

Reliance Industries

BSE SENSEX
33,315

S&P CNX
10,322

CMP: INR875

TP: INR1,077 (+23%)

Buy



Stock Info

Bloomberg	RIL IN
Equity Shares (m)	6502.0
52-Week Range (INR)	958/466
1, 6, 12 Rel. Per (%)	2/21/57
M.Cap. (INR b)	5775.4
M.Cap. (USD b)	86.6
Avg Val, INRm	12,330
Free float (%)	53.8

Financials Snapshot (INR b)

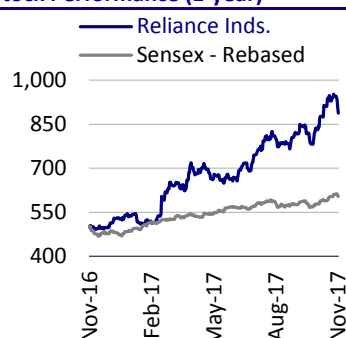
Y/E March	2018E	2019E	2020E
Net Sales	4,119	5,017	5,202
EBITDA	622	761	821
Net Profit	345	394	455
Adj. EPS (INR)	58.3	66.5	77.0
EPS Gr. (%)	15.3	14.2	15.7
BV/Sh. (INR)	492	542	601
RoE (%)	12.4	12.9	13.5
RoCE (%)	7.8	8.2	8.9
P/E (x)	15.2	13.3	11.5
P/BV (x)	1.8	1.6	1.5
EV/EBITDA (x)	12.0	9.2	7.9

Shareholding pattern (%)

As On	Sep-17	Jun-17	Sep-16
Promoter	46.2	45.0	45.1
DII	11.4	11.1	12.5
FII	26.0	25.6	23.7
Others	16.5	18.3	18.7

FII Includes depository receipts

Stock Performance (1-year)



Latin touch

Higher refining margins to sustain

- We had talked about the worsening refining glut in our thematic report, *The Three Musketeers, January 2017*. While we continue to believe capacity addition would remain strong, especially in low cost condensate splitters, utilization of the Latin American refineries does not appear to be improving any time soon. This would enable RIL to continue clocking GRM of ~USD11.5/bbl during FY19-20.
- Additionally, delays in upcoming ethylene crackers in the US are also likely to result in higher petchem deltas. We expect EBITDA/mt of USD300 for RIL during FY19-20.
- RJio's revised plans are priced ~15% higher, with an average ARPU of INR150 for its popular unlimited price plans. We expect actions towards ARPU accretion to drive ARPU of INR156 in FY18 and INR172 in FY19.

Latin touch to refining – margins to remain strong at USD11.5/bbl

- Argentina, Mexico, Brazil and Venezuela have all been facing severe under-utilization of their refining assets. There is a mismatch between domestic crude availability, refining configurations, and domestic-market product requirements. Additionally, the refineries have not been upgraded for long, which results in frequent maintenance requirements and shutdowns.
- Utilization in Mexico and Venezuela has been at 40% in the recent months. Utilization in Argentina at 76% is the lowest since 1996. Utilization in Brazil at 74.3% is also the lowest in six years.
- Such lower utilization in these four countries alone, home to 6% of global capacity, would boost refining margins. Additionally, Africa with another 6% of global refining capacity, has also been witnessing utilization of below 70% since 2011. Expect USD11.5/bbl of GRM for RIL in FY18-20.

Further delays in US expansions could support petchem margins

- A total of 9.7mmtpa of greenfield ethylene expansions in addition to 1.2mmtpa of brownfield expansions were to come up in the US by 2020. While 3.5mmtpa of capacity has already come up, few others appear to be delayed.
- Only in 2017 and 2018, incremental supply was expected to outgrow incremental demand globally. Such delays in capacity addition could help in healthy demand and supply, preventing margins from falling sharply.

Gaining confidence in RJio's profitability

- RJio's revised plans are priced about 15% higher, with an average ARPU of INR150 for its popular unlimited price plans. Interestingly, this is above Bharti's ARPU of INR145 for 2QFY18.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- We estimate 181m subscribers in FY18 and 205m subscribers in FY19. This implies addition of 42m subscribers in 2HFY18 and 24m subscribers in FY19. We expect actions towards ARPU accretion to drive ARPU of INR156 in FY18 and INR172 in FY19.
- Our DCF-based value for RJio is INR245/share (EV of 10x FY21E EBITDA of INR278b). The management's indication of reduced freebies should drive subsequent ARPU accretion.

Reiterate Buy with a revised target of INR1,077

- Global refining peers are trading at 7x FY19E EV/EBITDA and 10-11x FY19E P/E. We value RIL at a higher multiple of 7.5x (7x earlier) average FY19-20E EV/EBITDA to factor in higher capacity utilization, better yield management, crude optimization, and sound risk management.
- Global petchem companies are trading at 7x FY19E EV/EBITDA and 10x FY19E P/E. We value RIL at 7.5x (7x earlier) average FY19-20E EV/EBITDA. The higher multiple takes into account RIL's higher level of integration, flexibility in feedstock, as well as strong growth in the domestic petchem market.
- We value RIL using SOTP. We use 7.5x EV/EBITDA for refining and petchem, DCF for E&P, 1x EV/Sales for Reliance Retail and DCF for RJio. Our target price is revised from INR1,005 to INR1,077, implying an upside of 21%. We reiterate our **Buy** recommendation.

Exhibit 1: Reliance Jio – DCF valuation

Values in INR Million	FY18	FY19	FY20	FY21	FY22	FY23-30
EBITDA	55,565	142,608	184,140	277,988	312,784	3,629,568
Capex	220,004	198,000	174,000	108,000	108,000	768,000
FCFF (pre tax)	-164,438	-55,392	10,140	169,988	204,784	2,861,568
Tax	-329	0	-2,129	-35,698	-43,005	-600,929
FCFF (post tax)	-164,767	-55,392	8,011	134,291	161,779	3,462,498
Terminal Value						5,240,551
Cashflow after Terminal Value	-164,767	-55,392	8,011	134,291	161,779	8,703,048
NPV (INR m)	2,858,921					

One year valuation

Terminal growth rate	4.0%
Enterprise value (INR b)	2,859
Net debt (INR b)	1,278
Equity value (INR b)	1,581
No of shares (b)	6.5
Target price (INR)	245

WACC Calculation

Risk free rate	6.0%
Beta	1.1
Rm	14.0%
Re	14.5%
D/E	50.0%
Rd	8.0%
WACC	11.0%

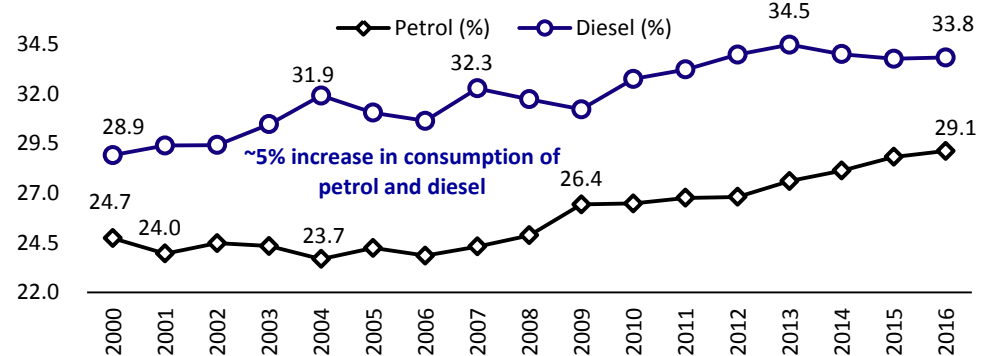
Source: Company, MOSL

Latin boost to refining

Expect USD11.5/bbl of GRM in FY18-20

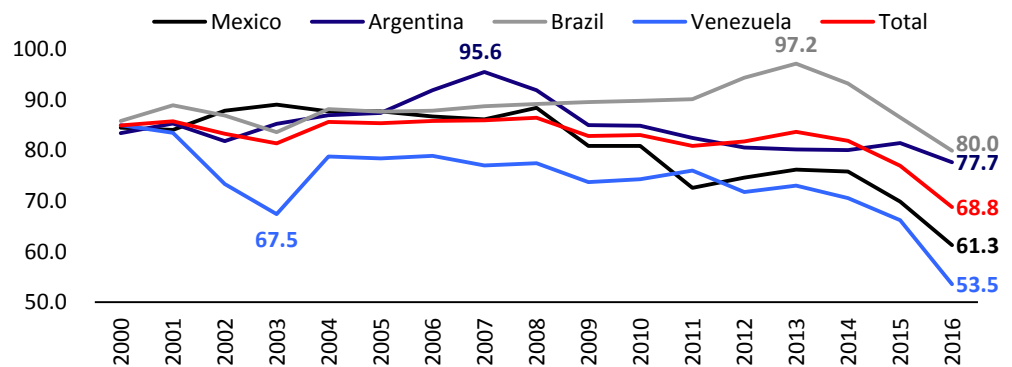
- Domestic production of Argentina, Brazil, Mexico and Venezuela is mostly heavy crude. However, due to lack of large investments in the recent past, their refineries are mostly configured to process lighter crude.
- Similarly, product demands have changed while refinery production has not kept pace with changing product requirements. Consumption of petrol and diesel has increased by ~5% each in the mix of total petroleum products consumed during 2000-16.
- Lack of investments combined with multiple unplanned shutdowns and lack of suitable crude has resulted in low utilization for most Latin American refineries. Both Mexico and Venezuela appear to be running at ~40% utilization. Current utilization of ~75% in Brazil and Argentina is also at multi-year lows.
- Additionally, Africa also seems to be stuck with low refinery utilization of below 70% since 2011 due to lack of investments in adequate upgrades. Africa and Latin America together account for ~12% of global refining capacity. Persistent underutilization in the region is expected to keep refining margins strong.
- RIL has reported a spread of USD4-5/bbl for the last two years. We believe that this spread is sustainable considering the flexibility of yield management, crude optimization and risk management. We build in a GRM of USD11.5/bbl for RIL in FY18-20, a premium of ~USD5/bbl over Singapore complex GRM.

Exhibit 2: Petrol and diesel as % of total petroleum products consumed in Latin America

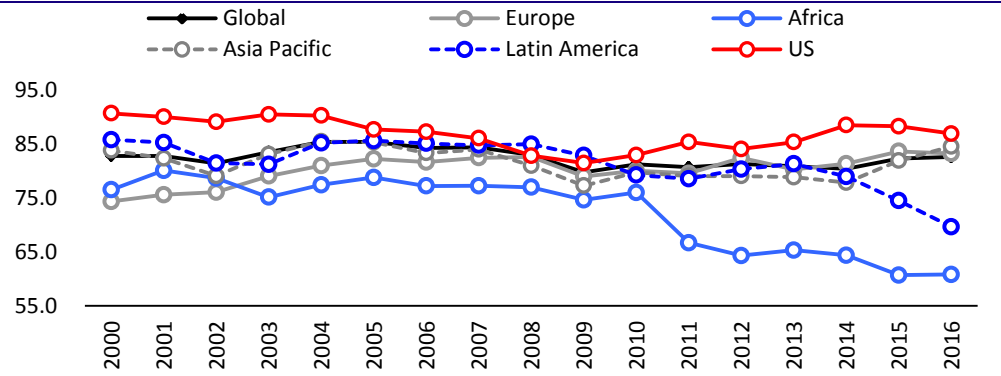


Source: BP Statistical review, MOSL

Exhibit 3: Refining utilization in Latin America at 40-75%

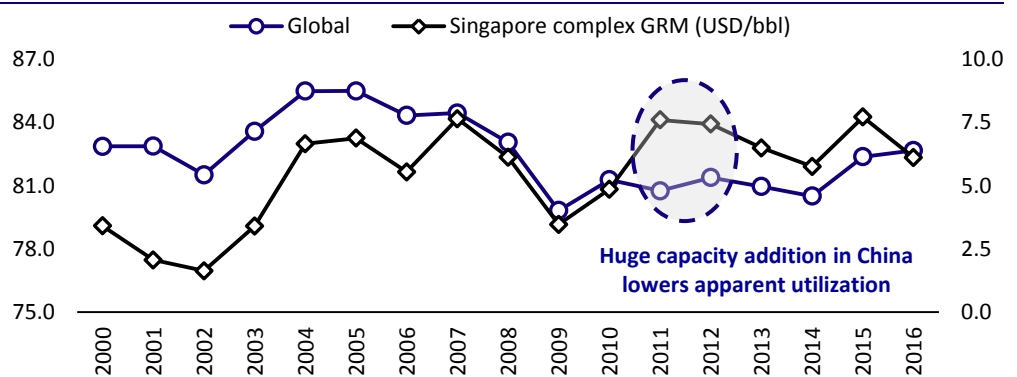


Source: BP Statistical review, MOSL

Exhibit 4: Africa and Latin America facing low utilization (%) in last few years

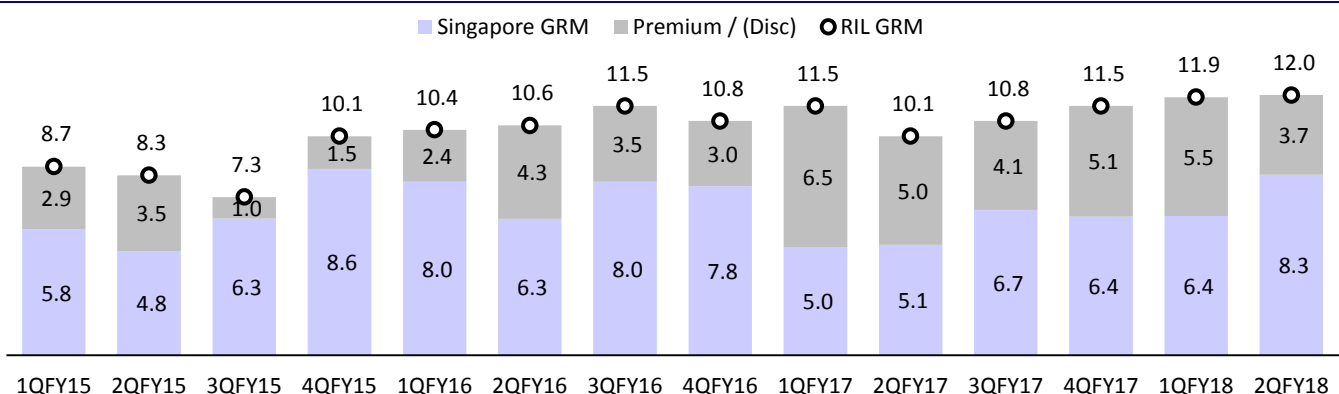
Source: BP Statistical review, MOSL

- Even 2-4% change in global refinery utilization results in significant impact on refining margins, as shown in the next exhibit.
- The only anomaly seems during 2011-12, where refining margins increased despite fall in utilization. This is primarily as there were huge capacity additions in China, which increased the nameplate capacity while effective capacity remained low due to the time taken to stabilize these new capacities.

Exhibit 5: Even 2-4% change in global refinery utilization has marked impact on GRMs

Source: BP Statistical Review, Reuters, MOSL

- High complexity gives RIL the flexibility to manage its product yield and crude oil basket better resulting in higher yield over benchmark.
- Hedging of crack spreads also helps in less volatile refining margins for the company.

Exhibit 6: RIL's GRM: Average premium of USD4.3/bbl over Singapore complex since 1QFY16

Source: Company, MOSL

Delays in US petrochemical expansions spell 'boom'

Expect strong petchem margins

- In our March 2017 report, we had highlighted that 9.74mmtpa of greenfield capacity in addition to 1.2mmtpa of brownfield expansion is expected in the US by 2020.
- Over the next few years, only 2017 and 2018 were expected to witness incremental capacity addition higher than incremental demand. While 3.5mmtpa capacities of Dow, ExxonMobil and Oxychem at Texas have been completed, Chevron Phillips' 1.5mmtpa ethylene cracker at Texas has been delayed to 2018 due to heavy flooding caused by Hurricane Harvey.
- Further delays are expected in upcoming plants in the US, which could boost petrochemical deltas. These delays, we believe, could help sustain higher petrochemical margins, going forward.
- Polypropylene is also expected to witness increase in operating rates, going forward.

Exhibit 7: RIL's petchem expansions

	Capacity prior to expansions (mmtpa)	Capacity addition (mmtpa)
Basic petrochem		
Ethylene	1.875	1.365
Propylene	2.71 including 0.759 from refining	0.154
Butadiene	0.2	
Benzene	0.756	
Toluene	0.197	
Polymers		
HDPE	0.5	0.55
LLDPE	0.41	
LDPE	0.205	0.4
PP	2.635	0.135
PVC	0.625	
PBR	0.75	0.04
SBR		0.15
Polyester		
PET	0.29	0.648
PSF	0.74	0.346
Fiber fill	0.04	
PFY	0.82	0.535
Fiber intermediates		
PX	1.856	2.47
DMT	0.03	
ACN	0.041	
PTA	2.05	2.296
MEG	0.73	0.733

Source: Company, MOSL

Expansions in the US may
be delayed

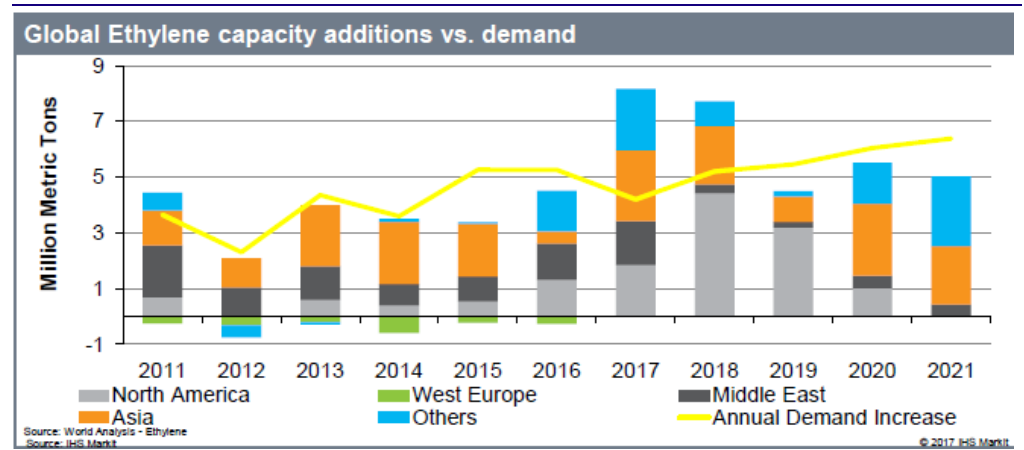
Exhibit 8: Upcoming greenfield ethylene projects in the US

Company	Capacity (ktpa)	Location	Start up by
Dow Chemical	1,500	Texas	2017 (Done)
ExxonMobil	1,500	Texas	2017 (Done)
Oxychem/Mexichem	544	Texas	2017 (Done)
Chevron Phillips	1,500	Texas	2017 (Delayed)
Formosa	1,200	Texas	2018
Sasol	1,500	Louisiana	2019
Axiall/Lotte	1,000	Louisiana	2020

Source: Industry, MOSL

- North America, US in particular, is expected to witness highest capacity addition going forward. This is based on low cost shale gas as feedstock. From 2020, China is expected to lead capacity addition in petrochem.

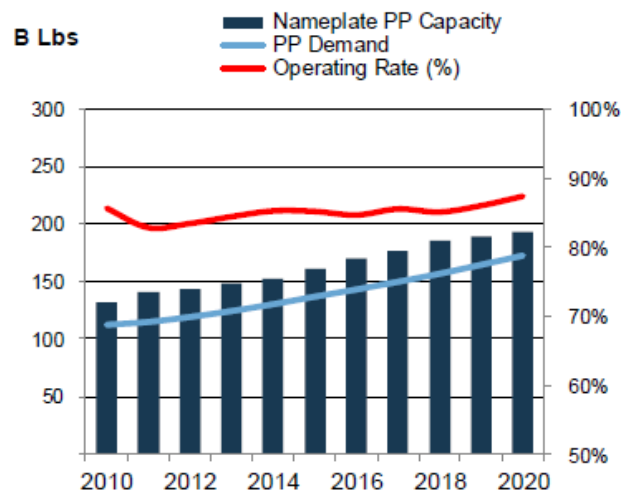
Exhibit 9: Global ethylene capacity addition – possible delays in 2017/18 could support PE deltas



Source: IHS, MOSL

- Polypropylene margins are expected to improve further with global utilization inching higher. Almost 50% of upcoming capacities in China are based on coal. Due to rising concerns on pollution, we could see delays in most of these projects.

Exhibit 10: Global polypropylene operating rates to improve

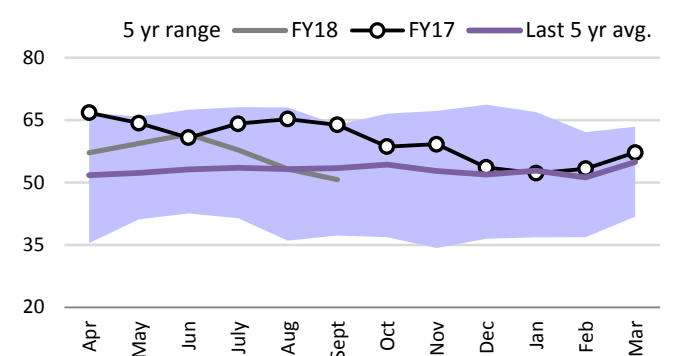


Source: IHS, MOSL

Strong product deltas to help margins

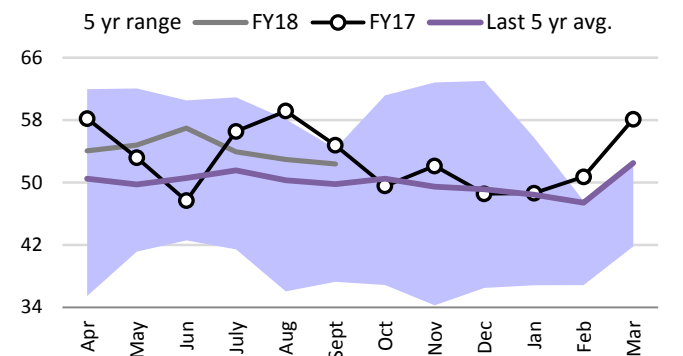
- We have observed strong product deltas for most of the petrochemical products. Product deltas for PP, PVC, POY and PSF in FY18 are above last 5-year average. While PE and PTA deltas have dipped below last 5-year average in September 2017.

Exhibit 11: PE - naphtha delta below 5-year average



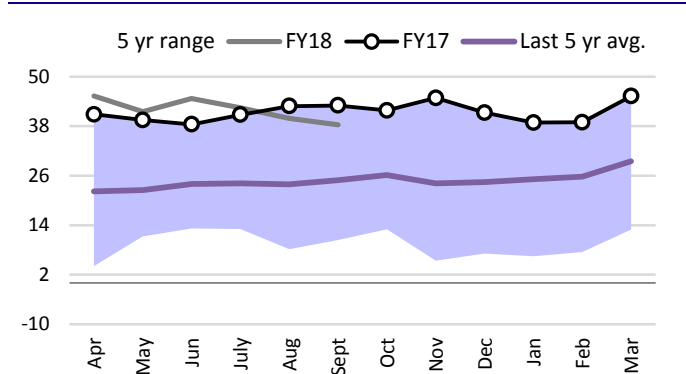
Source: Company, MOSL

Exhibit 12: PP - naphtha delta above 5-year average



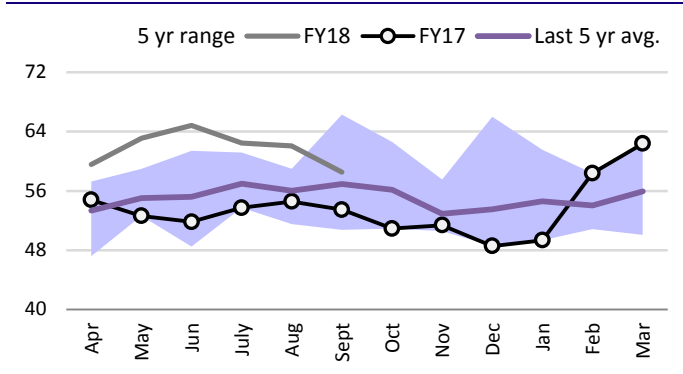
Source: Company, MOSL

Exhibit 13: PVC - naphtha delta above 5-year average



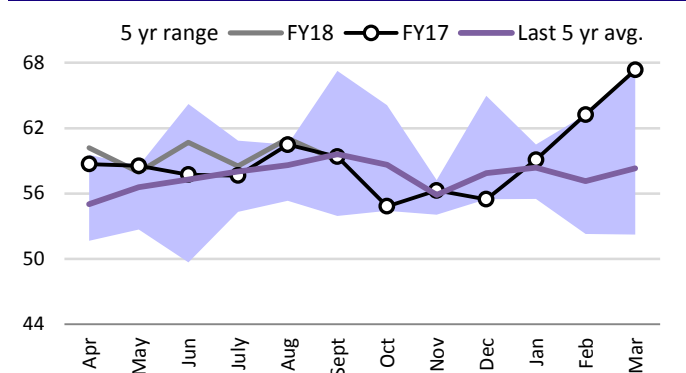
Source: Company, MOSL

Exhibit 14: POY - naphtha delta above 5-year average



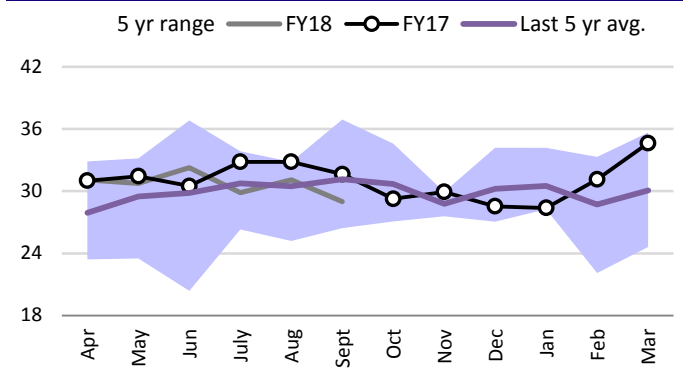
Source: Company, MOSL

Exhibit 15: PSF - naphtha delta above 5-year average



Source: Company, MOSL

Exhibit 16: PTA - naphtha delta dipped below 5-year average



Source: Company, MOSL

Gaining confidence in RJio's profitability

Reduced freebies should drive subsequent ARPU accretion

- RJio's revised plans are priced ~15% higher, with an average ARPU of INR150 for its popular unlimited price plans. Interestingly, this is above Bharti's ARPU of INR145 for 2QFY18.
- We estimate 181m subscribers for FY18 and 205m subscribers for FY19. This implies addition of 42m subscribers in 2HFY18 and 24m subscribers in FY19. We expect actions towards ARPU accretion to drive ARPU of INR156 in FY18 and INR172 in FY19.
- Our DCF-based value for RJio is INR245/share (EV of 10x FY21E EBITDA of INR278b). The management's indication of reduced freebies should drive subsequent ARPU accretion.

'Era of freebies' nearing its end

RJio revised its price plans in Diwali. This is the fourth time it has revised its price plans since the launch of services in September 2016, giving us further confidence that competitive intensity is reducing for RJio. Being the market maker and the most aggressive operator, RJio's price action is likely to improve overall market conditions and drive ARPU accretion. RJio's ARPU should improve to INR156 by FY18E on the back of revised price plans.

ARPU accretion to drive earnings

The previous most popular price plan (INR399 for four months) may keep ARPU at about INR116 (including Prime subscription fees). However, launch of new price plans announced during Diwali and JioPhone should change the ARPUs. The three newly-launched most popular price plans – (a) INR459 for 84 days, (b) INR399 for 70 days, and (c) INR309 for 49 days – offer ARPU of INR150 (ex GST). We have factored 3QFY18E ARPU at INR142 (including Jio feature phone) and expect ARPU to improve 15% to INR163 subsequently in 4QFY18, as the management has indicated that it will continue to curtail freebies. We model ARPU of INR156 in FY18 and INR172 in FY19. Subscriber growth should remain high in 3QFY18 on the back of both smartphone as well as JioPhone subscriber growth. The management has highlighted that all subscribers are paying subscribers instead of only active (VLR) subscribers. We expect 42m subscriber addition in 2HFY18; overall subscribers should reach 181m by March 2018 and 205m by March 2019, up from 139m in 2QFY18. We expect EBITDA breakeven to sustain in FY18 and net profit from FY19. We expect EBITDA of INR56b for FY18 and INR143b for FY19 on the back of low network, employee and other expenses.

Capex intensity to reduce

The assets capitalized towards wireless network stand at INR1,450b and CWIP of INR620b. Capex incurred in 2QFY18 was INR70b v/s INR150b in 1QFY18. In 3QFY18, it could be higher; however, in the recent analyst meet, the management highlighted that it may peak in 2-3 quarters. Net debt may not change significantly beyond the next two quarters. Subsequently, we believe annual capex should normalize to INR150b-200b beyond the next four quarters, driving free cash flows.

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DCF valuation at INR245/share on ARPU accretion potential

Our DCF-based value of INR245/share is based on 11% WACC and 4% terminal growth. The implied EV works out to 10x FY21E EBITDA of INR278b. RJio has delivered high subscriber growth, gaining aggressive market share. However, the profitability estimates hover around expectations of reducing freebies and subsequent ARPU accretion. The management has indicated willingness to progressively shift towards monthly paid subscription, prioritizing revenue market share and profitability against merely subscriber market share. This could also support expansion of industry revenue pool. Lower competitive intensity from RJio, the most aggressive player and the key price maker in the industry, remains positive for the overall Telecom sector.

Exhibit 17: Comparison of plans – old v/s new (INR)

	Old			New			
Price Plan	309	399	509	309	459	399	509
GST (%)	18%	18%	18%	18%	18%	18%	18%
Price Plan - Net of GST	253	338	431	253	389	338	431
Validity (days)	56	84	56	49	84	70	49
30 day plan	136	121	231	155	139	145	264
Increase (v/s old plan) (%)				14%	15%*	20%	14%

*Compared with INR399 price plan

Source: MOSL, Company

Exhibit 18: Current prepaid plans for Jio Prime customers

MRP (INR)	52	98	149	309	399	459	499	509	799	999
Validity (days)	7	14	28	49	70	84	91	49	28	90
Free Voice	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data (gb)*	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Daily Limit (gb)	0.15	0.15	0.15	1	1	1	1	2	3	-
SMS	70	140	300	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Jio Apps	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

*Unlimited data signifies Daily Limit at High Speed, followed by unlimited at 64 Kbps.

Source: MOSL, Company

Exhibit 19: Current postpaid plans for Jio Prime customers

MRP (INR)	309	409	509	799	999
Security Deposit	400	500	600	950	1150
Validity (days)	Bill cycle	Bill cycle	Bill cycle	Bill cycle	Bill cycle
Free Voice	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Data (gb)*	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Daily Limit (gb)	1	-	2	3	-
SMS	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Jio Apps	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

*Unlimited data signifies Daily Limit at High Speed, followed by unlimited at 64 Kbps.

Source: MOSL, Company

Exhibit 20: ARPU per SIM understates ARPU per customer

Particulars	Smartphone users	Feature phone users
Devices in circulation (m)	263	496
Average SIM/user (nos)	1.19	1.28
ARPU per VLR SIM (INR)	277	134
Effective ARPU per user (INR)	329	172

Source: Company

Exhibit 21: ARPU accretion potential

Particulars	Mobile users
Subscribers in 2009 (m)	392
ARPU in 2009 (INR)	179
Equivalent ARPU in 2017 (INR, adjusted for nominal per capita income)	530

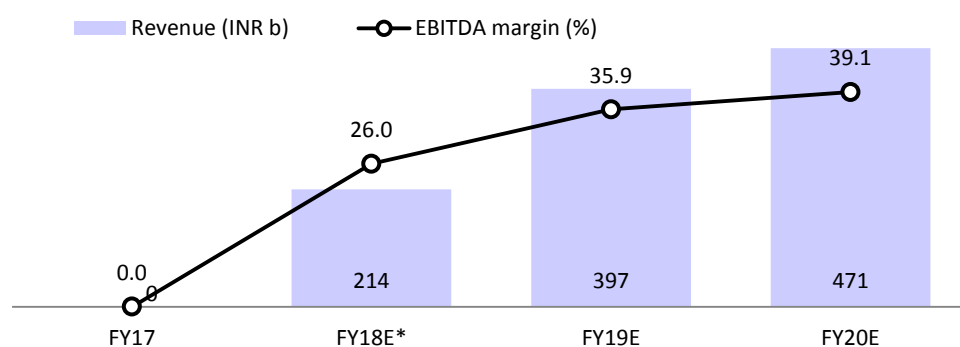
Source: Company

Exhibit 22: Summary of RJio P/L (INR b)

	FY18E*	FY19E	FY20E
Revenue	214	397	471
Subscribers (m)	181	205	223
ARPU (INR/month)	156	172	184
Operating Expenses			
Tower Rental Cost	52	107	129
% of Sales	25%	27%	27%
Spectrum and license costs	21	44	52
% of Sales	10%	11%	11%
Access and Roaming Charge	51	62	63
% of Sales	24%	16%	13%
Employee Expenses	14	19	22
% of Sales	7%	5%	5%
SGA expenses	20	22	22
% of Sales	9%	6%	5%
Total Expenditure	158	254	287
EBITDA	56	143	184
EBITDA margin (%)	26%	36%	39%

* FY18 – 9M figures

Source: Company, MOSL

Exhibit 23: Revenue and EBITDA margin to soar

* FY18 – 9M figures

Source: MOSL, Company

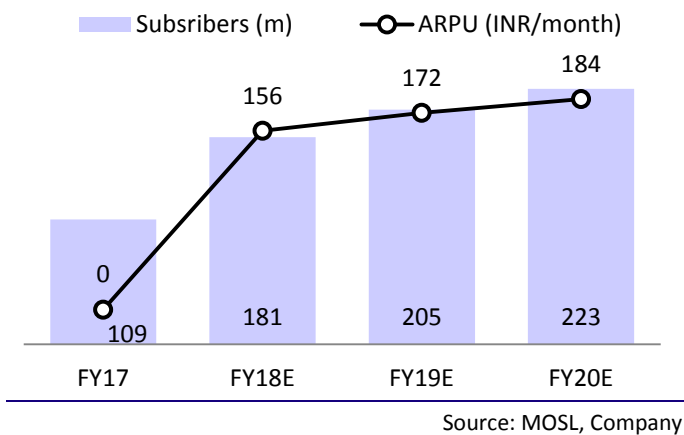
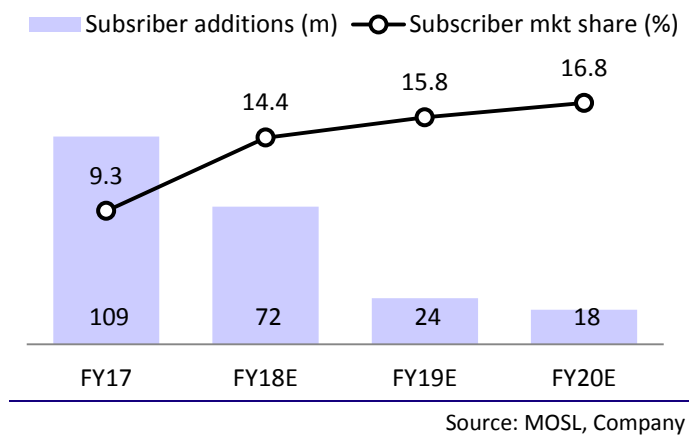
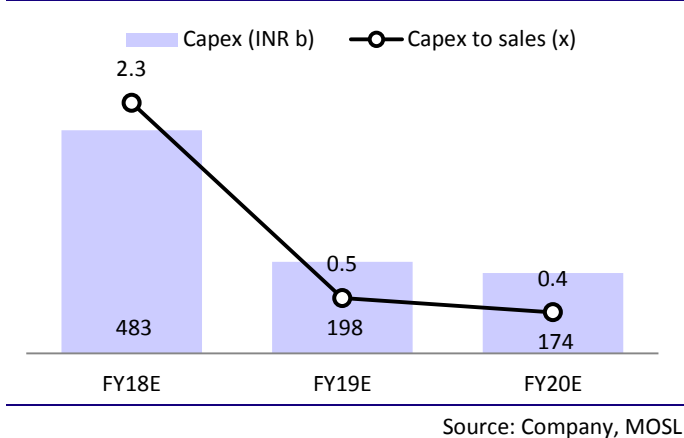
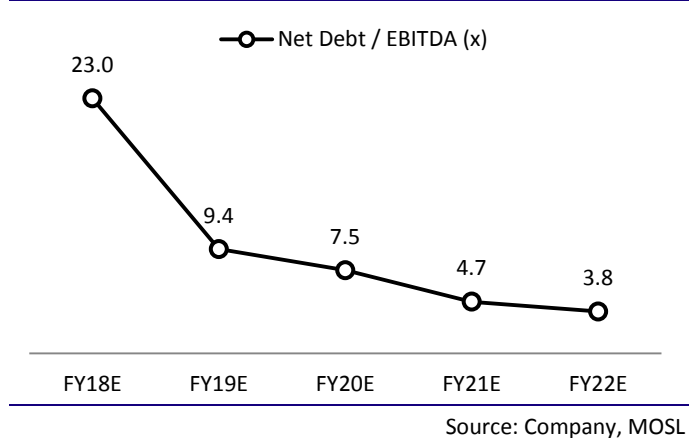
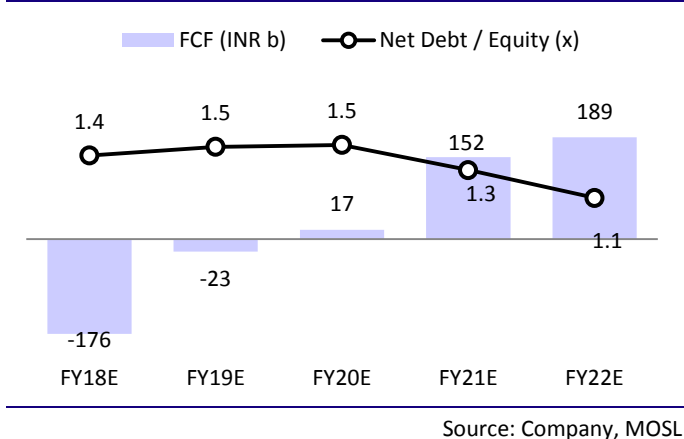
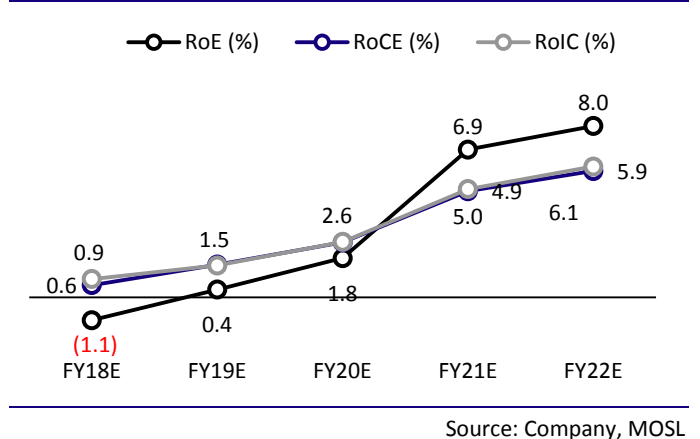
Exhibit 24: ARPU to get a fillip**Exhibit 25: Subscriber market share to rise****Exhibit 26: Capex to sales to reduce****Exhibit 27: Net debt to EBITDA to plunge****Exhibit 28: Free cash flows to touch new highs****Exhibit 29: Return ratios to rise**

Exhibit 30: Reliance Jio – DCF valuation

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One year valuation

Terminal growth rate	4.0%
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Net debt (INR b)	1,278
Equity value (INR b)	1,581
No of shares (b)	6.5
Target price (INR)	245

WACC Calculation

Risk free rate	6.0%
Beta	1.1
Rm	14.0%
Re	14.5%
D/E	50.0%
Rd	8.0%
WACC	11.0%

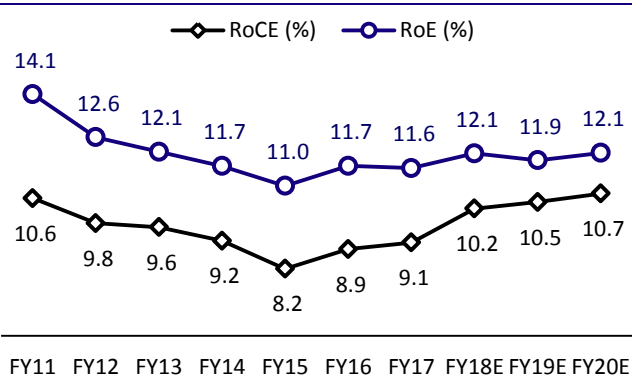
Source: Company, MOSL

Consolidated net debt to peak out in FY18

Strong margins to continue for some more time

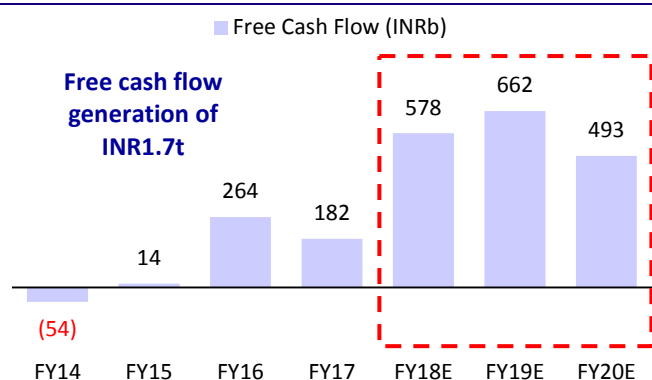
- On a standalone basis, free cash flow of INR1.7t would be generated in FY18-20. RoCE is expected to improve from 9.1% in FY17 to 10.6% in FY19.
- In the standalone business, only maintenance capex would be required in addition to the capex on E&P from FY19. We build in capex of INR75b/100b in FY19/20 for the standalone entity.
- In RJio, we build in capex of INR479b/198b/174b in FY18/19/20. RJio is expected to deliver EBITDA of INR56b/143b/184b in FY18/19/20.
- Adjusted consolidated net debt in FY17 was INR1.4t. We expect it to decline to INR410b by FY20.

Exhibit 31: Standalone return ratios to improve



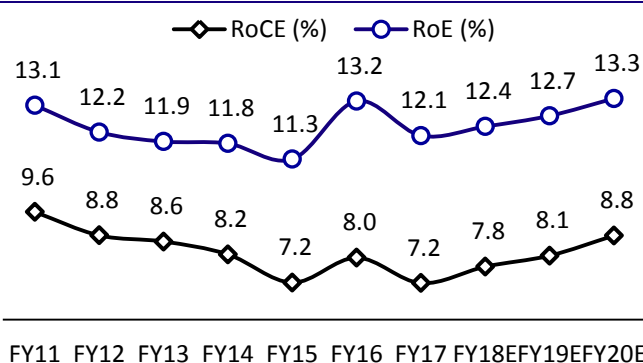
Source: Company, MOSL

Exhibit 32: Strong standalone free cash flow generation



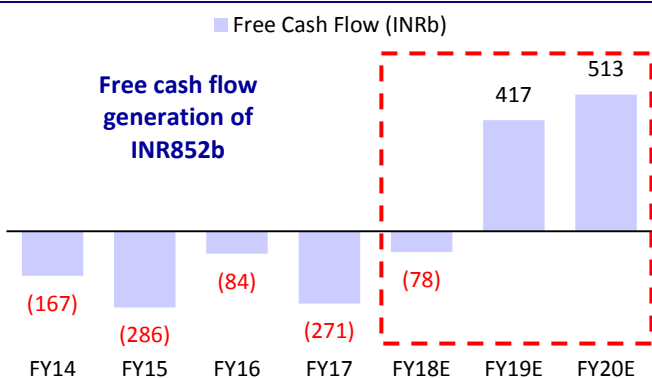
Source: Company, MOSL

Exhibit 33: Consolidated return ratios



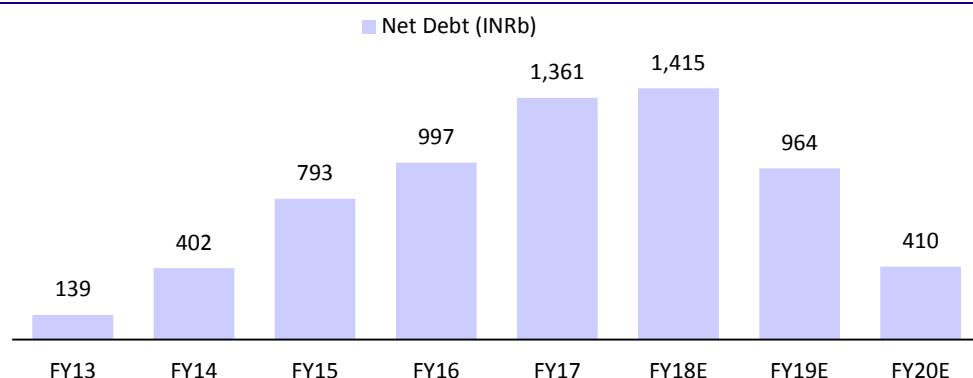
Source: Company, MOSL

Exhibit 34: Consolidated free cash flow generation



Source: Company, MOSL

Exhibit 35: Consolidated net debt to decline

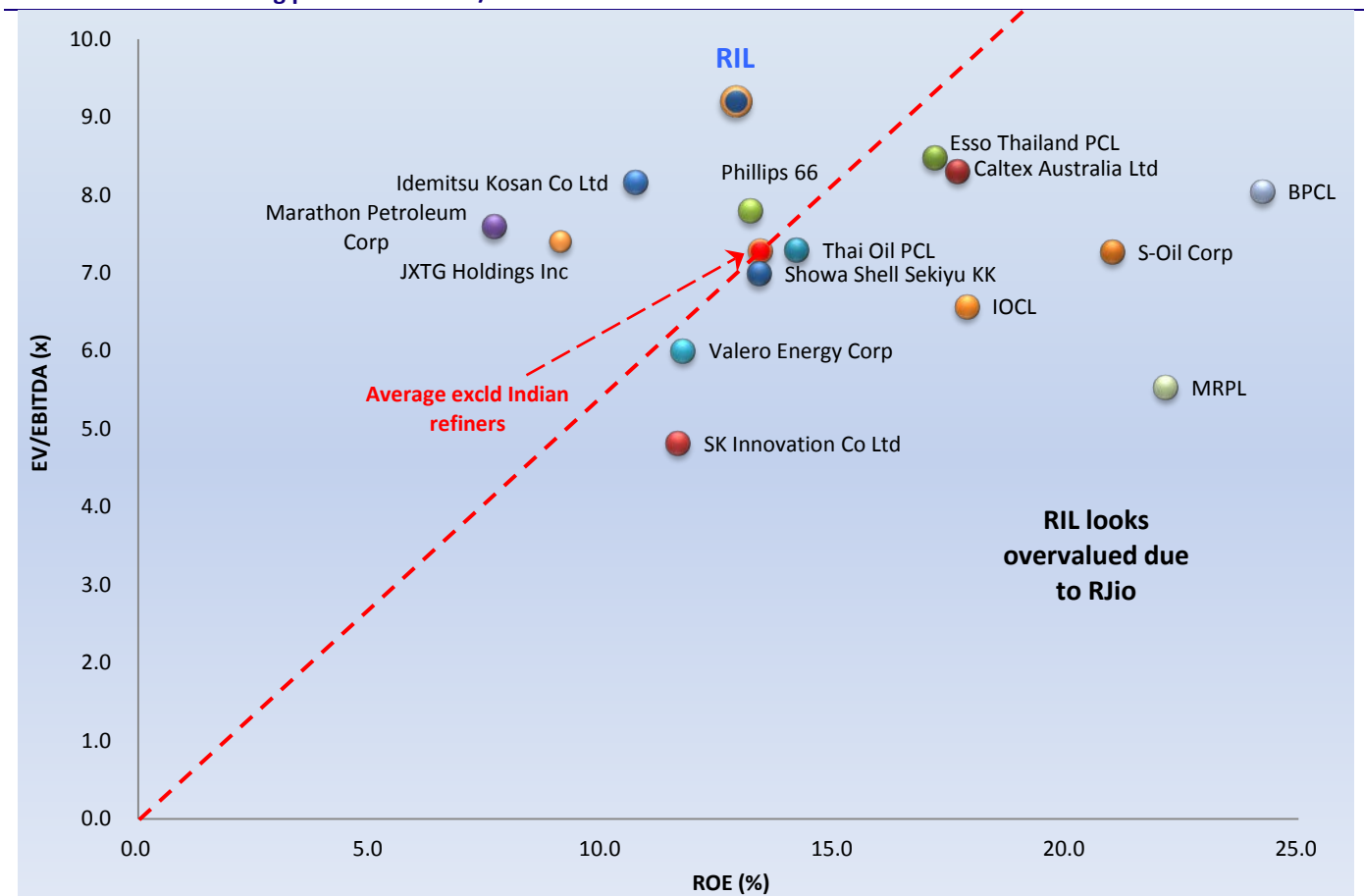


Valuation and view

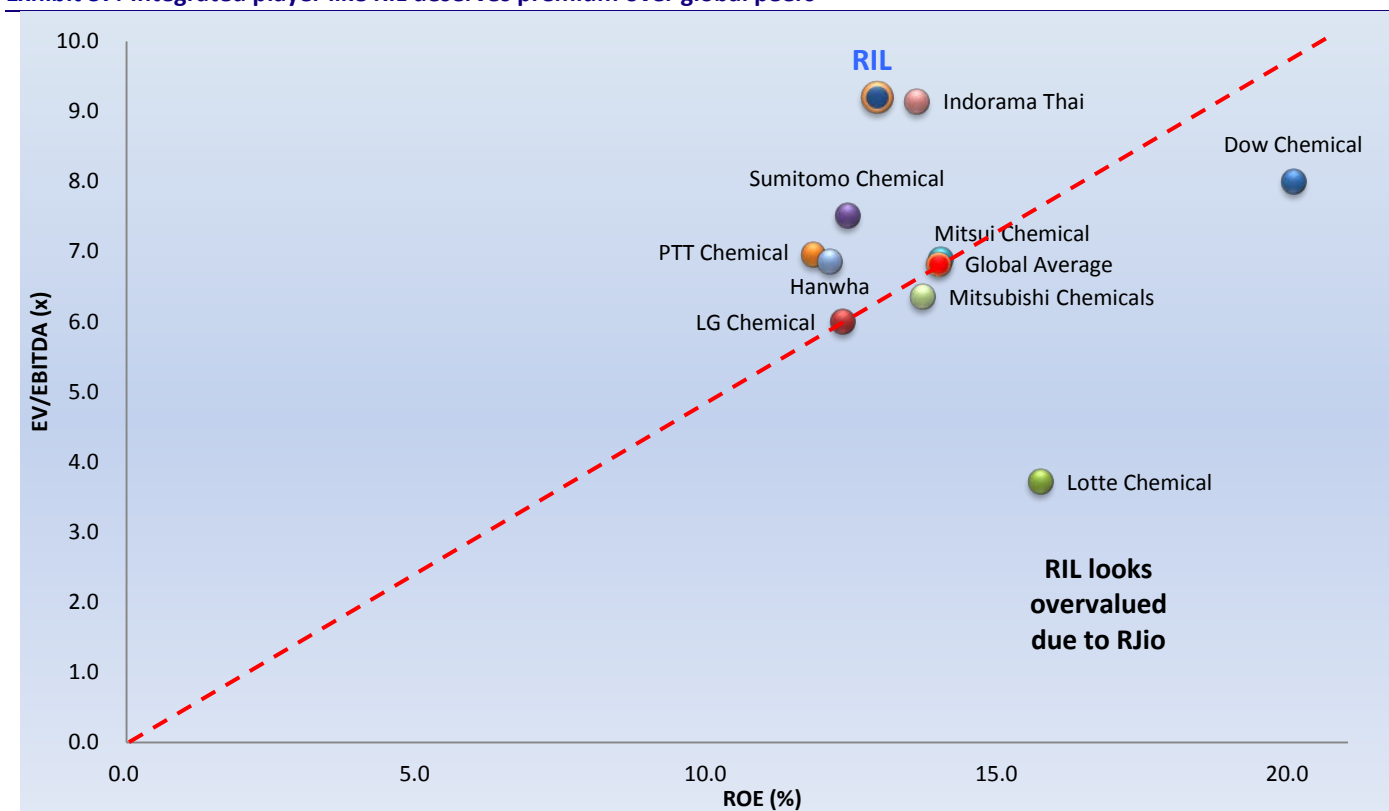
Strong margins to continue for some more time

- Global refining peers are trading at 7x FY19E EV/EBITDA and 10-11x FY19E P/E. We value RIL at a higher multiple of 7.5x average FY19-20E EV/EBITDA to factor in higher capacity utilization, better yield management, crude optimization, and sound risk management.
- Global petchem companies are trading at 7x FY19E EV/EBITDA and 10x FY19E P/E. We value RIL at 7.5x average FY19-20E EV/EBITDA. The higher multiple takes into account RIL's higher level of integration, flexibility in feedstock, as well as strong growth in the domestic petchem market.
- RIL has begun awarding long-lead items for development of R-series. Production of 12mmscmd is expected from mid-2020. RIL expects to file FDP of MJ and satellite fields by 2HFY18. These could come into production from 2021-22.
- In RJio, we expect EBITDA of INR142b in FY19, with a subscriber base of 205m and ARPU of INR172. We expect PAT breakeven in FY19. Using WACC of 11% and terminal growth of 4%, we arrive at a valuation of INR245/share for RJio.
- Our SOTP-based target price is now INR1,077, up from INR1,005 earlier. Reiterate **Buy**.

Exhibit 36: Global refining peers trade at EV/EBITDA of 7.3x FY19E



Source: Bloomberg, MOSL

Exhibit 37: Integrated player like RIL deserves premium over global peers

Source: Bloomberg, MOSL

Exhibit 38: RIL: Key assumptions

Key Metrics	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Exchange Rate (INR/USD)	45.6	47.9	54.5	60.5	61.2	65.4	67.1	64.6	66.1	67.0
Refining										
Capacity (mmt)	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0
Production (mmt)	66.5	67.6	68.1	68.1	67.9	69.5	70.1	70.6	70.0	70.0
Capacity Utilization (%)	107%	109%	110%	110%	110%	112%	113%	114%	113%	113%
GRM (USD/bbl)										
Singapore GRM	5.2	8.3	7.9	5.6	6.4	7.5	5.8	6.8	6.0	6.0
Premium/(disc)	3.2	0.3	1.4	2.8	2.5	3.3	5.2	4.7	5.5	5.5
RIL GRM	8.4	8.6	9.2	8.5	8.8	10.8	11.0	11.5	11.5	11.5
E&P										
Gas Production (mmscmd)	56.2	42.6	26.5	13.8	12.2	8.4	7.8	6.1	5.4	4.6
Oil Production (kbd)	18.9	10.9	9.1	6.4	6.6	4.9	3.4	2.4	2.3	2.0
Pricing										
Brent Oil (USD/bbl)	87	114	111	109	86	48	49	55	60	60
Wellhead Gas Price (USD/mmbtu)	4.2	4.2	4.2	4.2	4.2	4.2	3.2	3.4	3.4	3.4

Source: Company, MOSL

Exhibit 39: RIL: Segmental EBIT break-up (INR b)

Segmental EBTI (INRb)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Refining	92	96	128	132	155	233	246	254	261	260
Petchem	94	90	73	86	86	103	121	133	159	169
E&P	67	53	30	20	16	4	4	7	7	4
Total	253	239	231	238	257	340	371	394	427	433
Segmental EBIT share (%)										
Refining	36%	40%	55%	55%	60%	69%	66%	64%	61%	60%
Petrochemicals	37%	38%	32%	36%	33%	30%	33%	34%	37%	39%
E&P	26%	22%	13%	8%	6%	1%	1%	2%	2%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

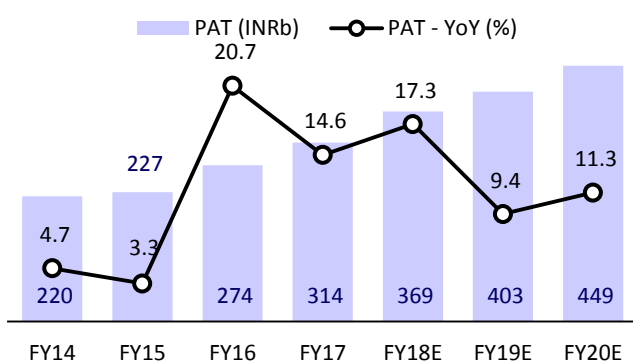
Source: Company, MOSL

Exhibit 40: RIL: Sum of the parts valuation (September 2018E TP)

Core business	Value	Remarks/Methodology
Refining	370	■ 7.5x avg FY19-20 EBITDA
Petchem	355	■ 7.5x avg FY19-20 EBITDA
E&P	65	
KG D6	5	■ DCF
PMT	6	■ DCF
NEC-25	2	■ USD 5/boe
CBM	4	■ USD 5/boe
Shale	(38)	■ 7x EV/EBITDA FY19
KG basin exploratory upside	86	■ USD 5/boe
Investments		
RGIL	3	■ Book value
Reliance Retail	67	■ 1x average FY19-20 sales
RJio	245	■ As per our telecom analyst
Total	1,105	
Net debt / (cash)	28	
Target price	1,077	

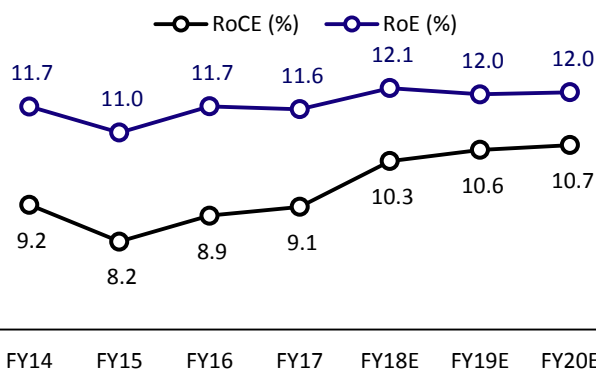
Reliance Industries: Story in charts

Exhibit 41: RIL's earnings growth momentum on a recovery track (standalone)



Source: Company, MOSL

Exhibit 42: Also, return ratios are expected to gradually recover (standalone)



Source: Company, MOSL

Exhibit 43: Refinery throughput to remain at 70mmt in FY19/20; GRM at USD11.5/bbl

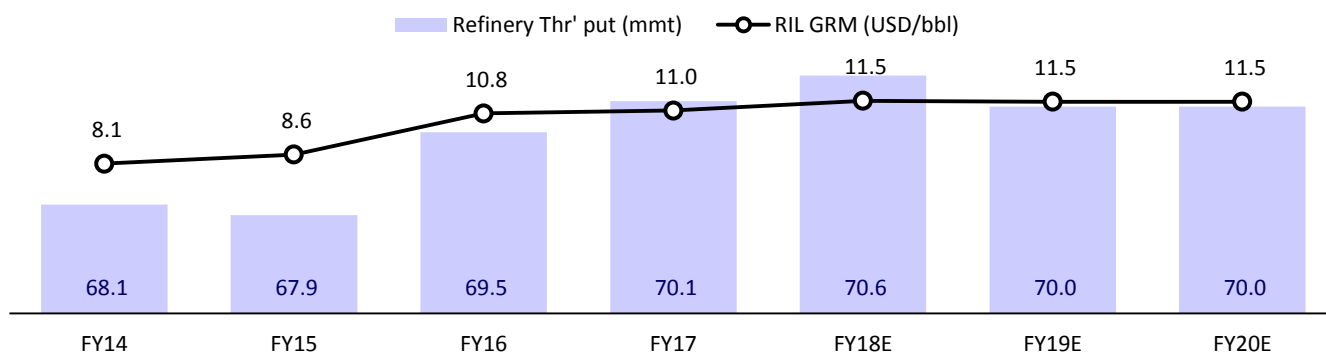
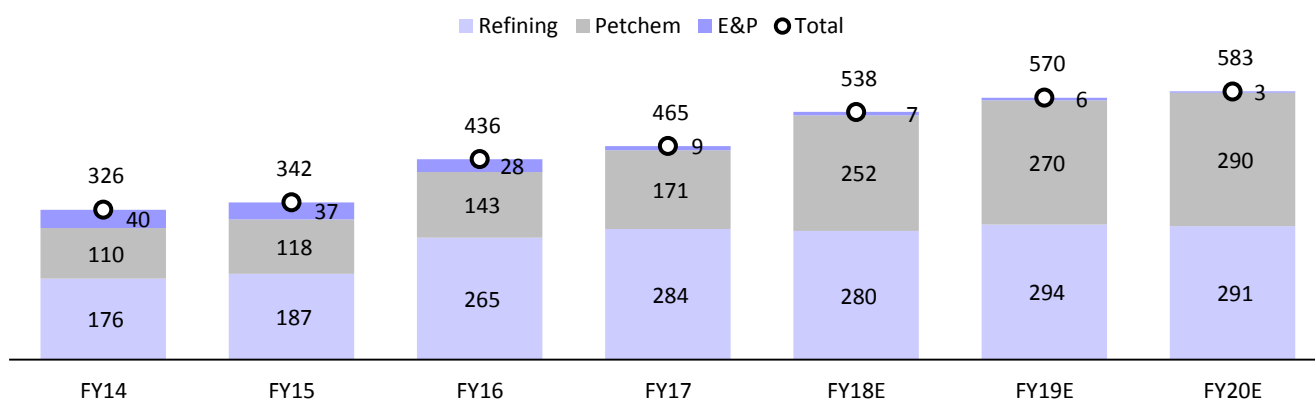
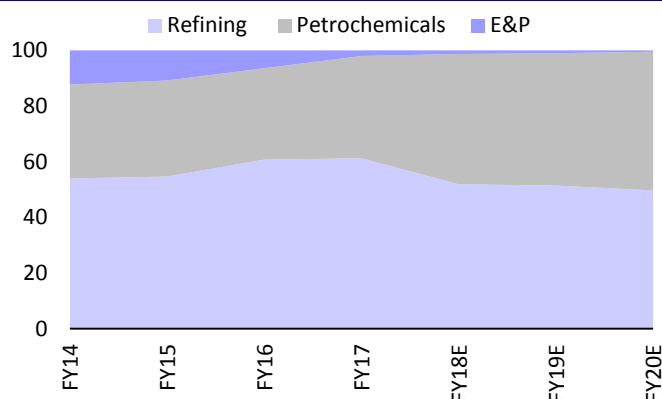


Exhibit 44: Expect petchem EBITDA contribution to increase, going forward



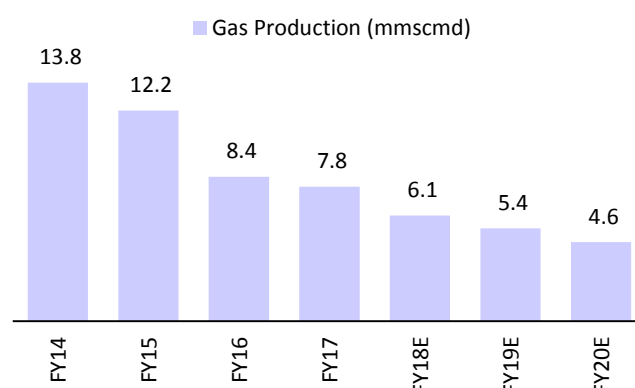
Reliance Industries: Story in charts

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



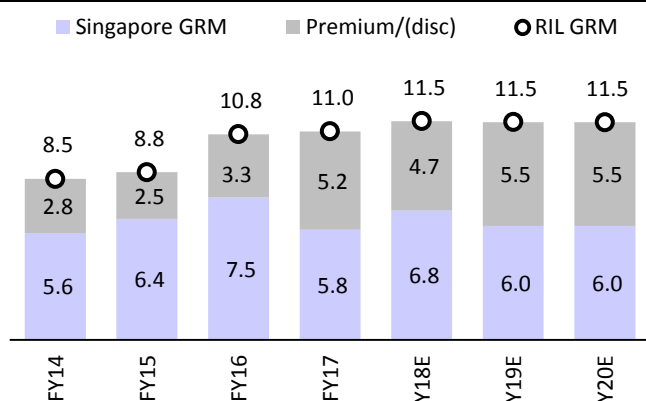
Source: Company, MOSL

Exhibit 46: Expect E&P production to decline, though new policy can boost long-term production (mmscmd)



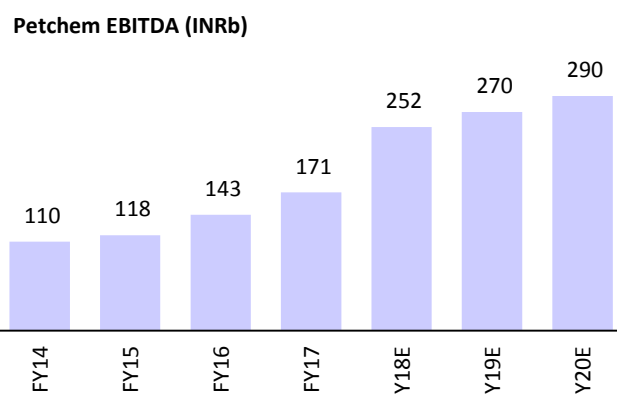
Source: Company, MOSL

Exhibit 47: RIL refining margins to remain USD11.5/bbl in FY19/20



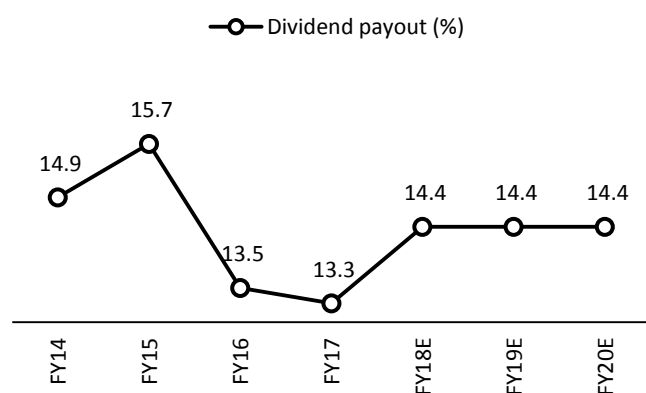
Source: Company, MOSL

Exhibit 48: We expect petchem EBITDA to improve in FY18/19/20



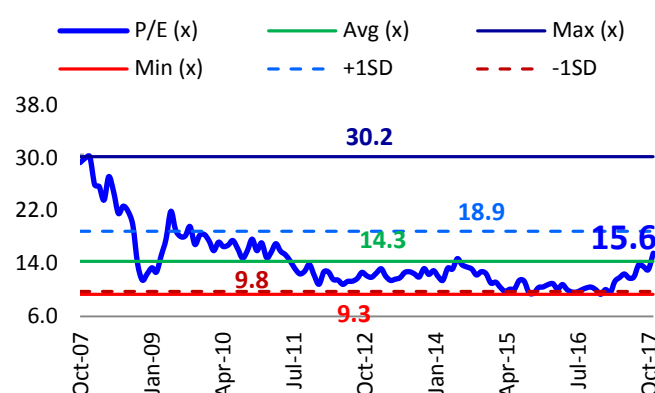
Source: Company, MOSL

Exhibit 49: Dividend payout stabilized in recent years (%)



Source: Company, MOSL

Exhibit 50: RIL 1-year forward P/E chart (last 10 years)



Source: Company, MOSL

Reliance Jio - Financials and Valuations

Standalone - Income Statement

(INR Million)

Y/E March	FY15	FY16	FY17	FY18E*	FY19E	FY20E
Total Income from Operations	0	0	0	2,13,560	3,96,992	4,71,078
Change (%)	NA	NA	NA	NA	85.9	18.7
Tower Rental Cost	1	0	0	52,355	1,07,474	1,28,793
Spectrum and License Costs	7	16	17	20,720	43,669	51,819
Access and Roaming Charge	0	0	0	50,865	61,995	62,502
Employees Cost	32	41	60	14,397	19,246	21,825
Other Expenses	156	157	355	19,656	22,000	22,000
Total Expenditure	195	214	432	1,57,994	2,54,384	2,86,938
% of Sales	NA	NA	NA	74.0	64.1	60.9
EBITDA	-195	-213	-432	55,565	1,42,608	1,84,140
Margin (%)	NA	NA	NA	26.0	35.9	39.1
Depreciation	34	43	49	45,532	98,811	1,05,771
EBIT	-228	-257	-481	10,033	43,797	78,369
Int. and Finance Charges	16	14	10	20,695	43,384	60,846
Other Income	13	31	12	2,136	3,970	4,711
PBT bef. EO Exp.	-231	-241	-479	-8,526	4,383	22,234
EO Items	0	0	0	0	0	0
PBT after EO Exp.	-231	-241	-479	-8,526	4,383	22,234
Total Tax	0	-83	-165	0	1,096	5,558
Tax Rate (%)	0.0	34.4	34.5	0.0	25.0	25.0
Minority Interest	0	0	0	0	0	0
Reported PAT	-231	-158	-314	-8,526	3,287	16,675
Adjusted PAT	-231	-158	-314	-8,526	3,287	16,675
Change (%)	NA	-31.7	98.5	2,618	LP	407.3
Margin (%)	NA	NA	NA	-4.0	0.8	3.5

Standalone - Balance Sheet

(INR Million)

Y/E March	FY15	FY16	FY17	FY18E	FY19E	FY20E
Equity Share Capital	301,250	451,250	450,000	6,50,000	6,50,000	6,50,000
Total Reserves	-508	-747	258,644	2,50,117	2,53,404	2,70,080
Net Worth	300,742	450,503	708,644	9,00,117	9,03,404	9,20,080
Total Loans	296,929	470,078	1,244,490	13,96,140	14,96,140	15,46,140
Capital Employed	597,671	920,581	1,953,134	22,96,257	23,99,544	24,66,220
Gross Block	10,256	11,825	13,606	22,72,279	24,70,279	26,44,279
Less: Accum. Deprn.	1,398	2,428	3,862	49,394	1,48,205	2,53,976
Net Fixed Assets	8,858	9,397	9,744	22,22,885	23,22,074	23,90,302
Capital WIP	722,978	1,183,499	1,779,776	0	0	0
Total Investments	7,924	8,333	8,731	8,729	8,729	8,729
Curr. Assets, Loans&Adv.	80,392	156,037	210,634	1,58,868	2,39,051	2,67,441
Account Receivables	0	0	0	17,553	32,629	38,719
Cash and Bank Balance	270	153	268	1,09,281	1,46,873	1,58,061
Loans and Advances	80,121	155,884	210,366	32,034	59,549	70,662
Curr. Liability & Prov.	222,480	436,685	55,751	94,225	1,70,310	2,00,253
Account Payables	0	0	0	19,479	31,362	35,376
Other Current Liabilities	222,298	436,286	55,067	53,390	99,248	1,17,769
Provisions	182	399	683	21,356	39,699	47,108
Net Current Assets	-142,088	-280,648	154,883	64,643	68,742	67,188
Appl. of Funds	597,671	920,581	1,953,134	22,96,257	23,99,544	24,66,220

*FY18 – 9M figures ; E: MOSL Estimates

Reliance Jio - Financials and Valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18E	FY19E	FY20E
Basic (INR)						
EPS	0.0	0.0	0.0	-0.1	0.1	0.3
Cash EPS	0.0	0.0	0.0	0.6	1.6	1.9
BV/Share	10.0	10.0	15.7	13.8	13.9	14.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share		-4.9	-9.3	-2.7	-0.4	0.3
Return Ratios (%)						
RoE	NA	0.0	-0.1	-1.1	0.4	1.8
RoCE	NA	0.0	0.0	0.6	1.5	2.6
RoIC	NA	0.1	0.6	0.9	1.5	2.6
Working Capital Ratios						
Fixed Asset Turnover (x)	0.0	0.0	0.0	0.1	0.2	0.2
Asset Turnover (x)	0.0	0.0	0.0	0.1	0.2	0.2
Debtor (Days)	274	91	365	30	30	30
Creditor (Days)	0	0	0	33	29	27
Leverage Ratio (x)						
Current Ratio	0.4	0.4	3.8	1.7	1.4	1.3
Interest Cover Ratio	-14.0	-18.0	-47.1	0.5	1.0	1.3
Net Debt/Equity	1.0	1.0	1.7	1.4	1.5	1.5

Standalone - Cash Flow Statement

(INR Million)

Y/E March	FY15	FY16	FY17	FY18E	FY19E	FY20E
OP/(Loss) before Tax	-231	-239	-479	-8,526	4,383	22,234
Depreciation	34	43	49	45,532	98,811	1,05,771
Interest & Finance Charges	16	14	10	20,695	43,384	60,846
Direct Taxes Paid	0	3	0	0	-1,096	-5,558
(Inc)/Dec in WC	-27,827	-43,454	-33,637	2,05,799	33,493	12,741
CF from Operations	-28,009	-43,633	-34,057	2,63,500	1,78,976	1,96,034
Others	-8	-26	-1	39,764	-3,970	-4,711
CF from Operating incl EO	-28,017	-43,659	-34,058	3,03,264	1,75,006	1,91,323
(Inc)/Dec in FA	-95,351	-176,334	-385,398	-4,78,897	-1,98,000	-1,74,000
Free Cash Flow	-123,368	-219,992	-419,456	-1,75,633	-22,994	17,323
(Pur)/Sale of Investments	-5,338	-246	-242	0	0	0
Others	70	78	61	2,197	4,032	4,773
CF from Investments	-100,619	-176,502	-385,579	-4,76,700	-1,93,968	-1,69,227
Issue of Shares	70,530	150,000	0	2,00,000	0	0
Inc/(Dec) in Debt	71,513	102,861	478,037	1,03,205	1,00,000	50,000
Interest Paid	-13,453	-32,740	-58,188	-20,695	-43,384	-60,846
Dividend Paid	0	0	0	0	0	0
Others	0	0	0	0	0	0
CF from Fin. Activity	128,590	220,121	419,849	2,82,510	56,616	-10,846
Inc/Dec of Cash	-45	-40	212	1,09,074	37,653	11,250
Opening Balance	315	193	56	207	1,09,219	1,46,811
Closing Balance	270	153	268	1,09,281	1,46,873	1,58,061

Reliance Industries - Financials and Valuations

Standalone - Income Statement

(INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Total Income from Operations	3,901,170	3,290,760	2,331,580	2,420,250	3,223,688	3,882,277	3,932,485
Change (%)	8.3	-15.6	-29.1	3.8	33.2	20.4	1.3
Purchases	9,360	90,770	84,120	3,220	43,320	0	0
Manufacturing and Other Expenses	3,584,150	2,883,970	1,853,990	1,984,470	2,646,909	3,300,076	3,335,653
Total Expenditure	3,592,400	2,974,740	1,938,110	1,987,690	2,690,229	3,300,076	3,335,653
% of Sales	92.1	90.4	83.1	82.1	83.5	85.0	84.8
EBITDA	308,770	316,020	393,470	432,560	533,459	582,202	596,832
Margin (%)	7.9	9.6	16.9	17.9	16.5	15.0	15.2
Depreciation	87,890	84,880	85,900	84,650	101,995	118,577	127,615
EBIT	220,880	231,140	307,570	347,910	431,464	463,624	469,217
Int. and Finance Charges	32,060	23,670	25,620	27,230	37,418	30,375	31,500
Other Income	89,360	87,210	78,210	87,090	78,659	84,016	138,108
PBT bef. EO Exp.	278,180	294,680	360,160	407,770	472,705	517,265	575,825
EO Items	0	0	0	0	0	0	0
PBT after EO Exp.	278,180	294,680	360,160	407,770	472,705	517,265	575,825
Total Tax	58,340	67,490	86,320	93,520	103,995	113,798	126,682
Tax Rate (%)	21.0	22.9	24.0	22.9	22.0	22.0	22.0
Reported PAT	219,840	227,190	273,840	314,250	368,710	403,467	449,144
Adjusted PAT	219,840	227,190	274,170	314,250	368,710	403,467	449,144
Change (%)	4.7	3.3	20.7	14.6	17.3	9.4	11.3
Margin (%)	5.6	6.9	11.8	13.0	11.4	10.4	11.4

Standalone - Balance Sheet

(INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Equity Share Capital	32,320	32,360	32,400	32,510	65,020	65,020	65,020
Eq. Share Warrants & App. Money	170	170	0	0	0	0	0
Total Reserves	1,938,420	2,129,230	2,507,580	2,850,620	3,133,634	3,478,902	3,863,258
Net Worth	1,970,910	2,161,760	2,539,980	2,883,130	3,198,654	3,543,922	3,928,278
Total Loans	854,810	976,170	923,200	1,013,030	650,000	700,000	700,000
Deferred Tax Liabilities	122,150	126,770	237,470	247,660	247,660	247,660	247,660
Capital Employed	2,947,870	3,264,700	3,700,650	4,143,820	4,096,314	4,491,582	4,875,938
Gross Block	2,225,650	2,360,620	2,622,320	2,584,480	3,701,320	4,203,820	4,303,820
Less: Accum. Deprn.	1,131,590	1,214,990	1,146,890	1,053,180	1,354,822	1,473,399	1,601,014
Net Fixed Assets	1,094,060	1,145,630	1,475,430	1,531,300	2,346,498	2,730,421	2,702,806
Capital WIP	417,160	757,530	1,109,050	1,341,890	592,198	164,698	164,698
Total Investments	894,620	1,125,730	1,572,500	1,924,500	1,924,500	1,924,500	1,924,500
Curr. Assets, Loans&Adv.	1,269,990	948,960	659,760	669,770	996,161	1,795,190	2,234,619
Inventory	429,320	365,510	280,340	340,180	453,108	545,676	552,733
Account Receivables	106,640	46,610	34,950	54,720	72,885	87,775	88,910
Cash and Bank Balance	332,240	115,710	68,920	17,540	179,706	833,213	1,261,548
Loans and Advances	401,790	421,130	275,550	257,330	290,462	328,526	331,427
Curr. Liability & Prov.	727,960	713,150	1,116,090	1,323,640	1,763,042	2,123,226	2,150,684
Account Payables	686,290	650,570	1,093,730	1,289,780	1,717,942	2,068,912	2,095,668
Other Current Liabilities	0	0	0	0	0	0	0
Provisions	41,670	62,580	22,360	33,860	45,100	54,314	55,017
Net Current Assets	542,030	235,810	-456,330	-653,870	-766,881	-328,036	83,934
Appl. of Funds	2,947,870	3,264,700	3,700,650	4,143,820	4,096,314	4,491,582	4,875,938

Reilance Industries - Financials and Valuations

Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Basic (INR)							
EPS	33.8	34.9	42.2	48.3	56.7	62.1	69.1
Cash EPS	47.3	48.0	55.4	61.4	72.4	80.3	88.7
BV/Share	317.4	348.1	409.0	464.3	515.1	570.7	632.6
DPS	4.3	4.5	4.8	5.5	7.0	7.7	8.5
Payout (%)	14.9	15.7	13.5	13.3	14.4	14.4	14.4
Valuation (x)							
P/E		25.4	21.1	18.4	15.7	14.3	12.9
Cash P/E		18.5	16.0	14.5	12.3	11.1	10.0
P/BV		2.6	2.2	1.9	1.7	1.6	1.4
EV/Sales		2.0	2.8	2.8	1.9	1.5	1.3
EV/EBITDA		21.0	16.8	15.7	11.7	9.7	8.7
Dividend Yield (%)	0.5	0.5	0.5	0.6	0.8	0.9	1.0
FCF per share	-8.3	2.2	40.6	28.0	89.0	101.8	75.8
Return Ratios (%)							
RoE	11.7	11.0	11.7	11.6	12.1	12.0	12.0
RoCE	9.2	8.2	8.9	9.1	10.3	10.6	10.7
RoIC	12.7	13.9	21.1	29.6	29.8	24.4	23.7
Working Capital Ratios							
Fixed Asset Turnover (x)	1.8	1.4	0.9	0.9	0.9	0.9	0.9
Asset Turnover (x)	1.3	1.0	0.6	0.6	0.8	0.9	0.8
Inventory (Days)	40	41	44	51	51	51	51
Debtor (Days)	10	5	5	8	8	8	8
Creditor (Days)	64	72	171	195	195	195	195
Leverage Ratio (x)							
Current Ratio	1.7	1.3	0.6	0.5	0.6	0.8	1.0
Interest Cover Ratio	6.9	9.8	12.0	12.8	11.5	15.3	14.9
Net Debt/Equity	-0.2	-0.1	-0.3	-0.3	-0.5	-0.6	-0.6

Standalone - Cash Flow Statement

(INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
OP/(Loss) before Tax	278,180	294,680	360,160	407,770	472,705	517,265	575,825
Depreciation	87,890	84,880	85,900	84,650	101,995	118,577	127,615
Interest & Finance Charges	0	0	0	0	0	0	0
Direct Taxes Paid	-58,340	-67,490	-86,320	-93,520	-103,995	-113,798	-126,682
(Inc)/Dec in WC	-51,630	174,450	560,590	146,160	275,176	214,662	16,365
CF from Operations	256,100	486,520	920,330	545,060	745,881	736,706	593,123
Others	220	4,620	110,700	10,190	0	0	0
CF from Operating incl EO	256,320	491,140	1,031,030	555,250	745,881	736,706	593,123
(Inc)/Dec in FA	-310,470	-476,820	-767,220	-373,360	-167,500	-75,000	-100,000
Free Cash Flow	-54,150	14,320	263,810	181,890	578,381	661,706	493,123
(Pur)/Sale of Investments	-369,530	-231,110	-446,770	-352,000	0	0	0
CF from Investments	-680,000	-707,930	-1,213,990	-725,360	-167,500	-75,000	-100,000
Issue of Shares	-16,450	-750	141,380	70,638	0	0	0
Inc/(Dec) in Debt	309,580	36,600	31,790	89,830	-363,030	50,000	0
Dividend Paid	-32,680	-35,590	-37,000	-41,738	-53,186	-58,199	-64,788
CF from Fin. Activity	260,450	260	136,170	118,730	-416,216	-8,199	-64,788
Inc/Dec of Cash	-163,230	-216,530	-46,790	-51,380	162,166	653,507	428,335
Opening Balance	495,470	332,240	115,710	68,920	17,540	179,706	833,213
Closing Balance	332,240	115,710	68,920	17,540	179,706	833,213	1,261,548

Reliance Industries - Financials and Valuations

Consolidated - Income Statement

(INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Total Income from Operations	4,344,600	3,754,350	2,739,990	3,053,820	4,119,110	5,016,870	5,202,390
Change (%)	9.4	-13.6	-27.0	11.5	34.9	21.8	3.7
Total Expenditure	3,996,610	3,380,710	2,322,950	2,591,880	3,497,450	4,256,007	4,381,394
% of Sales	92.0	90.0	84.8	84.9	84.9	84.8	84.2
EBITDA	347,990	373,640	417,040	461,940	621,660	760,863	820,996
Margin (%)	8.0	10.0	15.2	15.1	15.1	15.2	15.8
Depreciation	112,010	115,470	115,650	116,460	179,405	249,387	265,508
EBIT	235,980	258,170	301,390	345,480	442,255	511,476	555,488
Int. and Finance Charges	38,360	33,160	36,910	38,490	69,264	84,713	103,200
Other Income	90,010	86,130	122,890	93,350	87,043	94,234	149,067
PBT bef. EO Exp.	287,630	311,140	387,370	400,340	460,033	520,998	601,355
EO Items	0	0	0	0	0	0	0
PBT after EO Exp.	287,630	311,140	387,370	400,340	460,033	520,998	601,355
Total Tax	62,150	74,740	88,760	102,010	115,874	127,935	146,576
Tax Rate (%)	21.6	24.0	22.9	25.5	25.2	24.6	24.4
Minority Interest	550	740	1,160	-680	-680	-680	-680
Reported PAT	224,930	235,660	297,450	299,010	344,839	393,742	455,459
Adjusted PAT	224,930	235,660	297,450	299,010	344,839	393,742	455,459
Change (%)	7.7	4.8	26.2	0.5	15.3	14.2	15.7
Margin (%)	5.2	6.3	10.9	9.8	8.4	7.8	8.8

Consolidated - Balance Sheet

(INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Equity Share Capital	29,400	29,430	29,480	29,590	59,180	59,180	59,180
Eq. Share Warrants & App. Money	170	170	80	40	40	40	40
Total Reserves	1,957,300	2,155,390	2,286,000	2,607,460	2,854,075	3,147,893	3,497,765
Net Worth	1,986,870	2,184,990	2,315,560	2,637,090	2,913,295	3,207,113	3,556,985
Minority Interest	9,590	30,380	33,560	29,170	29,170	29,170	29,170
Total Loans	1,387,610	1,682,510	1,947,140	2,174,770	2,454,770	2,584,770	2,664,770
Deferred Tax Liabilities	119,250	129,740	204,940	211,980	211,980	211,980	211,980
Capital Employed	3,503,320	4,027,620	4,501,200	5,053,010	5,609,215	6,033,033	6,462,905
Gross Block	2,610,190	2,844,690	3,312,450	3,564,010	6,487,706	7,392,445	7,773,393
Less: Accum. Deprn.	1,196,020	1,324,080	1,505,890	1,627,670	1,797,906	2,032,981	2,289,830
Net Fixed Assets	1,414,170	1,520,610	1,806,560	1,936,340	4,689,800	5,359,464	5,483,563
Goodwill on Consolidation	0	43,970	42,540	48,920	48,920	48,920	48,920
Capital WIP	914,940	1,664,620	2,286,970	3,248,370	974,674	319,935	188,987
Total Investments	606,020	764,510	840,150	783,900	783,900	783,900	783,900
Curr. Assets, Loans&Adv.	1,353,300	1,051,150	1,013,750	1,050,490	1,429,183	2,185,665	3,022,114
Inventory	567,200	532,480	464,860	534,600	614,790	707,009	813,060
Account Receivables	94,110	53,150	44,650	81,770	94,036	108,141	124,362
Cash and Bank Balance	379,840	125,450	110,280	30,230	255,884	836,371	1,470,426
Loans and Advances	312,150	340,070	393,960	403,890	464,474	534,145	614,266
Curr. Liability & Prov.	785,110	1,017,240	1,488,770	2,015,010	2,317,262	2,664,851	3,064,578
Account Payables	608,600	594,070	602,960	765,950	880,843	1,012,969	1,164,914
Other Current Liabilities	129,150	353,710	855,750	1,207,860	1,389,039	1,597,395	1,837,004
Provisions	47,360	69,460	30,060	41,200	47,380	54,487	62,660
Net Current Assets	568,190	33,910	-475,020	-964,520	-888,078	-479,186	-42,465
Appl. of Funds	3,503,320	4,027,620	4,501,200	5,053,010	5,609,215	6,033,033	6,462,905

E: MOSL Estimates

Reilance Industries - Financials and Valuations

Ratios							
Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Basic (INR)							
EPS	38.0	39.8	50.3	50.5	58.3	66.5	77.0
Cash EPS	56.9	59.3	69.8	70.2	88.6	108.7	121.8
BV/Share	335.7	369.2	391.3	445.6	492.3	541.9	601.0
DPS	4.7	5.0	5.2	5.5	5.8	6.2	7.4
Payout (%)	14.5	15.1	12.4	13.0	12.0	11.2	11.5
Valuation (x)							
P/E				17.6	15.2	13.3	11.5
Cash P/E				12.6	10.0	8.2	7.3
P/BV				2.0	1.8	1.6	1.5
EV/Sales				2.4	1.8	1.4	1.2
EV/EBITDA				16.0	12.0	9.2	7.9
Dividend Yield (%)				0.6	0.7	0.7	0.8
FCF per share				-45.8	-13.2	70.5	86.6
Return Ratios (%)							
RoE	11.8	11.3	13.2	12.1	12.4	12.9	13.5
RoCE	8.2	7.2	8.0	7.2	7.8	8.2	8.9
RoIC	11.6	12.8	17.0	22.8	14.4	10.0	10.4
Working Capital Ratios							
Fixed Asset Turnover (x)	1.7	1.3	0.8	0.9	0.6	0.7	0.7
Asset Turnover (x)	1.2	0.9	0.6	0.6	0.7	0.8	0.8
Inventory (Days)	48	52	62	64	54	51	57
Debtor (Days)	8	5	6	10	8	8	9
Creditor (Days)	51	58	80	92	78	74	82
Leverage Ratio (x)							
Current Ratio	1.7	1.0	0.7	0.5	0.6	0.8	1.0
Interest Cover Ratio	6.2	7.8	8.2	9.0	6.4	6.0	5.4
Net Debt/Equity	0.2	0.4	0.4	0.5	0.5	0.3	0.1

Consolidated - Cash Flow Statement

(INR Million)

Y/E March	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
OP/(Loss) before Tax	287,630	311,140	387,370	400,340	425,117	452,237	538,658
Depreciation	112,010	115,470	115,650	116,460	170,236	235,075	256,849
Interest & Finance Charges	-20,710	-11,970	4,470	8,640	-64,122	-76,397	-92,954
Direct Taxes Paid	-62,130	-64,350	-85,820	-100,830	-108,323	-115,234	-137,255
(Inc)/Dec in WC	110,300	18,150	78,290	154,630	149,213	171,594	197,334
CF from Operations	427,100	368,440	499,960	579,240	572,120	667,276	762,632
Others	5,510	-24,700	-118,620	-83,740	0	0	0
CF from Operating incl EO	432,610	343,740	381,340	495,500	572,120	667,276	762,632
(Inc)/Dec in FA	-599,390	-629,620	-465,540	-766,270	-650,000	-250,000	-250,000
Free Cash Flow	-166,780	-285,880	-84,200	-270,770	-77,880	417,276	512,632
(Pur)/Sale of Investments	-158,100	-118,580	58,480	92,300	0	0	0
Others	63,030	65,630	42,650	12,250	107,353	123,455	141,974
CF from Investments	-694,460	-682,570	-364,410	-661,720	-542,648	-126,545	-108,026
Issue of Shares	1,880	3,430	2,880	8,110	0	0	0
Inc/(Dec) in Debt	223,340	175,210	129,880	207,850	280,000	130,000	80,000
Interest Paid	-56,190	-61,490	-92,240	-129,200	-43,230	-47,059	-49,020
Dividend Paid	-31,230	-32,680	-72,590	-530	-41,302	-43,936	-52,318
Others	-670	-30	-30	-60	714	750	787
CF from Fin. Activity	137,130	84,440	-32,100	86,170	196,182	39,755	-20,551
Inc/Dec of Cash	-124,720	-254,390	-15,170	-80,050	225,654	580,487	634,055
Opening Balance	504,560	379,840	125,450	110,280	30,230	255,884	836,371
Closing Balance	379,840	125,450	110,280	30,230	255,884	836,371	1,470,426

NOTES

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