.8 | 25.4 |

*Source: Company, Nuvama Research*

**Exhibit 40: RJio's NPV analysis**

| DCF ANALYSIS | | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | Terminal Value |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | | 10,01,190 | 11,41,410 | 13,16,717 | 16,02,081 | 18,23,401 | 19,42,225 | 20,57,036 | |
| yoy growth | | 10.30% | 14.00% | 15.40% | 21.70% | 13.80% | 6.50% | 5.90% | |
| | | | | | | | | | |
| EBITDA | | 5,24,200 | 6,02,860 | 7,11,622 | 8,67,042 | 9,86,806 | 10,69,195 | 11,45,769 | |
| yoy growth | | 52.40% | 52.80% | 54.00% | 54.10% | 54.10% | 55.10% | 55.70% | |
| | | | | | | | | | |
| Depreciation | | 2,13,940 | 2,30,980 | 2,60,526 | 2,88,516 | 3,16,742 | 3,42,405 | 3,69,573 | |
| as % of revenue | | 21.40% | 20.20% | 19.80% | 18.00% | 17.40% | 17.60% | 18.00% | |
| | | | | | | | | | |
| EBIT | | 3,10,260 | 3,71,880 | 4,51,096 | 5,78,525 | 6,70,064 | 7,26,790 | 7,76,196 | |
| Tax rate | | 25.50% | 25.50% | 25.30% | 25.20% | 25.20% | 25.20% | 25.20% | |
| | | | | | | | | | |
| EBIT*(1-t) | | 2,31,027 | 2,76,916 | 3,36,766 | 4,32,911 | 5,01,409 | 5,43,857 | 5,80,827 | |
| Depreciation (INR mn) | | 2,13,940 | 2,30,980 | 2,60,526 | 2,88,516 | 3,16,742 | 3,42,405 | 3,69,573 | |
| Gross Cash Flow (INR mn) | | 4,44,967 | 5,07,896 | 5,97,292 | 7,21,427 | 8,18,150 | 8,86,262 | 9,50,401 | |
| Investment in WC (INR mn) | | 29,970 | 57,950 | - | - | - | - | - | |
| | | | | | | | | | |
| Capex (INR mn) | | (4,90,160) | (4,16,220) | (1,26,713) | (3,01,385) | (3,42,329) | (3,64,312) | (3,85,552) | |
| as % of revenue | | -49.00% | -36.50% | -9.60% | -18.80% | -18.80% | -18.80% | -18.70% | |
| | | | | | | | | | |
| FCFF (INR mn) | | (15,223) | 1,49,626 | 4,70,579 | 4,20,042 | 4,75,821 | 5,21,950 | 5,64,849 | 83,92,043 |
| FCFF growth (%) | | | | | | | | | |
| | | | | | | | | | |
| Years | | 0 | 0 | 0 | 0 | 1 | 2 | 3 | |
| PV factor | | 1 | 1 | 1 | 1 | 0.9 | 0.81 | 0.73 | |
| PV FCF | | (15,223) | 1,49,626 | 4,70,579 | 4,20,042 | 4,28,668 | 4,23,627 | 4,13,013 | 61,36,189 |
| NPV (INR mn) | 74,01,496 | | | | | | | | |
| FY27 Debt (INR mn) | 15,18,910 | | | | | | | | |
| NPV of equity (INR mn) | 58,82,586 | | | | | | | | |

*Source: Company, Nuvama Research*

**Exhibit 41: Global telecom valuation comps**

| Company | Mcap | Adjusted EPS (LC) | | | EV/EBITDA( x) | | | ROE (%) | | | Div yield (%) | EPS CAGR (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (USD mn) | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY26E | FY25-27E |
| **India Telecom** | | | | | | | | | | | | |
| Vodafone Idea Ltd | 8,192 | (4.0) | (2.5) | (2.1) | 15.4 | 13.1 | 11.1 | 26.2 | 25.4 | 22.1 | 0.0 | NM |
| Bharti Airtel Ltd | 1,31,729 | 42.6 | 48.8 | 69.1 | 14.4 | 11.5 | 9.5 | 24.8 | 22.6 | 27.9 | 1.1 | 27.4 |
| Reliance Jio | 62,107 | 5.5 | 6.8 | 8.8 | 11.7 | 9.9 | 8.1 | 10.0 | 11.0 | 12.7 | NA | 26.5 |
| **India Telecom-Mean** | | | | | **13.8** | **11.5** | **9.6** | **20.3** | **19.7** | **20.9** | **0.6** | **27.0** |
| **US Telecom** | | | | | | | | | | | | |
| AT&T INC | 2,06,789 | 2.2 | 2.1 | 2.2 | 7.7 | 7.4 | 7.1 | 13.1 | 13.3 | 13.4 | 3.8 | 0.6 |
| Verizon Communications Inc | 1,87,163 | 4.6 | 4.7 | 4.8 | 6.8 | 6.5 | 6.2 | 19.3 | 18.8 | 17.7 | 6.2 | 2.9 |
| **US Telecom-Mean** | | | | | **7.3** | **6.9** | **6.7** | **16.2** | **16.1** | **15.5** | **5.0** | **1.7** |
| **Europe Telecom** | | | | | | | | | | | | |
| Telenor Asa | 22,206 | 13.8 | 8.8 | 9.8 | 9.1 | 8.9 | 8.7 | 23.9 | 17.4 | 20.7 | 5.9 | (15.9) |
| Telefonica Sa | 32,251 | 0.3 | 0.3 | 0.4 | 5.1 | 6.0 | 5.6 | 8.6 | 6.0 | 9.7 | 6.1 | 9.8 |
| Deutsche Telekom Ag-Reg | 1,81,330 | 1.9 | 2.0 | 2.2 | 7.4 | 7.2 | 6.7 | 14.8 | 14.3 | 15.3 | 3.3 | 8.2 |
| **Europe Telecom-Mean** | | | | | **7.2** | **7.4** | **7.0** | **15.8** | **12.5** | **15.2** | **5.1** | **0.7** |
| **APAC Telecom** | | | | | | | | | | | | |
| China Telecom Corp Ltd-H | 91,042 | 0.4 | 0.4 | 0.4 | 4.1 | 4.0 | 3.7 | 7.3 | 7.6 | 7.9 | 5.0 | 6.8 |
| China Tower Corp Ltd-H | 26,147 | 0.6 | 0.7 | 1.0 | 3.7 | 3.6 | 3.4 | 5.5 | 5.9 | 8.4 | 4.6 | 26.4 |
| NTT INC | 1,01,435 | 12.9 | 13.3 | 14.2 | 7.6 | 7.9 | 7.7 | 10.9 | 10.9 | 11.3 | 3.2 | 4.9 |
| **APAC Telecom-Mean** | | | | | **5.2** | **5.2** | **4.9** | **7.9** | **8.1** | **9.2** | **4.3** | **12.7** |
| **Middle-East Telecom** | | | | | | | | | | | | |
| Saudi Telecom Co | 57,080 | 2.8 | 3.0 | 2.9 | 8.5 | 8.6 | 8.2 | 17.1 | 15.8 | 16.6 | 5.3 | 2.0 |
| **Middle East -Mean** | | | | | **8.5** | **8.6** | **8.2** | **17.1** | **15.8** | **16.6** | **5.3** | **2.0** |
| **Global-Mean** | | | | | **8.4** | **7.9** | **7.3** | **15.4** | **14.5** | **15.5** | **4.0** | **8.8** |

*Source: Company, Nuvama Research*

# O2C EBITDA jumps 21% YoY

## Refining strength via improved product cracks leads the way

Segment EBITDA for Q2FY26 increased 20.9% YoY to INR150bn (USD1.7bn) with a sharp rebound in transportation fuel cracks (up 22–37%) and improvement in polymer margins. This was, however, partially offset by weak polyester chain deltas. Segment EBITDA was also supported by sustained higher volumes in domestic fuel retailing.

**Polymers: Domestic demand up 3% YoY amid better margin environment**

During Q2FY26, polymer domestic demand grew 3% YoY. Polypropylene (PP) demand was up 9% driven by raffia, furniture, household goods, appliances, paints and automotive sectors. Polyethylene (PE) demand increased 4% YoY, driven primarily by raffia, chemicals, pesticides, and multi-layer films segments. Polyvinyl Chloride (PVC) demand fell 9% due to prolonged monsoon conditions, which hurt the pipe sector.

US Ethane price was at 23.1 cpg, up 47% YoY in line with US Natural gas prices. Despite this sharp jump in ethane prices, ethane cracking economics remained favourable vis-a-vis naphtha.

Polymer margins increased YoY due to lower feedstock Naphtha price. PP/PE/PVC margins were up 8%/6%/5%. Singapore Naphtha prices were down 12% at USD570/t. EDC price was at USD204/t, down 38% due to weak PVC demand. PP margin over Naphtha was higher at USD316/MT during Q2FY26 against USD293/t in Q2FY25 and PE margin over Naphtha was higher at USD323/t during Q2FY26 against USD304/t in Q2FY25 on account of lower naphtha prices. PVC margin over EDC and Naphtha was higher at USD364/t in Q2FY26 against USD347/t in Q2FY25 led by a sharp fall in EDC and naphtha prices.

**Polyester: Chain delta slides 9% YoY; demand grows 3% YoY**

Polyester chain margin declined to USD432/t in Q2FY26 from USD475/t in Q2FY25, primarily due to a significant drop in PET and PTA deltas, partially offset by an improvement in MEG delta. Polyester product margins weakened due to subdued global textile demand led by tariff-related concerns. PET margins fell due to continued capacity overhang. PTA margins contracted as recent capacity additions in China created a demand–supply imbalance. MEG margins improved with lower China port inventories.

Domestic polyester demand grew 3% YoY. Polyester Filament Yarn (PFY)/Polyester Staple Fibre (PSF) demand increased 7%/6%, supported by improved downstream operations amid seasonal fabric demand. Polyethylene Terephthalate (PET) demand declined by 13% as heavy rainfall impacted demand from beverage sector.

**Transportation fuels: improved product cracks amidst geopolitical turbulence**

Singapore Gasoline 92 RON cracks improved to USD8.4/bbl in Q2FY26 versus USD6.8/bbl in Q2FY25 due to lower light distillate stocks in the Singapore region and lower exports from China.

Singapore Gasoil 10-ppm cracks increased to USD18.7/bbl in Q2FY26 versus USD13.6/bbl in Q2FY25 due to lower diesel inventories in Asia and Europe. Further supply disruptions in Russian refineries and terminals curbed diesel supply.

Singapore Jet/Kero cracks rose to USD16.1/bbl in Q2FY26 versus USD13.1/bbl in Q2FY25 tracking Gasoil cracks. Healthy growth in jet fuel demand on international routes supported margins.

**Jio-bp update: 2,057 outlets operational with healthy HSD/MS sales growth**

Reliance BP Mobility Limited (RBML) (operating under brand Jio-bp) operates a countrywide network of 2,057 outlets (versus 1,821 in Q2FY25).

RBML quarterly sales for HSD grew by 34.2% and MS grew by 32.5% on YoY basis against industry sales volume growth rate of 2.5% for HSD and 6.5% for MS.

RBML (operating under brand Air bp-Jio) clocked ATF sales of 157tkl in Q2FY26 despite airline disruptions and cancellations during the quarter.

Under Jio-bp Pulse, RBML has established a network of over 6,400 live charging points at 850 unique sites with industry leading charger uptime.

RBML has expanded Gas Mobility network to 107 sites. CBG retail network, under Clean N Green initiative, has touched 63 outlets with sourcing gas produced at RIL's biogas plants.

RBML also operates 44 CNG outlets with focus on accelerating the rollout of CNG outlets.

**Exhibit 42: Upcoming petchem expansion projects to drive O2C business**

| Petrochemical particulars | Site | Capacity addition (TPA) |
|---|---|---|
| **Polyester** | | |
| PTA | Dahej | 3 mn |
| PET | Dahej | 1 mn |
| PFY, PSF | Various | 1 mn |
| | | |
| **Vinyl** | | |
| PVC, CPVC | Dahej, Jamnagar and Nagothane | 1.5 mn |
| EDC, PVC | UAE | 2.4 mn |
| | | |
| **Carbon fibre, based on Acrylonitrile feedstock** | **Hazira** | **20,000** |

*Source: Company, Nuvama Research*

**Exhibit 43: Strong pipeline of projects to sustain long-term growth**

**O2C business well positioned for materials intensive phase of India growth**

**RIL strategy**

1. Investing in high growth domestic markets with focus on sustainable profitability
2. Prudent capital allocation to value enhancing downstream chemical projects
3. Invest at bottom of cycle, taking advantage of lower project cost
4. Focus on scale, flexibility, integration, and new technologies to achieve competitive cost position

**Ongoing Projects**

1. Vinyl Chain - Integrated 1.5 MMTPA PVC and CPVC facilities at Dahej and Nagothane
   - ✓ Catering to growing and large deficit Indian market
   - ✓ RIL to be in top 10 producers globally (22$^{nd}$ currently)
2. Expanding virtual ethane pipeline from North America by ~50%, enhancing cost competitiveness
   - ✓ Adding 3 more VLECs to existing fleet of six ethane carriers
3. Adding 1 MMTPA specialty Polyester capacity, 3 MMTPA PTA capacity to serve growing demand

**Near term headwinds to dissipate, strong visibility of sustainable growth**

*Source: Company*

**Exhibit 44: Domestic environment – Polyester demand**

| | PET | PSF POY | Demand drivers |
|---|---|---|---|
| Beverage | ✓ | | • Rising demand for energy and aerated drinks such as CAMPA<br>• Demand for packaged water bottles during functions, travel<br>• PET replacing glass in liquor segment |
| Textiles / Home Furnishing | | ✓ | • Personal products like sportswear, fashion clothing<br>• Cushions, upholstery, home textiles like carpets, bedsheets, curtains |
| Automotive | | ✓ | • PFY – Automotive seat belts, tire cords, interior fabrics<br>• PSF – Automotive seat padding, sound insulations, linings |
| Non-woven / Industrial | | ✓ | • Industrial applications such as insulation, filtration and geotextiles |

**Polyester demand grew at 3-year CAGR of 8% led by PET**

*Source: Company*

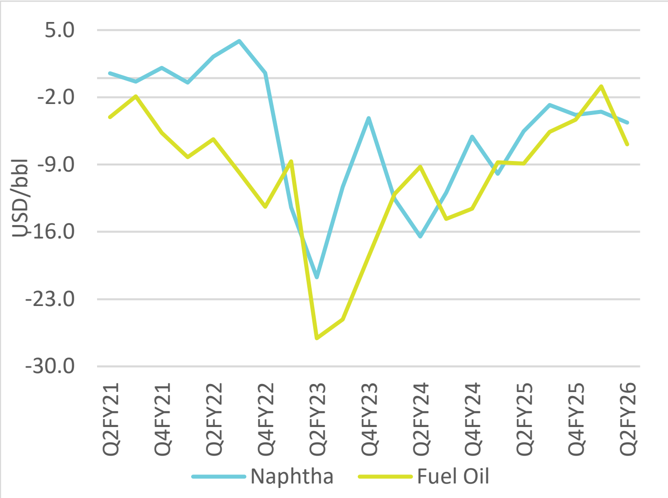
**Exhibit 45: Domestic environment – Polymers demand**

| | PE | PP | PVC | Demand drivers |
|---|---|---|---|---|
| Packaging | ✓ | ✓ | | • Higher packaged products and food ordering<br>• Retail and e-commerce growth |
| Automobile | ✓ | ✓ | | • Rising middle class, higher disposable income leading to preference for personal mobility<br>• Light weighting |
| Infrastructure | ✓ | ✓ | ✓ | • Govt thrust on infra projects propelling cement sector growth<br>• Higher electricity consumption per capita boosting demand for wires/cables |
| Agriculture | | | ✓ | • Increased usage of micro irrigation<br>• Govt schemes supporting agri sector such as PM KUSUM<br>• OPVC pipes replacing DI pipes |
| Healthcare | | ✓ | ✓ | • Govt campaigns like Health for All<br>• General increase in health awareness |

**Polymer demand grew at 3-year CAGR of 10% led by strong sectoral drivers**

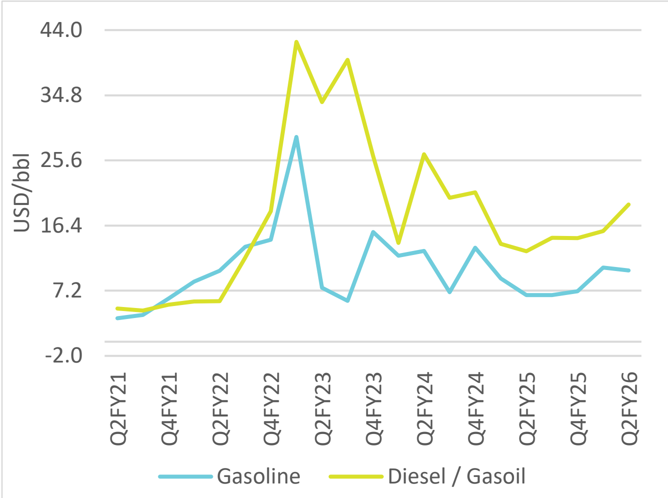
*Source: Company*

**Exhibit 46: Naphtha/FO cracks up YoY**



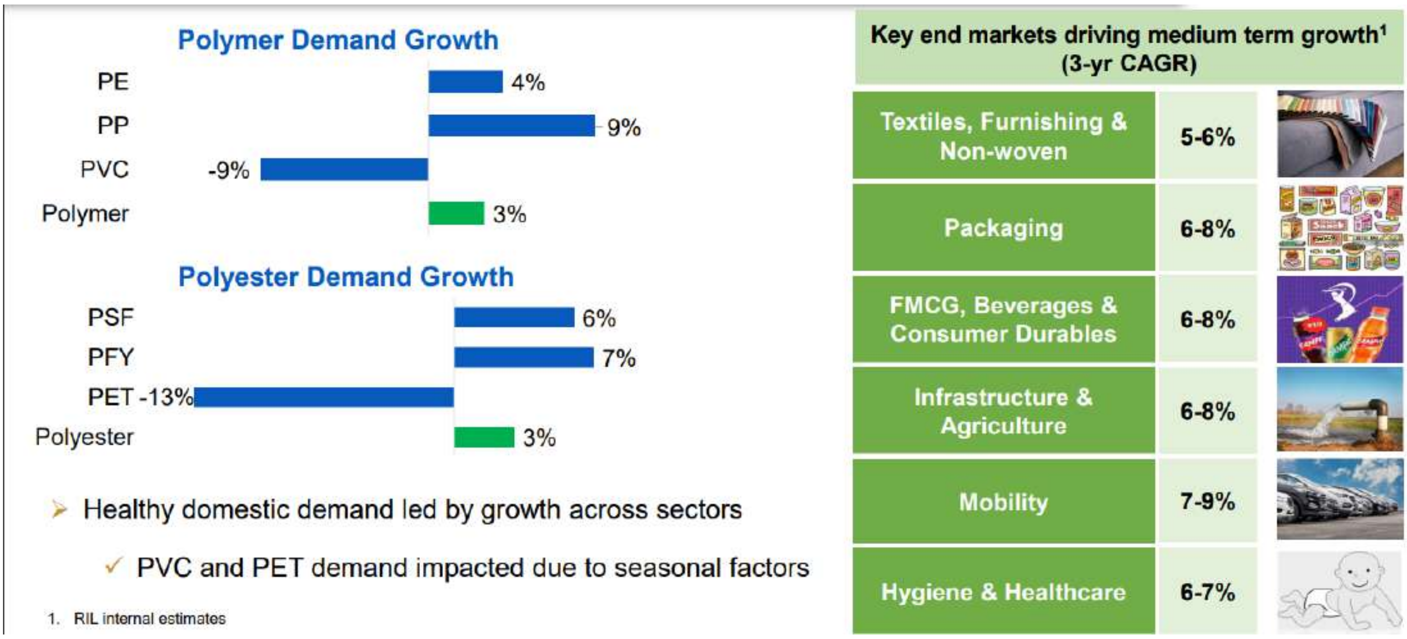

*Source: Company, Nuvama Research*

**Exhibit 47: MS/HSD cracks up YoY**




*Source: Company, Nuvama Research*

**Exhibit 48: Polymer and polyester demand environment YoY in Q2FY26**




*Source: Company, Nuvama Research*

### Exhibit 49: Petrochemicals margin environment

| Product | YoY Change | Q2 FY26 Avg. Price / Margin | Key Factors (YoY) |
|---|---|---|---|
| Naphtha prices | ↓ 12% | $570/MT | ➢ Lower crude price and subdued downstream scenario |
| US Ethane prices | ↑ 47% | 23.1 cpg | ➢ Increased US natural gas prices |
| PE | ↑ 6% | $323/MT | ➢ Capacity expansion leading to higher supplies and lower product prices |
| PP | ↑ 8% | $316/MT | ➢ Lower Naphtha price |
| PVC | ↑ 5% | $364/MT | ➢ Sharp decline in EDC prices (-38%) due to sluggish PVC demand |
| Polyester chain | ↓ 9% | $432/MT | ➢ Weak PTA and downstream polyester delta, partially offset by improvement in MEG delta |

Source : Platts, OPIS, ICIS, WoodMac

*Source: Company, Nuvama Research*

### Exhibit 50: Global refining comparisons

| Company | Mcap | Adjusted EPS (LC) | | | EV/EBITDA( x) | | | ROE (%) | | | P/B (x) | P/E (x) | Div yield (%) | EPS CAGR (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (USD mn) | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY27E | FY27E | FY26E | FY25-27E |
| **India OMC** | | | | | | | | | | | | | | |
| Indian Oil Corporation Limited | 24,420 | 10.9 | 13.2 | 18.2 | 10.5 | 8.0 | 6.5 | 8.3 | 9.7 | 12.3 | 1.1 | 8.4 | 2.6 | 29.1 |
| Bharat Petroleum Corporation Limited | 16,322 | 34.9 | 36.7 | 43.3 | 7.4 | 6.9 | 5.5 | 17.5 | 16.5 | 16.7 | 1.1 | 7.7 | 3.3 | 11.5 |
| Hindustan Petroleum Corporation Limited | 10,659 | 31.6 | 54.1 | 59.9 | 6.5 | 5.0 | 4.5 | 13.7 | 20.9 | 20.2 | 1.3 | 7.4 | 4.1 | 37.6 |
| **India OMC-Mean** | | | | | **8.2** | **6.6** | **5.5** | **13.2** | **15.7** | **16.4** | **1.2** | **7.8** | **3.3** | **26.1** |
| **India Refining** | | | | | | | | | | | | | | |
| Reliance Industries Limited | 2,10,716 | 51.5 | 64.2 | 67.7 | 12.8 | 11.4 | 9.8 | 8.5 | 10.0 | 9.7 | 1.9 | 20.3 | 0.5 | 14.7 |
| Chennai Petroleum Corp Ltd | 1,123 | 5.6 | 89.3 | 95.8 | 14.3 | 4.5 | 4.0 | 1.0 | 15.8 | 15.6 | 1.0 | 6.8 | 6.1 | NM |
| Mangalore Refinery & Petrochemicals Ltd | 2,521 | (0.2) | 7.8 | 11.5 | 15.5 | 7.9 | 6.2 | (0.2) | 10.1 | 13.4 | 1.4 | 10.9 | 1.2 | NM |
| **India Refining-Mean** | | | | | **14.2** | **8.0** | **6.7** | **3.1** | **11.9** | **12.9** | **1.4** | **12.7** | **2.6** | **14.7** |
| **US Refining** | | | | | | | | | | | | | | |
| Marathon Petroleum Corp | 49,455 | 8.6 | 8.4 | 11.5 | 7.8 | 8.2 | 7.4 | 14.7 | 13.6 | 21.0 | 2.9 | 14.1 | 2.3 | 15.5 |
| Phillips 66 | 49,643 | 6.0 | 5.1 | 10.4 | 10.3 | 9.5 | 7.7 | 9.8 | 7.9 | 14.4 | 1.7 | 11.8 | 3.9 | 31.3 |
| Valero Energy Corp | 42,500 | 7.8 | 7.5 | 10.3 | 8.1 | 8.3 | 7.0 | 9.7 | 8.6 | 13.0 | 1.7 | 13.3 | 3.3 | 14.7 |
| **US Refining-Mean** | | | | | **8.7** | **8.7** | **7.4** | **11.4** | **10.0** | **16.1** | **2.1** | **13.1** | **3.2** | **20.5** |
| **Europe Refining** | | | | | | | | | | | | | | |
| Rubis | 3,489 | 3.4 | 3.1 | 3.2 | 6.6 | 6.3 | 6.2 | 11.8 | 10.7 | 10.8 | 1.0 | 9.0 | 7.2 | (2.2) |
| Neste OYJ | 13,019 | 0.4 | 0.3 | 0.8 | 11.3 | 11.3 | 8.6 | 3.0 | 3.2 | 8.0 | 1.4 | 17.8 | 1.5 | 51.7 |
| Dcc Plc | 6,298 | 4.8 | 4.5 | 5.1 | 6.0 | 6.4 | 6.0 | 13.5 | 13.7 | 15.0 | 1.5 | 9.4 | 4.3 | 3.1 |
| **Europe Refining-Mean** | | | | | **8.0** | **8.0** | **6.9** | **9.4** | **9.2** | **11.3** | **1.3** | **12.1** | **4.3** | **17.5** |
| **South Korea Refining** | | | | | | | | | | | | | | |
| SK Innovation Co Ltd | 11,516 | (12,410) | (8,410) | 1,556 | 18.9 | 17.2 | 11.2 | (5.6) | (4.7) | 0.7 | 0.6 | 68.1 | 2.0 | NM |
| S-Oil Corp | 4,977 | 37 | 660 | 4,865 | 11.0 | 13.6 | 8.1 | 0.0 | 0.6 | 5.7 | 0.8 | 12.6 | 0.8 | NM |
| **South Korea Refining-Mean** | | | | | **15.0** | **15.4** | **9.6** | **(2.8)** | **(2.0)** | **3.2** | **0.7** | **40.3** | **1.4** | |
| **APAC Refining** | | | | | | | | | | | | | | |
| Vietnam National Petroleum | 1,852 | 2,325 | 1,780 | 2,501 | 9.7 | 9.4 | 6.7 | 11.3 | 8.6 | 11.9 | 1.9 | 15.3 | 3.7 | 3.7 |
| Binh Son Refining | 3,276 | 402 | 760 | 1,077 | 19.9 | 20.2 | 17.2 | 2.3 | 3.2 | 4.3 | 1.5 | 25.8 | NA | 63.7 |
| Petrochina | 2,12,363 | 0.9 | 0.9 | 0.9 | 4.0 | 4.3 | 4.2 | 11.1 | 10.3 | 10.0 | 0.8 | 7.8 | 6.5 | (2.0) |
| Sinopec | 90,211 | 0.5 | 0.4 | 0.4 | 4.7 | 5.2 | 4.8 | 6.8 | 5.7 | 6.3 | 0.6 | 9.1 | 6.3 | (2.3) |
| **APAC Refining-Mean** | | | | | **9.6** | **9.8** | **8.2** | **7.9** | **7.0** | **8.1** | **1.2** | **14.5** | **5.5** | **15.8** |
| **Global Refining - Mean** | | | | | **10.6** | **9.4** | **7.4** | **7.0** | **8.6** | **11.3** | **1.3** | **16.8** | **3.4** | **18.9** |

*Source: Company, Nuvama Research, Bloomberg*

### Exhibit 51: Global petchem comparisons

| Company | Mcap | Adjusted EPS (LC) | | | EV/EBITDA( x) | | | ROE (%) | | | Div yield (%) | EPS CAGR (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (USD mn) | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY26E | FY25-27E |
| **India Petchem** | | | | | | | | | | | | |
| Indian Oil Corporation Limited | 24,420 | 10.9 | 13.2 | 18.2 | 10.5 | 8.0 | 6.5 | 8.3 | 9.7 | 12.3 | 2.6 | 29.1 |
| Reliance Industries Limited | 2,10,716 | 51.5 | 64.2 | 67.7 | 12.8 | 11.4 | 9.8 | 8.5 | 10.0 | 9.7 | 0.5 | 14.7 |
| **India -Mean** | | | | | **11.7** | **9.7** | **8.1** | **8.4** | **9.8** | **11.0** | **1.5** | **21.9** |
| **US Petchem** | | | | | | | | | | | | |
| Dupont DE Nemours INC | 30,646 | 3.9 | 4.4 | 4.8 | 11.5 | 10.6 | 9.8 | 6.8 | 7.8 | 7.7 | 2.2 | 11.0 |
| Phillips 66 | 49,643 | 6.0 | 5.1 | 10.4 | 10.3 | 9.5 | 7.7 | 9.8 | 7.9 | 14.4 | 3.9 | 31.3 |
| Valero Energy Corp | 42,500 | 7.8 | 7.5 | 10.3 | 8.1 | 8.3 | 7.0 | 9.7 | 8.6 | 13.0 | 3.3 | 14.7 |
| **US -Mean** | | | | | **10.0** | **9.4** | **8.2** | **8.8** | **8.1** | **11.7** | **3.1** | **19.0** |
| **Europe Petchem** | | | | | | | | | | | | |
| Basf Se | 49,211 | 2.9 | 2.7 | 3.3 | 7.8 | 8.4 | 7.6 | 6.4 | 6.0 | 7.5 | 4.8 | 5.3 |
| Lyondellbasell Indu-Cl A | 17,031 | 6.5 | 2.7 | 4.5 | 5.7 | 9.3 | 7.6 | 16.1 | 7.0 | 11.6 | 10.3 | (17.1) |
| **Europe -Mean** | | | | | **6.7** | **8.8** | **7.6** | **11.2** | **6.5** | **9.5** | **7.6** | **(5.9)** |
| **Middle-East Petchem** | | | | | | | | | | | | |
| Saudi Basic Industries Corp | 47,087 | 1.6 | 0.6 | 1.8 | 8.9 | 10.6 | 9.1 | 2.9 | 1.4 | 3.7 | 5.2 | 5.5 |
| Aldrees Petroleum and Transp | 3,363 | 3.2 | 4.2 | 4.8 | 15.9 | 11.4 | 10.7 | 23.9 | 26.3 | 25.2 | 2.0 | 21.4 |
| **Middle East -Mean** | | | | | **12.4** | **11.0** | **9.9** | **13.4** | **13.8** | **14.5** | **3.6** | **13.4** |
| **APAC Petchem** | | | | | | | | | | | | |
| Sumitomo Chemical Co Ltd | 4,573 | 18.8 | 22.5 | 36.6 | 6.4 | 7.2 | 6.7 | 2.7 | 4.5 | 6.2 | 2.9 | 39.5 |
| Petrochina | 2,12,363 | 0.9 | 0.9 | 0.9 | 4.0 | 4.3 | 4.2 | 11.1 | 10.3 | 10.0 | 6.5 | (2.0) |
| Sinopec | 90,211 | 0.5 | 0.4 | 0.4 | 4.7 | 5.2 | 4.8 | 6.8 | 5.7 | 6.3 | 6.3 | (2.3) |
| **APAC -Mean** | | | | | **5.0** | **5.6** | **5.2** | **6.8** | **6.9** | **7.5** | **5.3** | **11.7** |
| **Global Petchem - Mean** | | | | | **9.2** | **8.9** | **7.8** | **9.7** | **9.0** | **10.8** | **4.2** | **12.0** |

*Source: Company, Nuvama Research, Bloomberg*

## Upstream – Q2FY26 production falls YoY

### KG-D6 volume down, price up; CBM production up, price down

Q2FY26 revenue is down 2.6% as compared with Q2FY25 mainly on account of natural decline of production in KGD6. Further lower realisation for gas price for CBM gas and condensate hurt revenue. This was partly offset by higher KGD6 gas price and higher volume of CBM gas. The average price realised for KGD6 gas was USD9.97/MMBTU in Q2FY26 vis-à-vis USD9.55/MMBTU in Q2FY25. The average price realised for CBM gas was USD9.53/MMBTU in Q2FY26 vis-à-vis USD11.4/MMBTU in Q2FY25. EBITDA fell 5.4% YoY to INR50bn with margin at 82.6% for Q2FY26. The decline in EBITDA was due to lower revenue coupled with higher operating costs due to periodic maintenance activities.

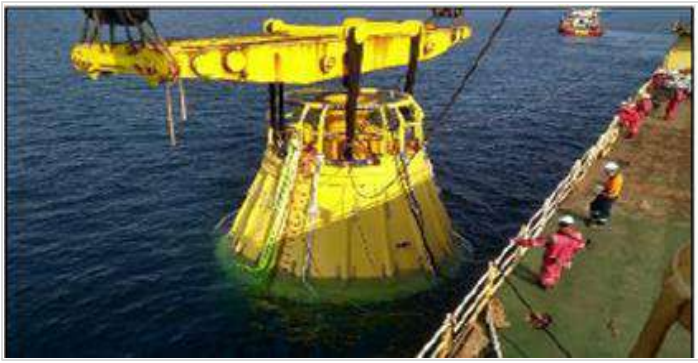
**KGD6:** The average KGD6 production for Q2FY26 was 26.1MMSCMD of gas and ~18,746bbl/day of oil/condensate.

**CBM:** In CBM, the second phase of drilling for 40 multilateral wells has commenced out of which seven are complete and three have been put to production.

**Exhibit 52: MJ: Subsea production system**

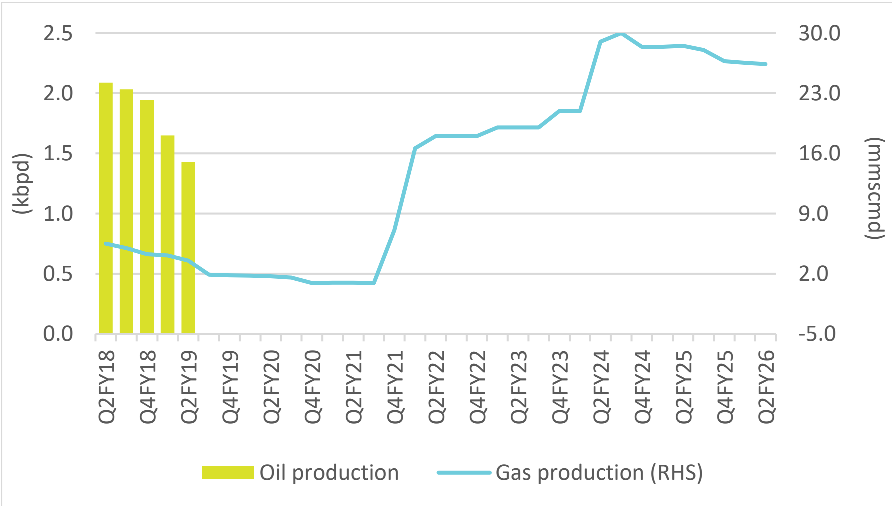
*Source: Company, Nuvama Research*

**Exhibit 53: MJ: Buoy installation**



*Source: Company, Nuvama Research*

**Exhibit 54: RIL gas production at 26.1mmscmd in Q2FY26**




*Source: Company, Nuvama Research*

### Exhibit 55: Major segmental assumptions

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|---|
| COMPANY ASSUMPTIONS | | | | | | | | | | |
| **Petchem** | | | | | | | | | | |
| Naphtha cracking margins (USD/mt) | 842 | 526 | 689 | 580 | 110 | 137 | 157 | 188 | 198 | 207 |
| Polypropylene margins (USD/mt) | 192 | 184 | 199 | 360 | 240 | 186 | 196 | 205 | 216 | 220 |
| Paraxylene margins (USD/mt) | 453 | 255 | 155 | 285 | 471 | 454 | 468 | 482 | 496 | 506 |
| PTA margins (USD/mt) | 211 | 190 | 140 | 113 | 13 | 25 | 26 | 27 | 27 | 28 |
| MEG margins (USD/mt) | 68 | 31 | -29 | -16 | -88 | -61 | -62 | -63 | -65 | -66 |
| | | | | | | | | | | |
| **Chemicals** | | | | | | | | | | |
| Chemicals production (mmt) | 31.1 | 25.8 | 26.8 | 32.1 | 34.4 | 35.1 | 36.1 | 36.1 | 37.5 | 38.6 |
| Chemicals EBITDA (USD/mt) | 173 | 169 | 108 | 123 | 180 | 167 | 92 | 87 | 100 | 100 |
| | | | | | | | | | | |
| **Refining** | | | | | | | | | | |
| Refining throughput (mmt) | 68.3 | 70.6 | 60.9 | 63.0 | 62.3 | 62.7 | 68.2 | 68.2 | 68.2 | 68.2 |
| GRM (USD/bbl) | 9.2 | 8.9 | 7.3 | 9.1 | 14.1 | 11.3 | 13.3 | 13.4 | 13.8 | 14.2 |
| | | | | | | | | | | |
| **India E&P** | | | | | | | | | | |
| Gross gas production - KG-D6 (mmscmc | 2.0 | 1.7 | 6.6 | 18.0 | 21.0 | 26.5 | 30.0 | 30.0 | 30.0 | 33.0 |
| KG-D6 gas price (USD/mmbtu) | 3.2 | 8.9 | 4.8 | 4.9 | 11.2 | 11.0 | 10.0 | 9.5 | 9.0 | 9.0 |
| | | | | | | | | | | |
| **Telecom** | | | | | | | | | | |
| Subscribers (mn) | 0.0 | 0.0 | 0.0 | 186.6 | 306.7 | 387.5 | 426.2 | 410.2 | 439.3 | 481.8 |
| ARPU (INR) | 0.0 | 0.0 | 0.0 | 0.0 | 131.2 | 126.9 | 143.1 | 153.4 | 178.1 | 181.2 |
| EBITDA growth (%) | 124.3 | 42.9 | 43.3 | 21.7 | 24.0 | 12.3 | 15.0 | 18.0 | 21.8 | 13.8 |
| | | | | | | | | | | |
| **Retail** | | | | | | | | | | |
| Area (mn sq ft) | 22.0 | 28.7 | 33.8 | 41.6 | 65.6 | 79.1 | 77.4 | 81.3 | 85.3 | 89.6 |
| Number of stores | 10,415 | 11,784 | 12,711 | 15,196 | 18,040 | 18,836 | 19,836 | 20,836 | 21,836 | 22,836 |
| EBITDA growth (%) | 146 | 60 | -16 | 96 | 11 | 26 | 9 | 5 | 9 | 9 |

*Source: Company, Nuvama Research*

### Exhibit 56: Consolidated financial snapshot

| Year to March (INR mn) | Q2FY26 | Q2FY25 | YoY % | Q1FY26 | QoQ % | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|
| Net revenues | 25,46,230 | 23,15,350 | 10.0 | 24,36,320 | 4.5 | 96,46,930 | 99,39,661 | 1,07,34,057 | 1,14,88,607 |
| Raw material costs | 16,33,430 | 15,29,020 | 6.8 | 15,26,500 | 7.0 | 62,96,890 | 61,50,566 | 64,45,577 | 66,78,712 |
| Gross profit | 9,12,800 | 7,86,330 | 16.1 | 9,09,820 | 0.3 | 33,50,040 | 37,89,095 | 42,88,481 | 48,09,895 |
| Employee expenses | 74,910 | 66,490 | 12.7 | 72,320 | 3.6 | 2,85,590 | 2,92,250 | 2,97,792 | 3,12,493 |
| Other expenses | 3,79,040 | 3,29,260 | 15.1 | 4,08,450 | (7.2) | 14,10,010 | 16,13,528 | 18,04,294 | 20,56,280 |
| EBITDA | 4,58,850 | 3,90,580 | 17.5 | 4,29,050 | 6.9 | 16,54,440 | 18,83,316 | 21,86,395 | 24,41,122 |
| Depreciation & amortisation | 1,44,160 | 1,28,800 | 11.9 | 1,38,420 | 4.1 | 5,31,360 | 5,96,159 | 6,86,968 | 7,76,798 |
| EBIT | 3,14,690 | 2,61,780 | 20.2 | 2,90,630 | 8.3 | 11,23,080 | 12,87,157 | 14,99,426 | 16,64,324 |
| Less: Interest Expense | 68,270 | 60,170 | 13.5 | 70,360 | (3.0) | 2,42,690 | 2,60,353 | 2,63,698 | 2,78,152 |
| Add: Other income | 44,820 | 48,760 | (8.1) | 1,51,190 | (70.4) | 1,79,780 | 1,86,016 | 1,98,277 | 2,05,243 |
| Profit before tax | 2,91,240 | 2,50,370 | 16.3 | 3,71,460 | (21.6) | 10,60,170 | 12,12,820 | 14,34,006 | 15,91,415 |
| Less: Provision for Tax | 69,780 | 59,360 | 17.6 | 64,650 | 7.9 | 2,52,300 | 3,05,267 | 3,60,939 | 4,00,559 |
| Reported Profit | 1,81,650 | 1,65,630 | 9.7 | 2,69,940 | (32.7) | 6,96,480 | 8,66,504 | 9,11,202 | 10,05,909 |
| Adjusted Profit | 1,81,650 | 1,65,630 | 9.7 | 2,69,940 | (32.7) | 6,96,480 | 7,77,264 | 9,11,202 | 10,05,909 |
| No. of Shares outstanding (mn) | 13,530 | 13,530 | 0.0 | 13,530 | 0.0 | 13,530 | 13,530 | 13,530 | 13,530 |
| Adjusted Diluted EPS | 13.4 | 12.2 | 9.7 | 20.0 | (32.7) | 51.5 | 64.0 | 67.3 | 74.3 |

*Source: Company, Nuvama Research*

# Appendix: Green H2 allotment: RIL and Waaree key winners

**For complete report, refer to GH2: Waaree key winner; RIL pushes on**

Waaree, L&T, Green Infra and AM Green win maximum capacity under SIGHT Tranche-II for $GH_2$ production; RIL capacity up from Tranche-I.

Highlights: i) Waaree, L&T, Green Infra, AM Green each won 90,000tpa $GH_2$ production capacity (20% of awarded capacity under Bucket-I) in Tranche-II bidding. ii) Average incentive at ~INR17/kg (~USD0.2/kg) is ~5% of current estimated $GH_2$ cost of ~USD3.5/kg in India. iii) Tranche-II average incentive lower than Tranche-I—INR27/kg (~USD0.3/kg). iv) Awarded capacities have to be commissioned in 36 months to qualify for SIGHT incentives. v) Potential fall in electrolyser and solar RE costs to enhance $GH_2$ viability. vi) RIL (BUY)/Waaree (BUY) key beneficiaries with cumulative awarded capacity at 139,000tpa/90,000tpa.

## Waaree and L&T win maximum capacity, followed by RIL

SECI recently issued LoAs to winners for $GH_2$ production tenders for 450tpa $GH_2$ manufacturing capacities under the SIGHT programme in Mode-1 (least average incentive demanded) Tranche-II of the National $GH_2$ Mission. Waaree, L&T, Green Infra and AM Green were the biggest gainers—each winning 90,000tpa of $GH_2$ manufacturing capacity—followed by RIL (49,000tpa). However, the average incentive amount is less than Tranche-I at ~INR17/kg (USD0.18/kg) forming 5% of current estimated $GH_2$ cost versus INR27/kg (USD0.32/kg) forming ~10% of estimated $GH_2$ cost. The incentive awarded to RIL/Waaree stands at INR25/kg (USD0.28/kg)/INR19/kg (USD0.21/kg), higher than the average incentive. Across both tranches, RIL has been awarded the highest capacity at 139,000tpa followed by a host of companies at 90,000tpa, which includes Waaree. The tender outlines a commissioning period of 36 months for capacities awarded to the winners. The Adani group has not bid for $GH_2$ but has won 300MW of electrolyser capacity.

## Green H2 cost to reduce due to PLI and declining RE cost

The schemes announced for electrolysers and $GH_2$ production are likely to drive down $GH_2$ cost, making it viable for use. Moreover, the recent crash in solar PV value chain prices shall further reduce RE cost. We believe the current ~USD3.5/kg $GH_2$ cost could dip to ~USD1.5/kg led by USD1.3/kg fall in electrolysers and USD0.5/kg fall in RE cost. The GoI has approved an outlay of ~INR197bn for the Hydrogen Mission 2030—INR131bn for incentives pertaining to $GH_2$ production and INR45bn for electrolyser manufacturing, attracting investments of ~INR8tn under mission.

## Key beneficiaries—RIL and Waaree in our coverage; BUY

Given RIL is one of the world's largest producers and consumers of grey H2, transition to $GH_2$ shall enable it to improve margins in future. RIL has got in-principle approval for 74,750ha of land in Kutch to manufacture $GH_2$ (similar potential in Rajasthan). Waaree's foray into production of $GH_2$, electrolysers, advanced li-ion cells, inverters and BESS shall tie up multi-decadal growth and enable it to become a horizontally and vertically integrated New Energy play (refer to our initiation report Waaree Energies: Executing Eclectic Energy Integration).

### Exhibit 57: Waaree, L&T, Green Infra, AM Green allotted maximum capacity of 90,000tpa in Tranche-II; average incentive: USD0.18/kg

| Developer | Bucket-I capacity (tpa) | Bucket-II capacity (tpa) | Avg. incentive (INR/kg) | Avg. incentive (USD/kg)* | Allocated incentive (INR mn) |
|---|---|---|---|---|---|
| L&T Energy Green Tech Limited | 90,000 | - | 11.11 | 0.12 | 3,000 |
| Green Infra Renewable Energy Farms Private Limited | 90,000 | - | 16.20 | 0.18 | 4,374 |
| Waaree Clean Energy Solutions Private Limited | 90,000 | - | 18.90 | 0.21 | 5,103 |
| AM Green Ammonia (India) Private Limited | 90,000 | - | 19.00 | 0.21 | 5,130 |
| Reliance Green Hydrogen and Green Chemicals Limited | 49,000 | - | 24.99 | 0.28 | 3,673 |
| Suryadeep KA1 Project Private Limited | 19,000 | - | 8.00 | 0.09 | 456 |
| GH2 Solar Private Limited | 10,500 | - | 14.97 | 0.17 | 471 |
| Oriana Power Limited | 10,000 | - | 0.01 | 0.00 | 0 |
| Matrix Gas and Renewables Limited | - | 1,500 | 39.67 | 0.44 | 179 |
| **Total** | **448,500** | **1,500** | **16.58** | **0.18** | **22,386** |

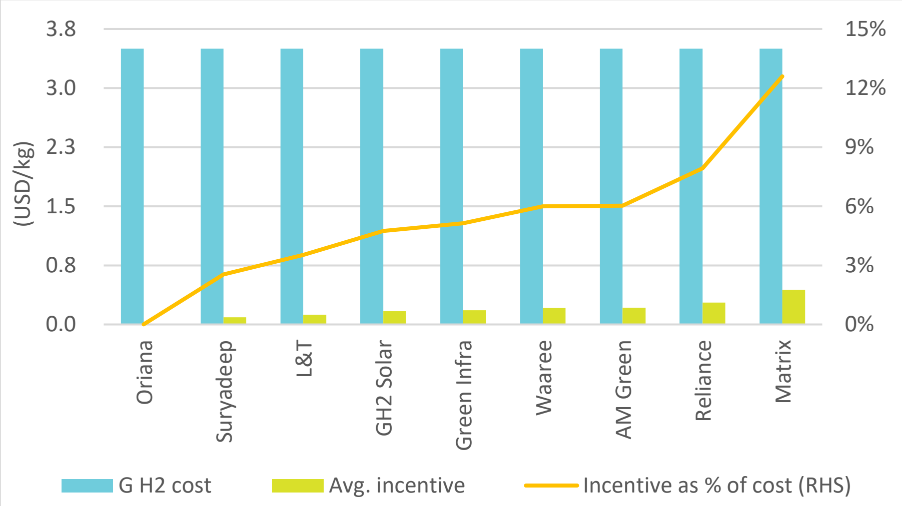
*Source: SECI, Nuvama Research; *USDINR assumed at 90*

### Exhibit 58: Bidders for $GH_2$ production under SIGHT Tranche-II programme (RIL, Waaree among top bidders)

| Bidder | Bucket-I capacity (tpa) | Bucket-II capacity (tpa) |
|---|---|---|
| AM Green Ammonia (India) Private Limited | 90,000 | - |
| Green Infra Renewable Energy Farms Private Limited | 90,000 | - |
| L&T Energy Green Tech Limited | 90,000 | - |
| Reliance Green Hydrogen and Green Chemicals Limited | 90,000 | - |
| Waaree Clean Enegy Solution Private Limited | 90,000 | - |
| ReNew E-Fuels Private Limited | 55,000 | - |
| Avaada GreenH2 Private Limited | 45,000 | - |
| Ocior Energy India Private Limited | 20,500 | - |
| Suryadeep KA1 Project Private Limited | 19,000 | - |
| GH2 Solar Private Limited | 10,500 | - |
| Matrix Gas and Renewables Limited | 10,000 | 1,500 |
| Oriana Power Limited | 10,000 | - |
| ChemSepT Engineering Private Limited | - | 4,000 |
| Nishal Enterprises Private Limited | - | 1,000 |
| **Total** | **620,000** | **6,500** |

*Source: SECI, Nuvama Research*

**Exhibit 59: Incentive amount for Tranche-II averages ~5% of $GH_2$ cost in India**




*Source: Company, Nuvama Research*

**Exhibit 60: $GH_2$ capacity allotment of 862,000tpa across two tranches; RIL wins highest capacity, followed by Waaree**

| Developer | Tranche-I (tpa) | Tranche-II (tpa) | Total (tpa) | % share |
|---|---|---|---|---|
| Reliance Green Hydrogen and Green Chemicals Limited | 90,000 | 49,000 | 139,000 | 16% |
| Waaree Clean Energy Solutions Private Limited | - | 90,000 | 90,000 | 10% |
| Acme Cleantech Solutions | 90,000 | - | 90,000 | 10% |
| Greenko ZeroC | 90,000 | - | 90,000 | 10% |
| L&T Energy Green Tech Limited | - | 90,000 | 90,000 | 10% |
| Green Infra Renewable Energy Farms Private Limited | - | 90,000 | 90,000 | 10% |
| AM Green Ammonia (India) Private Limited | - | 90,000 | 90,000 | 10% |
| HHP Two | 75,000 | - | 75,000 | 9% |
| Welspun New Energy | 20,000 | - | 20,000 | 2% |
| Suryadeep KA1 Project Private Limited | - | 19,000 | 19,000 | 2% |
| Torrent Power | 18,000 | - | 18,000 | 2% |
| CESC Projects | 10,500 | - | 10,500 | 1% |
| GH2 Solar Private Limited | - | 10,500 | 10,500 | 1% |
| UPL Limited | 10,000 | - | 10,000 | 1% |
| Oriana Power Limited | - | 10,000 | 10,000 | 1% |
| JSW Neo Energy | 6,500 | - | 6,500 | 1% |
| Bharat Petroleum Corporation Limited | 2,000 | - | 2,000 | 0% |
| Matrix Gas and Renewables Limited | - | 1,500 | 1,500 | 0% |
| **Total** | **412,000** | **450,000** | **862,000** | **100%** |

*Source: SECI, Nuvama Research*

**Exhibit 61: RIL, ACME and Greenko allotted maximum capacity of 90,000MT each under Tranche-I; RIL's incentive lowest**

| Bidder/ Developer | Capacity (MT) | Average Incentive | |
|---|---|---|---|
| | | INR/kg | USD/kg |
| Reliance Green Hydrogen and Green Chemicals | 90,000 | 18.90 | 0.23 |
| Acme Cleantech Solutions | 90,000 | 30.00 | 0.36 |
| Greenko ZeroC | 90,000 | 30.00 | 0.36 |
| HHP Two | 75,000 | 25.04 | 0.30 |
| Welspun New Energy | 20,000 | 20.00 | 0.24 |
| Torrent Power | 18,000 | 28.89 | 0.35 |
| CESC Projects | 10,500 | - | - |
| UPL Limited | 10,000 | - | - |
| JSW Neo Energy | 6,500 | 34.66 | 0.42 |
| **Total** | **4,10,000** | | |

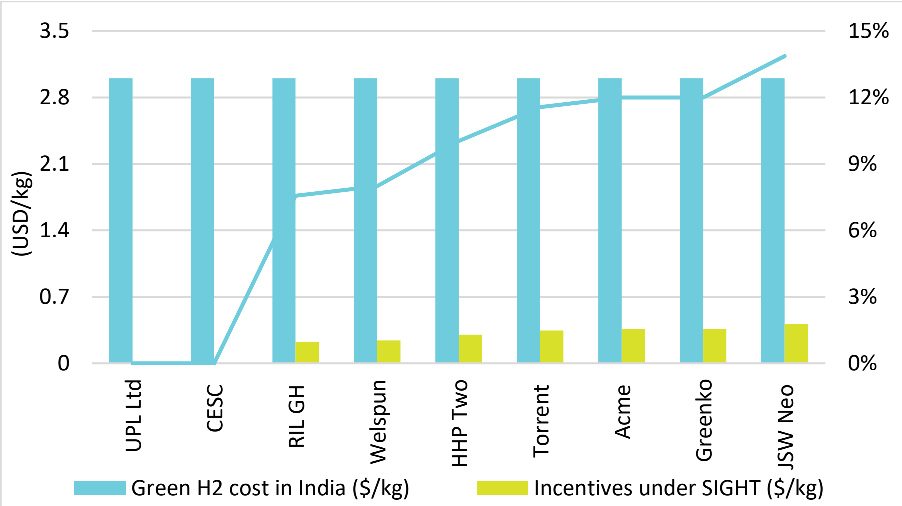
*Source: SECI, Nuvama Research*

**Exhibit 62: BPCL sole bidder under bucket II in Tranche-I; allotted 2,000tpa**

| Bidder/ Developer | Capacity (MT) | Average Incentive | |
|---|---|---|---|
| | | INR/kg | USD/kg |
| BPCL | 2,000 | 30 | 0.36 |
| **Total** | **2,000** | | |

*Source: SECI, Nuvama Research*

**Exhibit 63: Tranche-I incentive amount averages ~10% of $GH_2$ cost in India**




*Source: SECI, Nuvama Research*

### Exhibit 64: Bidders for $GH_2$ production under Tranche-I (RIL among top bidders)

| S. No. | Bidder's Name | Bucket-I: Production Capacity (MT/annum) | Bucket-II: Production Capacity (MT/annum) | % of total |
|---|---|---|---|---|
| 1 | ACME Cleantech Solutions Private Limited | 90,000 | - | 16% |
| 2 | Greenko ZeroC Private Limited | 90,000 | - | 16% |
| 3 | Avaada GreenH2 Private Limited | 90,000 | - | 16% |
| 4 | Reliance Green Hydrogen and Green Chemicals Limited | 90,000 | - | 16% |
| 5 | HHP Two Private Limited | 75,130 | - | 14% |
| 6 | Sembcorp Green Hydrogen India Private Limited | 36,000 | - | 7% |
| 7 | Welspun New Energy Limited | 20,000 | - | 4% |
| 8 | Torrent Power Limited | 18,000 | - | 3% |
| 9 | CESC Projects Limited | 10,500 | - | 2% |
| 10 | UPL Limited | 10,100 | - | 2% |
| 11 | GH4INDIA Private Limited | 10,000 | - | 2% |
| 12 | JSW Neo Energy Limited | 10,000 | - | 2% |
| 13 | Aneeka Universal Private Limited | 2,000 | - | 0.4% |
| 14 | Bharat Petroleum Corporation Limited | - | 2,000 | 0.4% |
| | **Total capacity** | **551,730** | **2,000** | |

*Source: SECI, Nuvama Research*

### Exhibit 65: RIL, ACME and Greenko allotted maximum capacity of 90,000MT each under SIGHT; RIL's incentive lowest

| Bidder/ Developer | Capacity (MT) | Average Incentive | |
|---|---|---|---|
| | | INR/kg | USD/kg |
| Reliance Green Hydrogen and Green Chemicals | 90,000 | 18.90 | 0.23 |
| Acme Cleantech Solutions | 90,000 | 30.00 | 0.36 |
| Greenko ZeroC | 90,000 | 30.00 | 0.36 |
| HHP Two | 75,000 | 25.04 | 0.30 |
| Welspun New Energy | 20,000 | 20.00 | 0.24 |
| Torrent Power | 18,000 | 28.89 | 0.35 |
| CESC Projects | 10,500 | - | - |
| UPL Limited | 10,000 | - | - |
| JSW Neo Energy | 6,500 | 34.66 | 0.42 |
| **Total** | **4,10,000** | | |

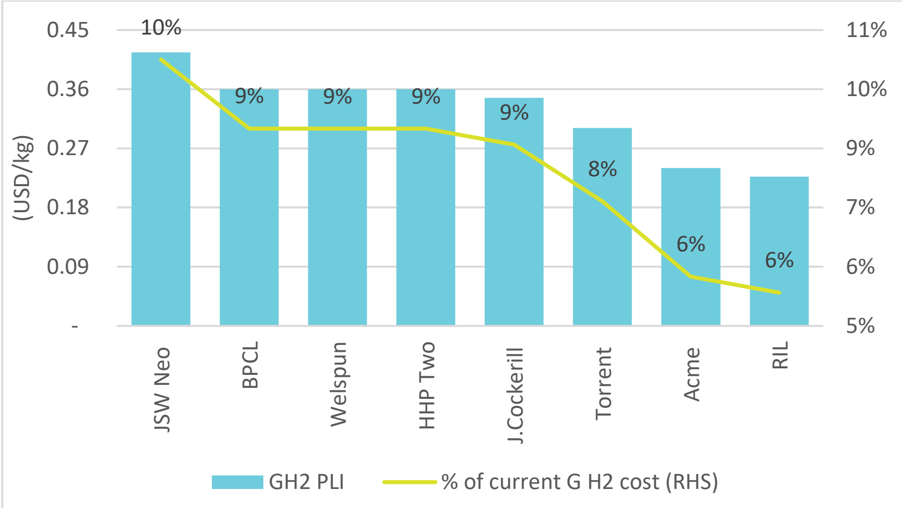
*Source: Company, Nuvama Research*

### Exhibit 66: BPCL sole bidder under bucket II allotted 2,000MT capacity

| Bidder/ Developer | Capacity (MT) | Average Incentive | |
|---|---|---|---|
| | | INR/kg | USD/kg |
| BPCL | 2,000 | 30 | 0.36 |
| **Total** | **2,000** | | |

*Source: Company, Nuvama Research*

**Exhibit 67: Average incentives of USD0.3/kg (7.5% of GH2 cost)**



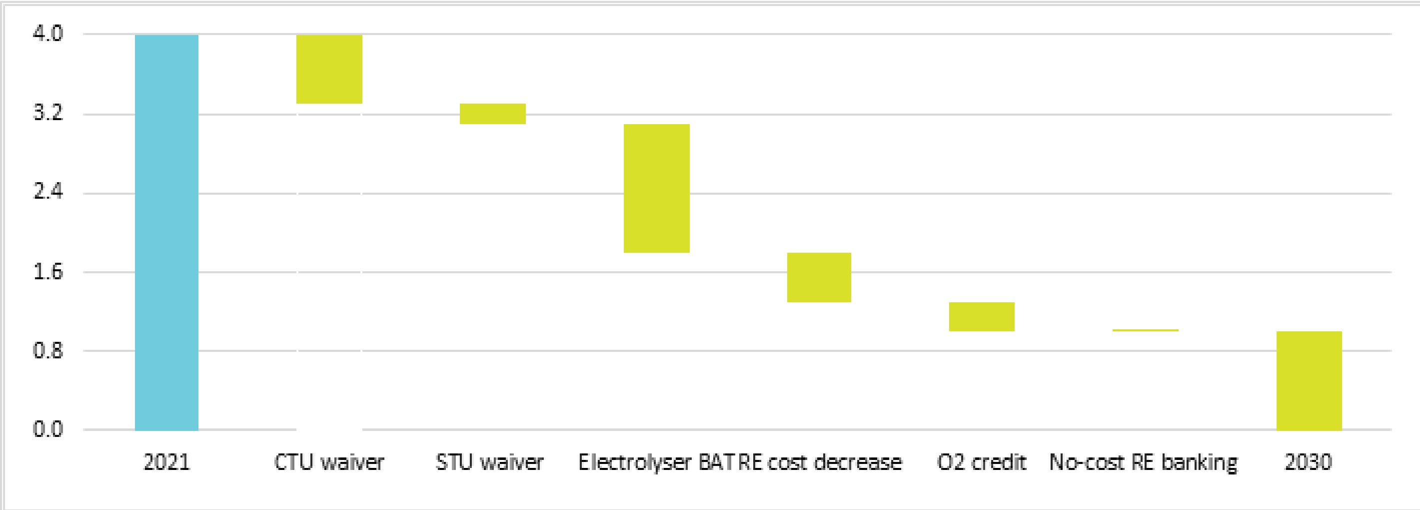

*Source: Company, Nuvama Research*

### G-H2 cost at ~1.5x grey; '1-1-1' likely with support across value chain

We believe the current G H2 cost hovers ~USD3/kg, which remains ~1.5x compared with grey hydrogen produced using natural gas due to the high cost of generating solar/wind energy as well as high electrolyser cost. Currently, a hybrid of solar and wind remains the cheapest source of generating G-H2. The cost for solar remains the highest due to low PLF of electrolysers at 30–35% versus wind at 65–70%, and for hybrid 70–75%.

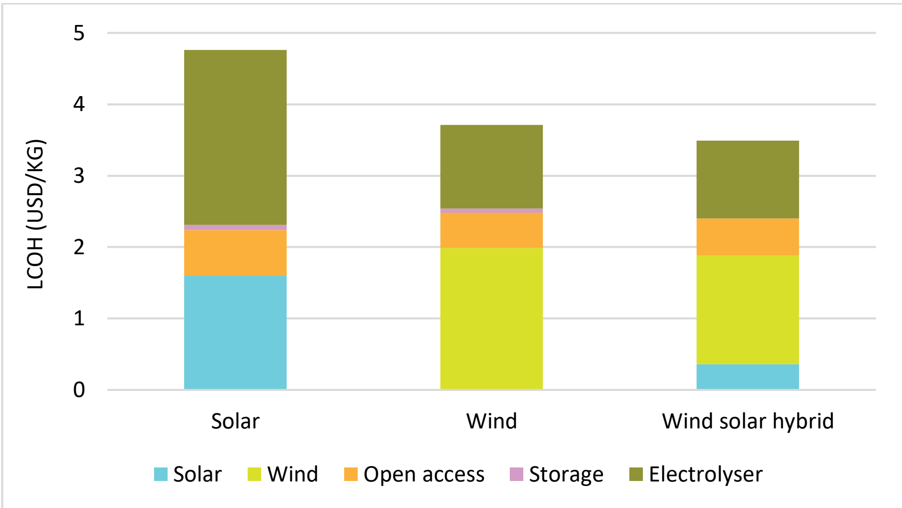
However, we believe that with transmission waivers and a significant decrease in electrolysers' cost, India could achieve its target of 1-1-1 (i.e. 1USD-1Kg-1decade target) by 2030.

**Exhibit 68: Meeting '1-1-1' target would require support from all stakeholders**




*Source: CEEW*

**Exhibit 69: Levelised cost of H2 (LCOH) using RE sources through open access**




*Source: CEEW*

# Solar PV PLI winners under Tranche-I, -II

### Exhibit 70: Capacity awarded (MW) under PLI scheme (Tranches I and II)

| Player | Polysilicon | Wafer | Cells | Modules |
|---|---|---|---|---|
| Shirdi Sai Electricals Limited | 4,000 | 4,000 | 4,000 | 4,000 |
| Reliance New Energy Solar Limited | 4,000 | 4,000 | 4,000 | 4,000 |
| Adani Infrastructure Private Limited | 737 | 737 | 737 | 737 |
| **Total PLI Tranche I** | **8,737** | **8,737** | **8,737** | **8,737** |
| Indosol Solar Private Limited | 6,000 | 6,000 | 6,000 | 6,000 |
| Reliance New Solar Energy Limited | 6,000 | 6,000 | 6,000 | 6,000 |
| FS India Solar Ventures Private Limited | 3,400 | 3,400 | 3,400 | 3,400 |
| Waaree Energies Limited | | 6,000 | 6,000 | 6,000 |
| Avaada Electro Private Limited | | 3,000 | 3,000 | 3,000 |
| ReNew Photovoltaics Private Limited | | 4,800 | 4,800 | 4,800 |
| JSW Renewable Technologies Limited | | 1,000 | 1,000 | 1,000 |
| Grew Energy Private Limited | | 2,000 | 2,000 | 2,000 |
| VSL Green Power Private Limited | | | 2,400 | 2,400 |
| AMPIN Solar One Private Limited | | | 1,000 | 1,000 |
| TP Solar Limited | | | 4,000 | 4,000 |
| **Total PLI Tranche II** | **15,400** | **32,200** | **39,600** | **39,600** |
| **Total PLI Tranche I+II** | **24,137** | **40,937** | **48,337** | **48,337** |

*Source: Company, MNRE, SECI, IREDA, CRISIL MI&A Consulting*

## PLI-II: INR140bn; 40GW module capacity

The Government of India under the Solar PV Modules PLI-Tranche II allocated 39.6GW of domestic solar PV module manufacturing capacity to 11 companies for a total outlay of INR140bn.

Considering both the tranches together, 48GW of solar module manufacturing capacity is expected to be added over the next three years. ~7.4GW capacity is expected to be operationalised by Oct-24, 16.8GW by Apr-25, and the balance 15.4GW by Apr-26.

PLI Tranche-II is likely to bring in investment of INR930bn. PLI shall enable India to achieve one of the lowest module prices in the world (currently already 23% cheaper than world average and 6% below even China’s for PV module solar installations).

Eleven entities received the allotment in their respective categories. RIL (6GW), Indo-Solar (6GW) and First Solar (3.4GW) received allotment for end-to-end PWCM manufacturing capacity. Furthermore, Waaree Energies and ReNew Power were allotted 6GW/4.8GW of capacity from W+C+M; Tata Power: 4GW for C+M capacity.

**Exhibit 71: Capacity awarded under PLI scheme (Tranche-II)**

| Companies | Manufacturing capacity (MW) |
|---|---:|
| **P+W+C+M Basket** | |
| Reliance Industries | 6,000 |
| Indosol | 6,000 |
| First Solar | 3,400 |
| **Total** | **15,400** |
| **W+C+M Basket** | |
| Waaree | 6,000 |
| Avaada | 3,000 |
| ReNew | 4,800 |
| JSW | 1,000 |
| Grew | 2,000 |
| **Total** | **16,800** |
| **C+M Basket** | |
| Tata Power Solar | 4,000 |
| Vikram | 2,400 |
| AMPIN | 1,000 |
| **Total** | **7,400** |

*Source: Company, Nuvama Research*

**Exhibit 72: Modules PLI incentives awarded under round 2**

| Bidder/ Developer | Manufacturing capacity Mw | PLI eligible capacity Mw | Stages | PLI amount allocated | |
|---|---|---|---|---|---|
| | | | | INR Bn | USD Bn |
| Indsol solar (Shirdi sai) | 6000 | 3000 | Basket - 1 ( Stage 1 + Stage 2 + Stage 3 + Stage 4) | 33 | 0.4 |
| Reliance new solar energy | 6000 | 3000 | | 30.98 | 0.38 |
| FS India Solar Ventures | 3400 | 1700 | | 11.78 | 0.14 |
| **Total** | **15,400** | **7700** | | **75.76** | **0.92** |
| Waaree Energies | 6,000 | 3,000 | Basket-2 (Stage 2 + Stage 3 + Stage 4) | 19.23 | 0.23 |
| ReNew Solar (Shakti Four) | 2,400 | | | 15.39 | 0.19 |
| Avaada Ventures | 3,000 | 1,500 | | 9.62 | 0.12 |
| Grew Energy | 2,000 | 1,000 | | 5.67 | 0.07 |
| JSW Renewable Technologies | 1,000 | 500 | | 3.21 | 0.04 |
| **Total** | **16800** | **8,400** | | **53.11** | **0.65** |
| TP Solar (Tata Power) | 4,000 | 2,000 | Basket - 3 (Stage 3 + Stage 4) | 3.83 | 0.05 |
| Vikram Solar | 2,400 | 1,200 | | 5.29 | 0.06 |
| AMPIN Solar One (Amp Energy) | 1,000 | 500 | | 1.4 | 0.02 |
| **Total** | **7,400** | **3,700** | | **10.5** | **0.13** |
| **Grand Total** | **39,600** | **19,800** | | **139.4** | **1.7** |

*Source: Nuvama Research, Mercom*

## PLI-I: INR45bn for solar modules

In order to boost domestic module manufacturing and cut down on import bills, the central government in Mar-21 introduced a scheme to incentivise companies on incremental sales from products manufactured at domestic units.

Total 18 companies with cumulative capacity of 54.8GW applied for the scheme (government bid capacity of 10GW). Jindal India Solar Energy, Shirdi Sai Electricals and Reliance New Energy Solar emerged as winners for setting up vertically integrated solar module facilities under the PLI scheme with an outlay of INR45bn.

Jindal India Solar Energy, however, decided to opt out of bidding process and was, subsequently, replaced by Adani Infrastructure. However, Adani was allotted INR6.6bn of the INR13.9bn allotted to Jindal. Alternatively, PLI for Reliance increased from INR11.9bn to INR19.17bn.

**Exhibit 73: Bidders for solar module manufacturing under PLI scheme**

| Bidder | Capacity | Integration Stage |
|---|---|---|
| Jindal India Solar | 4000 | |
| Reliance New Energy | 4000 | |
| Adani Infrastructure | 4000 | Stage 1 to 4 |
| Shirdi Solar | 4000 | |
| First Solar India | 4000 | |
| Coal India | 4000 | |
| Larsen and Toubro | 4000 | Stage 2 to 4 |
| ReNew Power | 4000 | |
| CubicPV | 4000 | |
| Tata Power Solar | 4000 | |
| Waaree Energies | 4000 | |
| Vikram | 3600 | |
| Avaada Energy | 3000 | |
| Acme Solar | 2000 | Stage 3 to 4 |
| Premier Energies | 2000 | |
| Megha Energies | 2000 | |
| Jupitar Solar | 1200 | |
| Emmvee PV | 1000 | |

*Source: Company, Nuvama Research, Stages; 1: Polysilicon, 2: Wafer, 3: Cell, 4: Module*

**Exhibit 74: Winners of solar module PLI bidding Tranche-I**

| Bidder's Name | Marks for 'Extent of integration' | Marks for 'Manufacturing Capacity' | Total Marks | Bidder's Manufacturing capacity | Eligible capacity (for PLI) | PLI for 1st Year | PLI for 2nd Year | PLI for 3rd Year | PLI for 4th Year | PLI for 5th Year | Total PLI for Five years |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | MW | MW | INR bn | INR bn | INR bn | INR bn | INR bn | INR bn |
| Shirdi Sai Electricals | 50 | 50 | 100 | 4,000 | 2,000 | 5.25 | 4.5 | 3.75 | 3 | 2.25 | 18.75 |
| Reliance New Energy Solar | 50 | 50 | 100 | 4,000 | 2,000 | 4.5 | 4.95 | 4.41 | 3.51 | 1.8 | 19.17 |
| Adani Infrastructure | 50 | 50 | 100 | 4,000 | 2,000 | 10.08 | 8.64 | 7.2 | 5.76 | 4.32 | 6.63 |

*Source: Company, Nuvama Research*

### 48GW of additional module capacity to come on stream by FY26

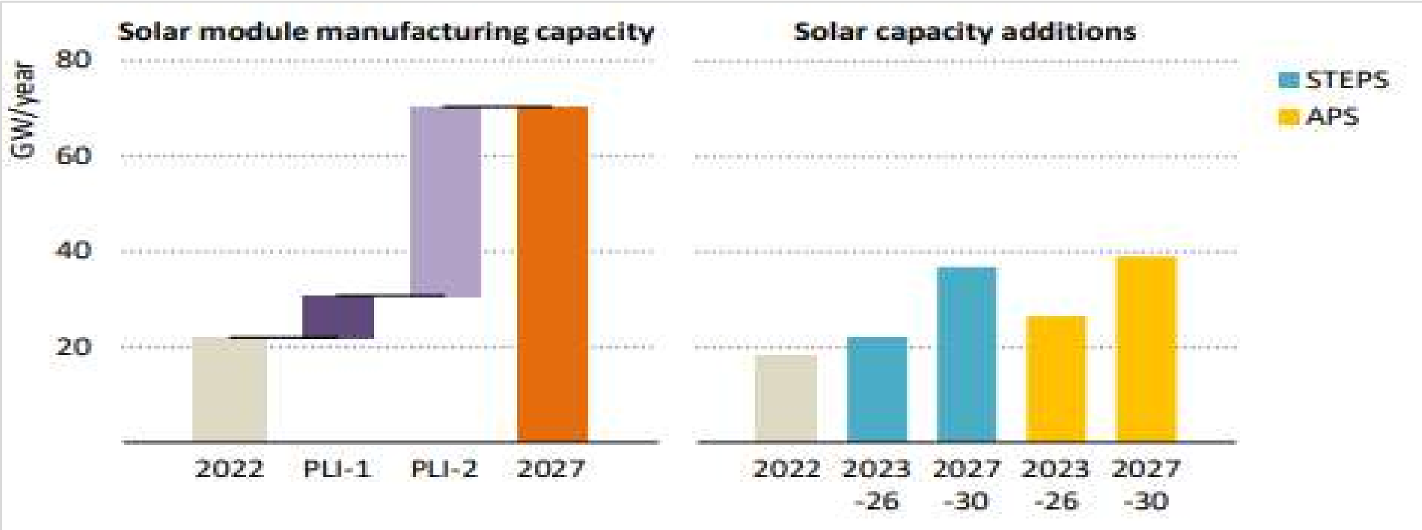
As mentioned above, solar PLI I and II combined together shall facilitated additional 48GW of solar module capacity in India by FY26. RIL to contribute ~40% of these capacities.

If planned solar PV module manufacturing capacity additions under the Production Linked Incentives materialise, they would be adequate to meet domestic demand this decade.

Solar PV module imports could continue for a few years because developers shall source the cheapest panels available because the capacity utilisation factor remains lower than the nameplate capacity and because there are lags between the nameplate capacity coming online and the panels being manufactured, shipped and installed.

Nonetheless, as domestic production ramps up, solar PV module imports shall decline and it will help to establish India as a reliable exporter.

**Exhibit 75: Additional 48GW module manufacturing capacity to come on stream over next two–three years**




*Source: IEA*

# Incentives for 5GW battery storage

In Mar-19, the Union Cabinet chaired by Prime Minister Narendra Modi approved setting up of a National Mission on Transformative Mobility and Battery Storage to drive clean, shared, sustainable and holistic mobility initiatives.

It also approved a Phased Manufacturing Programme (PMP) valid for five years (till 2024) to support setting up of a few large-scale, export-competitive integrated batteries and cell-manufacturing giga plants in India.

In May-21, the cabinet approved implementation of the PLI Scheme “National Programme on Advanced Chemistry Cell (ACC) Battery Storage” to achieve 50GWh ACC and 5GWh of "Niche" ACC manufacturing capacity with an outlay of INR181bn.

The National Programme on ACC Battery Storage will reduce India’s import dependence. ACC battery storage manufacturers would be selected through a transparent competitive bidding process.

The manufacturing facility should be commissioned within two years while incentives shall be disbursed over five years thereafter. Incentives will increase with higher specific energy density and cycles and greater local value addition.

Each selected ACC battery storage manufacturer would have to commit to set up an ACC manufacturing facility of minimum 5GWh capacity and ensure a minimum 60% domestic value-addition at the project level within five years.

Furthermore, the beneficiary companies have to achieve domestic value addition of at least 25% and incur mandatory investment of INR2.25bn/GWh within two years (at mother unit) and raise it to 60% within five years, either at mother unit, in case of an integrated unit, or at the project level, in case of a ‘Hub & Spoke’ structure.

**Outcomes and benefits of scheme**

- Set up cumulative 50GWh of ACC manufacturing facilities in India. Direct investment of ~IN450bn in ACC battery storage projects.
- Greater emphasis on domestic value-capture and therefore reduction in import dependence. Facilitate demand creation for battery storage.
- Import substitution of about INR200bn every year. Net savings of Indian INR2–2.5tn on account of oil import bill reduction during this period as ACCs manufactured under the programme are likely to spur EV adoption at accelerated rates.
- ACC manufacturing will facilitate EV demand (significantly less polluting). The ACC programme will be a key contributing factor in reducing India's GHG emissions in line with the country’s commitment to combat climate change.
- Impetus to R&D to achieve higher specific energy density and cycles in ACC. Promote newer and niche cell technologies.

The Ministry of Heavy Industries (MHI) released a request for proposal (RPF) under the ACC Battery Storage Programme in Oct-21. The scheme opened for receiving applications on January 14 while technical bids opened on January 15. Total ten companies with capacity of 130GW submitted bids.

**Exhibit 76: PLI scheme bidders (ten in all) for ACC battery programme**

| SI. No. | Name of Applicant | SI. No. | Name of Applicant |
|---|---|---|---|
| 1 | Reliance New Energy Solar Limited | 6 | Amara Raja Batteries Limited |
| 2 | Hyundai Global Motors Company Limited | 7 | Exide Industries Limited |
| 3 | Ola Electric Mobility Private Limited | 8 | Rajesh Exports Limited |
| 4 | Lucas-TVS Limited | 9 | Larsen & Toubro Limited |
| 5 | Mahindra & Mahindra Limited | 10 | India Power Corporation Limited |

*Source: Nuvama Research, Ministry of Heavy Industries (MHI)*

Companies such as Exide and Hyundai quoted very low incentives because they are anyways proceeding forward with their cell manufacturing plant and they have identified their target market.

**Exhibit 77: Bids quoted by several companies**

| Rank | Applicant | GWh | Amount (INR cr) |
|---|---|---|---|
| 1 | Rajesh Exports | 5 | 1,550 |
| 2 | Hyundai Global Motors | 20 | 600 |
| 3 | Ola Electric | 20 | 1,700 |
| 4 | Reliance New Energy | 20 | 1,600 |
| 5 | M&M Ltd | 15 | 1,300 |
| 6 | Exide Industries | 6 | 585 |
| 7 | L&T Ltd | 5 | 2,000 |
| 8 | Amara Raja | 12 | 1,707 |
| 9 | India Power Corp | 5 | 1,900 |

*Source: Company, Nuvama Research*

Four companies, namely RNESL, Ola Electric, Hyundai Global Motors and Rajesh Exports were shortlisted for incentives worth INR181bn under this PLI Scheme. Hyundai, however, pulled out of this PLI. With Hyundai (20GW capacity awarded) pulling off from PLI, RNESL was awarded 10GW capacity in Aug-24, with the balance 10GW yet to be allocated.

**Exhibit 78: Three companies allocated 40GWh; 10GWh allocation pending**

| Applicant | Capacity (bid GWh) | Status | Capacity Awarded (GWh) |
|---|---|---|---|
| **Rajesh Exports** | **5** | **Awarded** | **5** |
| **Ola Electric** | **20** | **Awarded** | **20** |
| **Reliance New Energy Solar** | **20** | **Awarded** | **15** |
| | | **Waitlisted** | **10** |
| Mahindra & Mahindra Ltd | 15 | Waitlisted | - |
| Exide Industries | 6 | Waitlisted | - |
| L&T Ltd | 5 | Waitlisted | - |
| Amara raja Batteries | 12 | Waitlisted | - |
| Indian Power Corporation | 5 | Waitlisted | - |

*Source: Ministry of Heavy Industries*

## Company Description

RIL is the largest private player in the refining, petrochemical, E&P, digital and organised retail sectors in India.

While RIL's refining complex in Jamnagar is the largest in the world and among the most complex, it is also among the largest integrated petrochemical producers globally.

Its consumer business (JIO and Retail), which has scaled up over the last four–five years, would contribute 50% to total EBITDA by FY25, thereby replacing the Oil to Chemical business, which current dominates EBITDA contribution. RIL has the greatest weight in BSE Sensex and is the only Indian company to have crossed a market cap of USD150bn.

## Investment Theme

RIL's strength lies in its ability to build businesses of global scale and execute complex, time-critical and capital-intensive projects. These strengths shall prove advantageous as the company embarks on large investments in all segments.

We expect its consumer business (Digital and Retail) to contribute ~50% to EBITDA from FY25 given its strong expansion and customer base.

We are now ascribing a rich valuation to JIO and Retail seeing their huge potential while remaining positive on the core O2C business (both refining and chemicals). We believe refining margins in Asia would rise due to a "paradigm shift in regional refining dynamics" from West to East, which are favourable for a complex refiner like Reliance. Global utilisation rates have bottomed out in chemicals.

RIL's foray into the new energy business shall unleash the next leg of growth, besides aiding its conventional business. Additionally, RIL Intelligence and FMCG businesses are also other key growth drivers for the company.

## Key Risks

A slowdown in global demand or larger-than-expected capacity additions could impact RIL's refining and chemical margins. Delays in government approvals for India E&P or weak domestic gas prices could hamper progress in upstream.

Weak natural gas prices could lower the profitability of upstream assets. Rupee appreciation may impact negatively as RIL is positively leveraged to the depreciating currency. About half of RIL's business is in unrelated diversifications, particularly telecoms & retail, which would attract a conglomerate discount.

Our reverse DCF calculation suggests that (especially) for Jio Platforms and Retail, the market is baking-in very high earnings growth expectation sustaining over the next ten years, which – by any measure – is a tall ask.

Deleveraging to zero-debt has swung the needle to the other extreme, raising RIL's WACC to its cost of equity (CoE). The sharp rise in WACC precipitates a negative economic spread for RIL even after we assume robust earnings growth.

# Additional Data

## Management

| | |
|---|---|
| Chairman and Managing Director | Mukesh D Ambani |
| Chief Financial Officer | Shri Srikanth Venkatachari |
| Executive Director | PMS Prasad |
| Executive Director | Hital R Meswani |
| Auditor | Deloitte Haskins & Sells LLP,Chartered AccountantsChaturvedi & Shah LLP,Chartered Accountants |

## Holdings – Top 10*

| | % Holding | | % Holding |
|---|---|---|---|
| Srichakra Comme | 10.93 | Reliance Indust | 4.49 |
| KARUNA COMMERCI | 8.06 | SBI Funds Manag | 2.56 |
| Tattvam Enterpr | 8.06 | PETROLEUM TRUST | 2.54 |
| Devarshi Commer | 8.06 | Vanguard Group | 2.20 |
| Life Insurance | 6.28 | Samarjit Enterp | 1.84 |

**Latest public data*

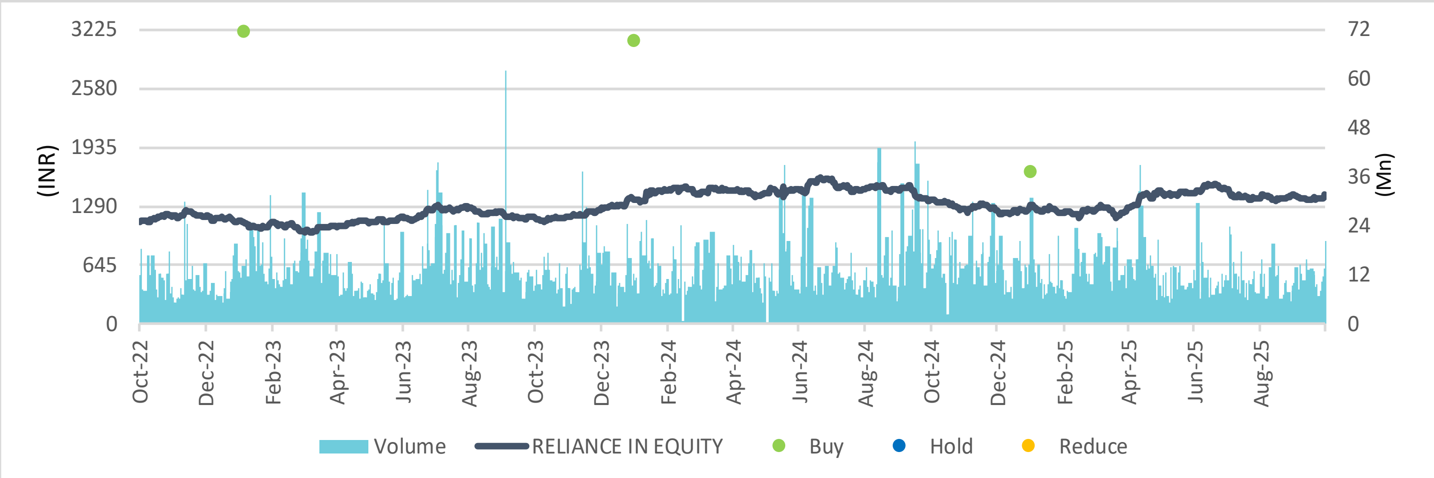
## Recent Company Research

| Date | Title | Price | Reco |
|---|---|---|---|
| 29-Aug-25 | AGM speech: Multi-decadal opportunity ; *Company Update* | 1,357 | Buy |
| 07-Aug-25 | AGM 2025 – Anticipation galore; *Company Update* | 1,389 | Buy |
| 19-Jul-25 | NE gaining pace; multi-decadal driver; *Result Update* | 1,476 | Buy |

## Recent Sector Research

| Date | Name of Co./Sector | Title |
|---|---|---|
| 06-Oct-25 | Oil & Gas | RIL, OMCs to outperform led by refining; *Sector Update* |
| 19-Aug-25 | Oil & Gas | RIL, OMCs offset weak gas midstream; *Sector Update* |
| 18-Aug-25 | IOCL | Earnings miss on weak GRMs and petchem; *Result Update* |

## Rating and Daily Volume Interpretation




*Source: Bloomberg, Nuvama research*

## Rating Rationale & Distribution: Nuvama Research

| Rating | Expected absolute returns over 12 months | Rating Distribution |
|---|---|---|
| Buy | 15% | 205 |
| Hold | <15% and >-5% | 68 |
| Reduce | <-5% | 37 |

## DISCLAIMER

Nuvama Wealth Management Limited (defined as “NWML” or “Research Entity”) a company duly incorporated under the Companies Act, 1956 (CIN No L67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India (“SEBI”) and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities. Name of Compliance officer: Mr. Abhijit Talekar, E-mail address: researchcompliance@nuvama.com Contact details +91 9004510449 Investor Grievance e-mail address- grievance.nwm@nuvama.com

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No.INH000011316 and Enlistment no. 5723 with BSE and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance .The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients other than intended recipients as customers by virtue of their receiving this report.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (b) be engaged in any other transaction involving such Securities and earn brokerage or other compensation
or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML
NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or NWML’s associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: ( i) exchange rates can be volatile and are subject to large fluctuations; ( ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company in the last 12 month period ending on the last day of the month immediately preceding the date of publication of the Report.: No

NWML has financial interest in the subject companies: No

NWML’s Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report.

Research analyst or his/her relative may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report

NWML has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years.
A graph of daily closing prices of the securities is also available at www.nseindia.com

Artificial Intelligence (“AI”) tools may have been used (i) during the information gathering stage for compiling or collating the data from-(a) publicly available data sources; (b) databases to which NWML subscribes; and (c) internally generated research data, and/or (ii) for compiling summaries of the report.

**Analyst Certification:**
The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

**Additional Disclaimers**

**Disclaimer for U.S. Persons**
This research report is a product of NWML, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by NWML only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc. (formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

**Disclaimer for U.K. Persons**
The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the "Order"); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons").

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

**Disclaimer for Canadian Persons**
This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

**Disclaimer for Singapore Persons**
In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

**Disclaimer for Hong Kong persons**
This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance "SFO". This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING. REGISTRATION GRANTED BY SEBI, MEMBERSHIP OF RAASB AND CERTIFICATION FROM NISM IN NO WAY GUARANTEE PERFORMANCE OF NWML OR PROVIDE ANY ASSURANCE OF RETURNS TO INVESTORS AND CLIENTS.

Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
DN: c=IN, o=Personal,
pseudonym=47IeWj0vIzKRUdWSEFvWUquxP0HUOyNu,
2.5.4.20=e648fc28137c6fa4c0e6296c524ee518d54fd4f7ba4be4d07cb750c531c68e2c, postalCode=400098, st=Maharashtra,
serialNumber=7370c9de10fb28bbf7cbc6f71afe3cfe848fa7245a8d681629dc3093fb2a8ea9, cn=ABNEESH KUMAR ROY
Date: 2025.10.19 23:35:01 +05'30'
Adobe Acrobat version: 2025.001.20756