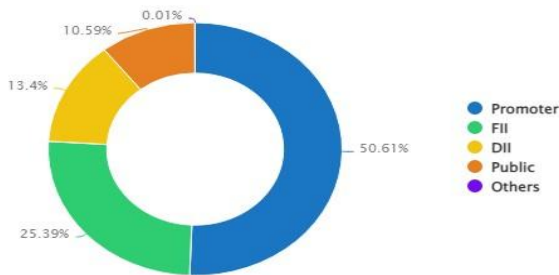


VALUE PARAMETERS

Face Value (Rs.)	10.00
52 Week High/Low	2750.00/1830.00
M.Cap (Rs. in Cr.)	1599894.38
EPS (Rs.)	76.41
P/E Ratio (times)	30.96
P/B Ratio (times)	2.16
Dividend Yield (%)	0.28
Stock Exchange	NSE

SHAREHOLDING PATTERN



P/E CHART

FINANCIAL PERFORMANCE

(Rs.in Cr.)

	ACTUAL	FORECAST	
	FY Mar-21	FY Mar-22	FY Mar-23
Revenue	466924.00	683303.39	774186.25
Ebitda	80737.00	109212.80	139048.15
Ebit	54165.00	79560.76	105701.11
Net Income	43486.00	58136.00	75445.02
EPS	67.47	87.41	113.20
BVPS	1104.47	1159.70	1252.19
RoE	7.54%	7.95%	9.35%

Investment Rationale:

- Reliance Industries (RIL) is engaged in activities spanning across hydrocarbon exploration and production, petroleum refining and marketing, petrochemicals, retail, digital services and financial services.
- Jio Platforms (JPL), total customer base as on Q2FY22 is 429.5 million, net addition of 23.8 million customers. ARPU during the quarter of Rs 143.6 per subscriber per month. Total data traffic was 23 billion GB during the quarter, a 50.9% growth. It has successfully acquired the right to use spectrum in all 22 circles across India in the recent concluded spectrum auctions conducted by the Government of India. Through this acquisition, Reliance Jio's total spectrum footprint has increased significantly, by 56%, to 1,732 MHz. The acquired spectrum can be utilized for transition to 5G services at the appropriate time, where Jio has developed its own 5G stack.
- Reliance Retail delivered a strong performance with consolidated gross revenue recorded at Rs 45,426 crore for 2Q FY22, a growth of 10.5% Y- o-Y and it was boosted by improved operating hours and footfalls with easing of lockdowns and ramp-up of Omni-channel offerings.
- Moreover, the quarter saw robust growth across all consumption baskets led by strong revival in consumer sentiments amid festivities, relaxations in COVID related curbs and vaccinations. Kirana business recorded robust growth in revenue supported by increase in assortment and scale up in service capabilities. Kirana partnerships rose to 20x over last year. Pharma business continues to grow strength to strength and commissioned 423 new stores during the quarter.
- Reliance Retail invested behind a range of acquisitions to strengthen its capabilities in the supply chain, technology, and product portfolio. These include the acquisition of leading digital marketplace, Net meds, furniture and home decor retailer, Urban Ladder and the lingerie and intimate wear brand, Zivame.
- It has reported increased consolidated net sales, 50.68% to Rs 167611 crore in Q2FY22 as compared to Q2FY21. The increase in revenue was primarily on account of 11% increase in retail segment revenues boosted by improved operating hours and footfalls with easing of lockdowns and ramp-up of Omni-channel offerings.

Risk

- Trajectory of global prices.
- Intense competition.

Valuation

- The company has achieved outstanding operational and financial performance as compared to previous quarter with recovery in petrochemicals and retail segment, and sustained growth in Digital Services business. Retail business activity has normalised with strong growth in key consumption baskets as lockdowns has eased across the country. The company continues to pursue growth initiatives in each of businesses with a focus on the India opportunity, thus we expect the stock to see a price target of Rs 3025 in 8 to 10 months time frame on an expected P/E of 26.72x and FY23 (E) earnings of Rs. 113.20.

QUERIES & FEEDBACK

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Disclosure:

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