



Reliance Industries Ltd

A ground-up Sum-of-the-Parts valuation of India's largest conglomerate — five businesses, one stock price, and the question of whether the parts are worth more than the whole the market is currently paying for.

RATING

BUY

TARGET PRICE

₹1,610

CMP (29 SEP 2026)

₹1,182

SOTP UPSIDE (BASE)

+36.2%

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BUY

Reliance Industries Ltd

RELIANCE

A conglomerate priced like one business, worth more when valued as five — the Jio IPO is about to test which view is right

Summary

Reliance Industries is India's largest listed company by revenue and market capitalisation, built around five genuinely distinct businesses under one share: Oil-to-Chemicals (O2C, refining and petrochemicals), Oil & Gas exploration, Digital Services (Jio Platforms, 66.43%-owned), Retail (Reliance Retail Ventures, 83.56%-owned), and a fifth, not-yet-monetised New Energy business building India's largest clean-energy manufacturing complex at Jamnagar. Consolidated Q1 FY27 (quarter to June 2026) revenue reached ₹340,257 crore (+24.5% YoY) and EBITDA ₹54,067 crore (+10.1% YoY), both beating every brokerage preview we found, with O2C, Jio and Retail all contributing to the beat.

The stock has not followed the earnings. RIL closed at a 17-month low on 24 September 2026 — five days before this report's research was compiled — despite roughly 30 of 31 tracked analysts rating it Buy and a consensus target implying 26-41% upside from current levels (sources vary). That disconnect is the report's starting puzzle, and a segment-by-segment Sum-of-the-Parts valuation is the natural tool for solving it: RIL's own consolidated P&L does not yet show what Jio Platforms and Reliance Retail are actually worth, because both carry externally-held minority stakes from 2020-era private placements, and because the single biggest re-rating catalyst — a SEBI-cleared Jio Platforms IPO, filed and approved for listing in August 2026 — has not happened yet.

Our own SOTP, built bottom-up from disclosed segment EBITDA, sourced brokerage valuation marks for the unlisted Jio Platforms and Reliance Retail businesses, and RIL's own reported net debt, lands at a base case of ₹1,609 per share (+36.1% from CMP) — comfortably inside the range independently reached by Street brokerages (₹1,510-1,870) despite being built from first principles rather than copied from any single note. Even our bear case, which assigns zero value to the entirely-undisclosed New Energy segment and applies conservative multiples throughout, still clears the current price by a small margin.

Net: BUY. The case does not require New Energy to succeed, does not require the Jio IPO to price at the top of its sourced range, and does not require the conglomerate discount to close — it only requires that Jio Platforms and Reliance Retail are worth something

TARGET PRICE

12-month target	₹1,610
CMP (29 Sep 2026)	₹1,182
Implied upside	+36.2%
Rating	BUY

KEY STOCK DATA

Market cap	₹15,98,344 cr
P/E (TTM)	~19.8–21.4x (sources vary)
52-week range	₹1,182 – ₹1,612
Book value/share	~₹668–685 (sources vary)
Dividend yield	0.51%
Net debt / EBITDA	0.57x (30 Jun 2026)

SHAREHOLDING (JUN 2026)

Promoter (Ambani family)	~50.5%
FII	~17.2%
DII	~19.6–21.1%
Public	~11.0%

FINANCIAL SNAPSHOT (₹ CR)

	FY25	FY26	Q1 FY27
Revenue	9,62,820	10,55,780	3,40,257
EBITDA	—	1,79,065	54,067
PAT	81,309	95,754*	20,946*



close to what informed private investors and the company's own IPO process have already priced them at, which the current share price does not yet reflect.

Investment rationale

- **The Sum-of-the-Parts reveals value the consolidated P&L cannot show yet.** Jio Platforms alone (66.43%-owned) contributes an estimated ₹7.0 lakh crore to our base-case SOTP — more than 40% of RIL's entire current market capitalisation — and that is before Retail, O2C, Oil & Gas or New Energy are counted at all.
- **The Jio Platforms IPO is no longer speculative.** A DRHP was filed with SEBI during Q1 FY27 and cleared by the regulator on 28 August 2026 — a fresh issue of up to 27 crore shares (~2.9% of post-issue equity, no promoter offer-for-sale), reported at ~₹37,700 crore (~\$3.8bn), which would be India's largest IPO. This is the first concrete step toward a market-discovered price for Jio since the 2020 private placements.
- **Every reporting segment beat estimates in the most recent quarter.** Q1 FY27 consolidated EBITDA of ₹54,067 crore (+10.1% YoY) beat every brokerage preview we found (range ₹47,100-49,100 crore); O2C EBITDA rose 17.2% YoY on a refining-margin recovery, and Jio's EBITDA margin reached a record 53.3%.
- **Two sovereign-grade credit upgrades in six months.** Moody's raised RIL to Baa1 (from Baa2) on 29 May 2026, and S&P raised it to A- (from BBB+) around December 2025 — both citing scale, diversification and a genuinely low balance sheet (net debt/EBITDA of just 0.57x as of 30 June 2026) — meaning the New Energy build-out can be funded without diluting the equity story.
- **Street conviction the price has not caught up with.** Roughly 30 of 31 tracked analysts rate RIL Buy (per JPMorgan, 3 Sept 2026), with named targets from Goldman Sachs (₹1,870), CLSA (₹1,800) and Nomura (₹1,690) all sitting well above the ₹1,182 close — yet the stock hit a 17-month low on 24 September 2026. Our own bottom-up SOTP, built independently of any single brokerage note, corroborates the Street's direction rather than RIL's own recent price action.
- **New Energy is a funded, real-world bet, not a slide-deck promise.** ₹75,000 crore has been committed to the Dhirubhai Ambani Green Energy Giga Complex at Jamnagar; the first heterojunction (HJT) solar modules are already shipping; and — unlike several smaller peers profiled in Dart Consultants' companion India grid-storage primer — RIL has the balance sheet to absorb a mid-course technology-strategy change (see below) without an existential funding crisis.

What gives us pause

- **The battery-cell strategy has quietly retreated from "sovereign manufacturer" to "assembler."** A planned LFP cell-technology licence from China's Xiamen Hithium reportedly collapsed after Beijing's November 2025 export curbs; by May 2026, Reliance was reported to be exploring component sourcing from China's CATL instead, prioritising battery-pack assembly and systems integration over in-house cell manufacturing. This is a materially different, and less strategically defensible, position than the "India's battery champion" framing often attached to this business — and one this analyst house has documented playing out identically across several smaller peers in its India grid-storage sector primer.
- **Jio's valuation is the single biggest swing factor in this model, and sources disagree by a factor of two.** Sourced enterprise-value estimates for Jio Platforms span \$92 billion (JPMorgan, ~Sept 2025) to \$190 billion (CLSA's 2028 forward estimate), with the SEBI-cleared IPO itself reportedly targeting closer to \$100 billion. This single input swings our own SOTP bear-to-bull range by more than ₹700 per share.
- **New Energy has no disclosed P&L segment at all.** As of Q1 FY27, RIL's own quarterly reporting carries no standalone revenue or EBITDA line for New Energy. Every valuation assigned to it anywhere in this report — including our own base-case ₹1,20,000 crore, borrowed from Equirus Securities' 1.5x-invested-capital approach — is a modelled estimate, not a multiple applied to a reported number.



- **The Jio IPO's own press-estimated valuation has already fallen once.** From an AGM-era estimate of ~\$180 billion (19 June 2026) to ~\$137 billion implied by the SEBI-cleared DRHP terms (28 August 2026) — a ~24% reduction in barely two months. A number can move meaningfully before the shares even list.
- **Reported profit figures disagree by ₹2,000-15,000 crore across reputable sources for the same quarter.** This is most plausibly a parent-attributable-versus-total-consolidated-including-minority- interest distinction given RIL's large externally-held minority stakes in Jio Platforms and Reliance Retail, but no single source we found stated this explicitly — a genuine data-transparency gap for a company this size.
- **A widening holding-company discount is a named risk, not a hypothetical one.** JPMorgan's own 3 September 2026 note explicitly lists this alongside retail-multiple compression as a downside scenario. Our SOTP does not layer an additional discount on top of its already-conservative bear-case multiples — a market that chooses to discount RIL's complexity further than it already does could still underperform even this report's bear case.

Corporate governance assessment

1. Which rules actually apply

RIL is a mainboard NSE/BSE-listed company (also GDR-listed in London) subject to the full SEBI LODR regime (Regulations 17-27), including enhanced related-party-transaction disclosure appropriate to a company of its index weight (a core NIFTY 50/SENSEX constituent). Its O2C and Oil & Gas businesses carry additional sector regulation (PNGRB, MoPNG); Jio Platforms' pending IPO brings it under SEBI's ICDR (issue) regime on top of LODR; Jio Financial Services, though a separately listed entity following its 2023 demerger, shares the same ultimate promoter group and therefore the same related-party-scrutiny logic applies across the two listed entities.

2. What the company does well

RIL has continued paying a dividend (₹6.00/share for FY26) despite an active, multi-segment capex programme, and has proactively sought (and received) two investment-grade rating upgrades in six months — a process that requires sustained financial transparency to the rating agencies, not just to public markets. The Jio Platforms IPO structure is a genuinely shareholder-friendly design choice: it is a 100% fresh issue with no promoter offer-for-sale, and disclosed proceeds are earmarked mainly for repaying ~₹27,500 crore of Reliance Jio Infocomm's own borrowings rather than for promoter liquidity. Promoter shareholding has been rising, not falling, over the past several quarters — the opposite direction from what a reader should worry about.

3. Grey areas

A related-party arrangement between Jio Financial Services' leasing subsidiary and Reliance Retail (a large router-leasing deal, cited in one secondary source at a scale of "\$4.4 billion" but not independently corroborated in our own research) sits between two promoter-group-linked entities and deserves a named mention even though we could not verify its exact terms. Anant Ambani's appointment as an Executive Director of RIL (five-year term from 1 May 2025) was approved by a narrower shareholder margin (92.75%) than earlier board inductions for his siblings (98%) — not a red flag on its own, but a data point worth tracking as succession dynamics at a company this size continue to play out. More broadly, the web of related entities across RIL, Jio Platforms' external minority investors, Jio Financial Services, and the JioStar media joint venture is genuinely complex, and a reader should not assume full visibility into every inter-company economic arrangement from public disclosure alone.

4. Red flags

Two, both disclosed and dated, neither disqualifying at this scale. On 2 December 2025, the Supreme Court upheld a ₹30 lakh SEBI penalty against RIL and two senior compliance officers for delayed disclosure of the 2020 Facebook-Jio Platforms investment — RIL's formal announcement followed roughly a month after the Financial Times had already reported the near-deal. On 6 July 2026, SEBI issued RIL an administrative warning (not a financial penalty) over share dealing by two employees



and one employee's family member who allegedly held unpublished price-sensitive information in July 2024; RIL has stated it will address SEBI's concerns. Neither matter is a structural governance failure, but per this report's own standards, both are named explicitly rather than treated as immaterial simply because RIL is large.

5. Items to watch

The Jio Platforms IPO's final listing date, issue price and post-listing market performance — the nearest-term governance-and-valuation-relevant event in this entire report. Any further disclosure on the JFS-Reliance Retail related-party leasing arrangement. Independent confirmation of RIL's exact residual equity stake (if any) in Jio Financial Services, which our own research could not verify with a dated primary source and which we have therefore treated as nil for SOTP purposes (see §8).

GOVERNANCE CONCLUSION

Adequate, with two disclosed matters that argue for care rather than alarm. Neither the FY2020 delayed-disclosure penalty nor the 2026 employee-trading warning rises to a structural failure, and RIL's own behaviour — continued dividends, rating-agency transparency, a no-OFS IPO structure — supports reasonable trust. But the sheer complexity of the RIL/Jio-minority-investor/JFS/JioStar web means a reader should not assume complete visibility into every related-party economic flow. That complexity belongs in the width of this report's SOTP range, not in a footnote — which is exactly how it has been used here.

SWOT analysis

STRENGTHS

- Two sovereign-grade credit upgrades in six months (Moody's Baa1, S&P A-) on 0.57x net-debt/EBITDA
- Record Q1 FY27 EBITDA (₹54,067cr, +10.1% YoY); every segment beat brokerage previews
- Jio Platforms: 533mn subscribers, ARPU +3.3% YoY, 53.3% EBITDA margin and rising
- India's largest organised retailer (20,169 stores, 396mn registered customers); FMCG revenue "more than doubled" YoY
- ₹75,000cr already committed to Jamnagar New Energy complex; HJT solar modules shipping

WEAKNESSES

- New Energy carries zero disclosed P&L visibility — every valuation for it is modelled, not measured
- Battery-cell strategy retreated from in-house LFP manufacturing to component sourcing/assembly after the Hithium deal collapsed
- Segment PAT/EBITDA figures disagree materially across reputable sources for the same quarter
- Q1 FY27 O2C beat leaned heavily on a geopolitically-driven refining-crack spike, not necessarily structural

OPPORTUNITIES

- Jio Platforms IPO (SEBI-cleared) — the first market-priced crystallisation event since 2020
- Reliance Retail's valuation mark is 3 years stale (Oct 2023, ~\$100bn) — any fresh transaction re-rates it
- PLI-ACC deadline extended to 2031 — room to execute the battery pivot without a compliance-driven rush
- Jamnagar "sovereign AI" data-centre hub (120MW targeted by end-FY26) — a distinct, largely unpriced growth vector

THREATS

- China's technology-export regime remains the binding constraint on India's battery-cell ambitions, RIL included
- A widening holding-company discount is a named JPMorgan downside scenario, not a hypothetical
- Jio's own IPO-implied valuation already fell ~24% in press estimates between Jun and Aug 2026
- Crude/refining-margin volatility cuts both ways — it inflated Q1 FY27 O2C margins but can reverse just as fast

Key developments to watch

■ **Jio Platforms IPO listing date, final issue price and post-listing market cap.** The single highest-conviction near-term catalyst in this entire report — it will replace every sourced-but-unverified Jio valuation estimate in this SOTP with an actual, market-discovered number.



- **Any fresh Reliance Retail valuation mark** — a stake sale, buyback, or IPO announcement updating the stale October 2023 ~\$100bn figure, which is the second-largest single input in this SOTP after Jio.
- **Confirmation of RIL's actual residual stake in Jio Financial Services** — unresolved in our own research; if RIL retains any stake (treated here as nil), it would be a direct, immediate addition to the SOTP.
- **Whether the CATL component-sourcing arrangement (reported May 2026) converts into a signed, operational agreement** for the New Energy battery business, and whether the 40 GWh Phase 1 gigafactory commissioning (targeted FY26/H2 2026) actually happens on that timeline.

Key risks to be aware of

- **Jio Platforms IPO pricing/execution risk (dominant).** The single largest value driver in this SOTP by a wide margin; a listing at the bear end of the sourced \$92-190bn range, or a further delay, would compress RIL's fair value more than any other single input in this model.
- **New Energy valuation-model risk.** With no disclosed segment financials, every brokerage's (and this report's) New Energy value is estimated, not measured — a disappointing commissioning update or a further technology setback could reprice it toward the "zero value assigned" treatment JPMorgan and CLSA already use.
- **China technology-access risk** — the same structural constraint documented across this firm's India grid-storage sector primer; further tightening could delay New Energy's battery timeline again.
- **Conglomerate-discount risk**, explicitly named by JPMorgan as a live downside scenario.
- **Data-transparency risk** — the PAT/EBITDA reporting discrepancies documented in this report were not resolved even after consulting RIL's own primary press release.
- **Refining-margin cyclical** — the O2C beat leaned on a geopolitically-driven crack spike that may not persist.

Sum-of-the-Parts Valuation

₹ crore unless stated

RIL is exactly the kind of company a single consolidated P/E cannot value well: two of its five businesses (Jio Platforms, Reliance Retail) carry large external minority stakes from 2020-era private placements and are not separately listed, one (New Energy) discloses no P&L at all, and the whole is run as five genuinely different businesses rather than one operating model. We build enterprise value segment by segment, apply RIL's actual disclosed ownership percentage in each, sum the parts, then bridge to equity value using RIL's own reported net debt.



Segment	Basis	100% EV — Bear	100% EV — Base	100% EV — Bull	RIL stake
O2C (refining+chemicals)	6.5x/7.5x/8.5x FY26 EBITDA (₹60,546cr)*	3,93,549	4,54,095	5,14,641	100%
Oil & Gas (E&P)	4.0x/4.5x/5.0x FY26 EBITDA (₹19,050cr)*	76,200	85,725	95,250	100%
Jio Platforms	Sourced EV: \$100bn/\$120bn/\$144bn† @ ₹88/US\$	8,80,000	10,56,000	12,67,200	66.43%
Reliance Retail Ventures	Sourced EV: \$90bn/\$121bn/\$140bn‡ @ ₹88/US\$	7,92,000	10,64,800	12,32,000	83.56%
New Energy	₹0 / Equirus 1.5x invested capital / indicative uplift§	0	1,20,000	1,80,000	100%
JioStar (media JV)	Nov-2024 deal value \$8.5bn / indicative uplift¶	74,800	74,800	88,000	63.16%**

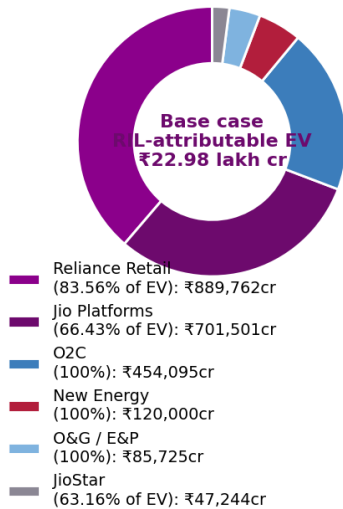
RIL-attributable enterprise value (sum of stakes above)

	17,63,572	22,98,327	27,16,992
Less: net debt (30 Jun 2026, primary source)	(1,22,914)	(1,22,914)	(1,22,914)
Equity value attributable to RIL shareholders	16,40,658	21,75,413	25,94,078
÷ Shares outstanding (derived, mcap÷CMP) ^①	1,352.2cr	1,352.2cr	1,352.2cr
SOTP value per share	₹1,214	₹1,609	₹1,918
Upside/(downside) vs CMP ₹1,182	+2.7%	+36.1%	+62.3%

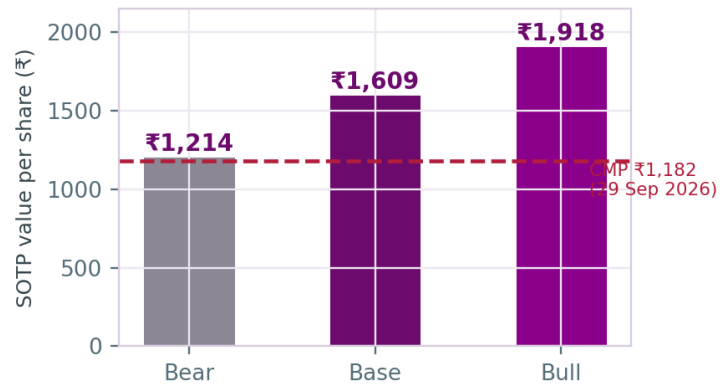
*No O2C- or E&P-specific EV/EBITDA multiple was found stated by any brokerage; the range used is an indicative construction cross-checked against RIL's own blended forward EV/EBITDA of ~9.6-9.9x (Equirus Securities, 11 Jun 2026) and is explicitly conservative for O2C given its lower growth versus Jio/Retail. †Jio Platforms EV sources: \$100bn (SEBI-cleared IPO valuation reportedly in focus, Aug 2026), \$120bn (mid-point of an unverified post-AGM brokerage range of \$117-127bn, Jun 2026), \$144bn (Jefferies, 13 Mar 2026, explicitly 13x FY28E EBITDA). Sourced range spans \$92bn (JPMorgan, ~Sep 2025) to \$190bn (CLSA's 2028 forward estimate) — see Notes for why these were not simply averaged. ‡Reliance Retail EV sources: \$90bn (indicative discount to the stale Oct-2023 \$100bn mark, reflecting a recent, Q1 FY27 EBITDA-margin compression of 80bps YoY), \$121bn (JPMorgan, ~Sep 2025, methodology not disclosed), \$140bn (indicative bull case). §New Energy: JPMorgan and CLSA both explicitly assign zero value today (our bear case); Equirus Securities' ₹1,20,000cr base case uses a 1.5x-invested-capital approach, not an EBITDA multiple, because no P&L is disclosed; our bull case is an indicative uplift, not brokerage-sourced. ¶JioStar: \$8.5bn is the Nov-2024 deal-completion value; no 2025-26 update was found, so bear=base; bull is an indicative uplift reflecting FY26 EBITDA growth ("sharp turnaround" per Exchange4Media). **RIL's own 16.34% direct stake plus its 46.82% economic interest via Viacom18. ^①Wikipedia cites ~644.51cr shares outstanding, undated; this does not reconcile with mcap÷CMP (~1,352cr) as of the 29 Sep 2026 snapshot used throughout this report, most likely reflecting a stale pre-2024 count before RIL's 1:1 bonus share issue — we use the derived, internally-consistent 1,352.2cr figure rather than the stale one. FX assumed at ₹88/US\$, stated explicitly since none of the underlying dollar-denominated sources specify their own conversion rate.



Where the base-case SOTP value sits



Even the bear case clears today's price



Jio Platforms and Reliance Retail together account for two-thirds of the base-case RIL-attributable value — and the bear case still clears today's price. Dart Consultants construction from sourced segment inputs; see table and footnotes above for the full derivation.

Cross-check (second method): applying a reversion-to-historical-multiple of 11-12x to FY26 consolidated EBITDA of ₹1,79,065 crore (vs. a current blended ~9.6-9.9x per Equirus) and the same net-debt bridge gives an equity value of ₹1,366-1,498 per share (+15.6% to +26.8% upside) — more conservative than our SOTP base case, but independently confirming BUY-territory. The gap between the two methods is itself part of the thesis: a blended consolidated multiple, by construction, cannot separately credit Jio's pending IPO crystallisation or New Energy's optionality the way a segment-level SOTP can — which is precisely the argument for using a SOTP on a conglomerate like RIL in the first place, rather than the single-multiple approach appropriate for the single-business companies elsewhere in Dart Consultants' coverage.

RECOMMENDATION: BUY, TARGET ₹1,610 (+36.2% FROM ₹1,182, 29 SEP 2026)

Upgrade triggers: a Jio Platforms IPO listing that prices at or above the \$120bn base-case enterprise value; a fresh Reliance Retail valuation mark above the stale \$100bn (2023) figure; a disclosed New Energy P&L segment confirming the Equirus-style ₹1.2 lakh crore base case is not overstated. **Downgrade triggers:** a Jio IPO priced at or below the \$92-100bn bear-case range; a further, confirmed retreat in the New Energy/battery strategy beyond the already-disclosed Hithium-to-CATL pivot; explicit evidence of a widening conglomerate discount overriding segment fundamentals, as JPMorgan's own research already flags as a live risk.



Financial summary — selected disclosed metrics (₹ crore, consolidated)

	FY24	FY25	FY26	Q1 FY27
Revenue	—	9,62,820	10,55,780	3,40,257
EBITDA	—	—	1,79,065	54,067
Net profit (PAT)	—	81,309	95,754	20,946
EPS (₹)	—	51.47	59.69	—
Capex	—	—	~1,62,000*	38,682
Net debt	—	—	1,24,717	1,22,914

*FY26 PAT is separately reported as ₹80,775cr by Livemint (24 Apr 2026), against Screener.in's ₹95,754cr used above — plausibly a profit-attributable-to-owners vs. total-consolidated-including-minority-interest distinction given RIL's large minority stakes in Jio Platforms and Reliance Retail, but this was not confirmed by any source in our research; both figures are disclosed here per this report's data-honesty standard rather than silently reconciled. FY26 revenue is also cited as "₹11.76 lakh crore" gross (Moneycontrol) and "₹10.8 trillion" (Livemint) — likely gross vs. net-of-excise bases, not reconciled. *FY26 capex is a derived approximation (Q4 FY26 quarterly figure of ₹40,560cr annualised against partial-year data); not a disclosed annual figure.*

Selected ratios	FY26 / current
ROE	~8.9–11.0% (sources vary)
ROCE	~10.3–12.2% (sources vary)
Net debt / EBITDA	0.57x (30 Jun 2026)
Dividend per share (FY26)	₹6.00
Credit rating	Moody's Baa1 / S&P A- (both upgraded within the last 10 months)

Balance sheet and cash-flow statements are not reproduced here beyond the net-debt bridge used in the SOTP above; RIL's segment-level capital-employed figures were not accessible via the sources consulted for this report and should be pulled directly from RIL's own investor presentations if required. Source: Screener.in, Tickertape, Moneycontrol, Livemint (all 29-30 Sep 2026 snapshots); RIL's own Q1 FY27 media release dated 17 Jul 2026 for segment operating detail and the net-debt table.

DISCLAIMER

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