

Date - 02/04/2024

**Buy Range : @ 2900 - 2960 Target : 1st@ 3110, 2nd@ 3250**

Stock Info	Amount
Mkt Cap (cr)	2,004,089.20
52-Weeks High/Low	2,130.79 - 3,024.90
Avg Volume	6,072,021
No. of eq shares (cr)	676.60
Face Values	₹ 10
Bse Code	500325
Nse Code	RELIANCE
Free Float (cr)	1,002,044.59

Source- NSE/BSE

Particulars	2022	2023
Revenue op. Growth Y-o-Y(%)	47.56%	24.20%
EBITDA Growth Y-o-Y(%)	27.12%	24.72%
EBIT Growth Y-o-Y(%)	32.79%	21.35%
PAT Growth(%)	23.16%	11.31%
EPS	90.86	98.59

Source : Company, Fin2Research

Particulars	2022	2023(TTM)
P/E	29.2	28.6
P/B	2.0	2.3
EV/EBITDA	19.7	15.0
P/S	2.7	2.7

Source : Company, Fin2Research

Ratios	2022	2023
ROE	8.5%	7.8%
ROCE	9.0%	9.4%
ROA	4.3%	4.7%
ROIC	7.9%	9.0%
DSO(x)	16	13
DPO(x)	157	113
DIO(x)	111	91
Dividend Payout	8.00%	9.00%
Current Ratio(X)	1.34	1.12
Interest Coverage(x)	6.42	5.80
Quick Ratio(X)	1.05	0.78

Source : Company, Fin2Research

Particulars	Shareholding in (%)
Promoter Group	50.27
Mutual Funds	6.56
Insurance Companies	8.41
Other	1.10
FIs	22.60
Public & Others	11.06
Total	100.00

**Reliance Industries Limited** : Reliance Industries Ltd, founded by Dhirubhai Ambani and now led by his son Mukesh Ambani, is a conglomerate with a 50% family shareholding. Engaged in diverse sectors such as hydrocarbon exploration, refining, petrochemicals, financial services, retail, and communications, the company is organized into five key segments: Oil To Chemicals (O2C), Oil and Gas, Retail, Digital Services, and Financial Services. Operating in western India, Reliance's refineries produce a range of petroleum products for various purposes, with exports to multiple countries. The Oil to Chemicals segment, a major revenue contributor, includes refining, petrochemicals, fuel retailing, aviation fuel, and bulk

### Key Highlights:

1. Reliance Consumer Products Limited (RCPL), a wholly-owned subsidiary of Reliance Retail Ventures Limited (RRVL), has entered into a partnership with Sri Lanka's renowned brand, Elephant House, to market and distribute its beverages across India. Elephant House, with its strong market credibility and heritage spanning over 150 years, brings a valuable addition to RCPL's growing FMCG portfolio. This collaboration aims to offer Indian consumers a diverse and quality beverage range, leveraging Reliance's expertise in managing global brands within India. The partnership underscores both companies' commitment to excellence, innovation, and expanding market presence by capitalizing on mutual synergies. Through this alliance, RCPL seeks to amplify Elephant House's well-established brand in the Indian market, promising consumers enhanced choice and value.

2. In a recent development, Reliance and Disney Star have signed a non-binding agreement in London, marking a significant step towards India's most substantial entertainment merger. The finalization of the merger is scheduled for February 2024. Both Reliance and Disney Star are planning to invest over \$1.5 billion in the deal. Under this agreement, Mukesh Ambani's Reliance will hold a majority 51% stake, and Walt Disney Co. will retain 49%, with equal governance by both companies. The proposed merger, which includes Reliance's Jio Cinema and Disney+ Hotstar, aims to rejuvenate Hotstar's financial performance. Additionally, Ambani's firm is set to gain distribution control of Star India's channels, further enhancing its strategic position in the Indian entertainment sector.

3. Reliance Industries Limited (RIL), operator of the world's largest integrated refining and petrochemical facility, has pioneered the chemical conversion of plastic waste-based pyrolysis oil into International Sustainability & Carbon Certification (ISCC)-Plus certified Circular Polymers in India. This innovative achievement reflects RIL's commitment to reducing plastic waste and championing a Circular Economy. Utilizing advanced technology, RIL transforms various plastic waste types into valuable pyrolysis oil, collaborating with trusted partners to scale production and create high-quality Circular Polymers. This chemical recycling process offers a sustainable solution to plastic waste and produces materials suitable for food-contact packaging, addressing environmental concerns. RIL's dedication to sustainability sets a precedent, inspiring greener practices and a sustainable future in India and beyond.

4. **Performance** : The gross revenue stood at ₹ 248,160 crore (\$29.8 billion), marking a 3.2% year-on-year increase, bolstered by sustained growth in consumer businesses. Revenue for JPL witnessed an 11.4% year-on-year growth, driven by strong subscriber expansion in mobility and homes, along with the benefits of an improved Average Revenue Per User (ARPU). Meanwhile, RRVL reported a remarkable 22.8% year-on-year revenue growth, supported by robust performance across all consumption categories: Grocery at 41%, Fashion & Lifestyle at 28%, and Consumer Electronics at 19%. However, the O2C revenue experienced a 2.4% decline, primarily due to reduced price realisation caused by a 5.3% year-on-year drop in average Brent crude oil prices. On the other hand, revenue from the Oil & Gas segment surged significantly, attributed to increased volumes, albeit partially offset by reduced gas price realisation from the KG D6 field.

### Risk And Concern

- The major segment revenue has experienced declining margins, primarily attributed to lower-than-expected refining margins.
- The decrease in consumer spending on non-essential items due to higher inflation is likely to result in subdued sales for businesses relying on discretionary purchases.

**CMP : @ 2958**

**Target : 1st@ 3110, 2nd@ 3250**



**Guidelines on Report:**

- It is recommended to enter in a staggered manner within the prescribed range provided in the report.
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis.
- Once target1 achieved, use trailing stop loss of recommended average price.
- The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact via mail or other mode of communications.

**Portfolio Allocation:**

- It is not recommended to allocate entire corpus to a single stock or product without first understanding the risk and return associated with that stock or product.

**DISCLAIMER:**

RATING SCALE : Definitions of ratings.

BUY – We expect the stock to deliver more than 5%-10% returns over the next 1-3months.

ACCUMULATE – We expect the stock to deliver 5% - 10% returns over the next 1-3 months.

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