

Reliance Industries Limited

Q3FY26 Result Update | Sector: Refineries & Marketing

January 20, 2026




BUY

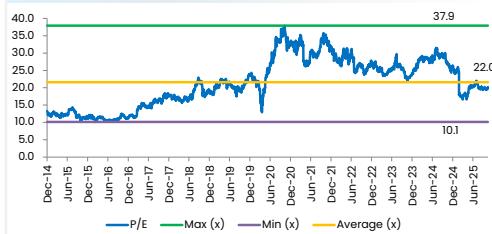
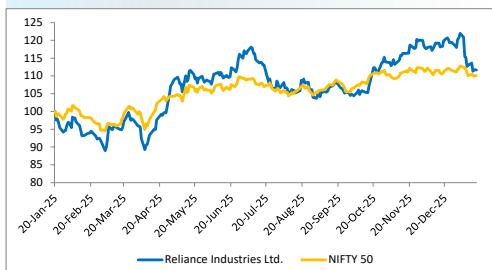
Current Market Price	1,407
Target Price	1,790
Upside	27.2%
Nifty	25,462
Sensex	82,891

Key Stock Data

Company Name	Reliance Industries Ltd.
BSE Code	500325
NSE Code	RELIANCE
Bloomberg	RIL:IN
Shares o/s, Cr	1353.2
Market Cap (Rs Cr)	19,14,776
3M Avg Volume (NSE)	1,05,66,594
52 week H/L	1612/1115

Shareholding Pattern

	Mar-25	Jun-25	Sep-25
Promoter	50.10	50.07	50.01
FII	19.07	19.21	18.65
DII	19.36	19.72	20.25
Others	11.47	11.00	10.92

1 Year Forward P/E (x)

1 Year Relative Price Chart

Research Analyst
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Broad-based growth led by consumer businesses and resilient O2C performance: Reliance Industries (RIL) reported consolidated revenue of Rs. 2,64,900 crore in Q3 FY26, up 10.4% YoY, driven by steady momentum in consumer businesses and a resilient O2C segment. Digital Services led growth, with Jio EBITDA rising 16.1% YoY to Rs. 19,300 crore, aided by 8.9 million net subscriber additions (base at 515 million, above expectations) and ARPU of Rs. 213.7 (broadly in line). Retail revenues grew 8.1% YoY, though EBITDA rose just 1.1% YoY to Rs. 6,900 crore, impacted by festive discounting and quick-commerce investments. O2C EBITDA increased 14.6% YoY to Rs. 16,500 crore on stronger fuel cracks. Overall, consolidated EBITDA rose 5.1% YoY to Rs. 46,000 crore, while PAT grew 1% YoY to Rs. 18,600 crore, weighed by higher depreciation and finance costs from 5G asset capitalisation.

Sustained subscriber momentum across Mobility and Home continues: In the Jio segment, ARPU rose 1.1% QoQ and 5.1% YoY to Rs. 213.7 in Q3 FY26, supported by higher data consumption, stronger engagement, and continued migration to 5G plans. Subscriber momentum remained robust, with 8.9 million net additions, taking the total base to 515 million. Growth was broad-based across mobility and fixed broadband, with Jio retaining a dominant share of incremental home connections and total home subscribers at 25 million. Operating leverage continued to drive profitability, with Jio Platforms' EBITDA rising 16.1% YoY to Rs. 19,300 crore and margins expanding to 51.8%. Management remains focused on accelerating home digitisation, 2G-to-4G/5G upgrades, and bundling new digital services to sustain growth and monetisation.

Steady retail growth amid margin investments and rapid quick-commerce scaling: The retail segment reported its highest-ever quarterly revenue of Rs. 97,600 crore in Q3 FY26, growing 8.1% YoY, despite festive demand being split between Q2 and Q3 and the impact of the RCPL demerger. EBITDA came in at Rs. 6,915 crore, with margins moderating to 8.0% due to festive promotions, accelerated investments in quick commerce, and a one-time labour code impact. JioMart Quick Commerce scaled rapidly to a 1.6 million daily order run-rate (+53% QoQ, 360% YoY). Store count increased to 19,979, and with consolidation largely complete, management expects a return to BAU growth.

Strong media performance led by engagement and subscriptions: Reliance's media business (JioStar) reported operating revenue of Rs. 6,896 crore and EBITDA of Rs. 1,303 crore in Q3 FY26, reflecting resilient performance amid a weak ad environment. User engagement remained healthy, with MAUs at 450 million, supported by strong traction in digital and connected TV content. Subscription revenues grew robustly, while focused content monetisation drove record digital entertainment revenues. Management noted early signs of recovery in advertising demand post-GST rationalisation in December, which should support growth going forward.

O2C delivers strong EBITDA growth; upstream impacted by natural decline: The Oil-to-Chemicals (O2C) business posted a robust performance in Q3 FY26, with EBITDA rising 14.6% YoY to Rs. 16,500 crore, supported by stronger transportation fuel and middle-distillate cracks and healthy throughput of 20.6 mmt. Improved fuel economics more than offset weakness in downstream petrochemicals. In contrast, the Oil & Gas (E&P) segment saw EBITDA decline 12.7% YoY to Rs. 4,900 crore, reflecting lower KG-D6 gas production of 25.6 mmscmd and softer realizations of \$9.7/mmbtu. Management reiterated that the production decline remains well-managed and outlined plans to augment output through additional drilling and well interventions, supporting medium-term stability.

New energy giga-factories advance toward commissioning phase: Reliance continued to make steady progress on its integrated new energy ecosystem during Q3 FY26, with development underway across its large-scale giga-factories at Jamnagar. The company reiterated plans to commission its fully integrated 10 GW solar manufacturing capacity by end-FY26, with scope to scale this up to 20 GW over time. Parallel work is progressing on advanced battery storage (40 GWh), hydrogen electrolyser (3 GW), and fuel cell manufacturing facilities. Management highlighted that the initial focus will be on captive deployment, including renewable power supply for internal consumption, supporting long-term energy security, cost efficiency, and upcoming digital infrastructure requirements.

Valuation and Outlook: RIL's Q3 FY26 performance reinforces the improving earnings quality, with consumer businesses driving steady growth and O2C providing cyclical support through stronger fuel cracks. While retail margins remain under near-term pressure from investments, scaling benefits in Jio, resilient media profitability, and sustained O2C strength support medium-term earnings visibility. New Energy optionality continues to strengthen, with giga-factories nearing commissioning and captive deployment improving long-term cost efficiency. We upgrade our target price to **Rs. 1,790**, factoring in higher visibility on digital cash flows and O2C normalization. We maintain a positive outlook and with a **"Buy"** rating, balancing strong structural drivers against near-term margin headwinds in retail.

Financial Summary - Consolidated

Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Net revenue	9,14,472	9,80,136	11,16,347	11,80,298
EBITDA	1,62,233	1,65,399	1,87,885	2,16,254
EBITDAM (%)	16.2%	15.4%	15.4%	16.7%
APAT	78,633	80,787	93,280	1,11,343
APATM (%)	7.9%	7.5%	7.6%	8.6%
EPS (Rs)	58.1	59.7	68.9	82.3
PE (x)	28.9	23.7	20.5	17.2
RoE (%)	8.5%	8.0%	8.5%	9.2%

Source : RBL Research

Profit & Loss Statement					
Particulars, INR Cr	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Net Sales	2,69,496	2,43,865	10.5	2,58,898	4.1
Cost of Raw Materials and Services	1,08,346	98,514	10.0	1,06,488	1.7
Purchase of Finished Goods	64,093	59,459	7.8	65,276	(1.8)
(Increase) / Decrease In Stocks	(811)	(5,014)	(83.8)	(8,421)	(90.4)
Total Raw material cost	1,71,628	1,52,959	12.2	1,63,343	5.1
Gross Profit	97,868	90,906	7.7	95,555	2.4
Gross Margins %	36.3	37.3	-96bps	36.9	-59bps
Employee Cost	7,912	7,155	10.6	7,491	5.6
Excise Duty	4,591	3,879	18.4	4,275	7.4
Operating & Manufacturing expense	39,347	36,083	9.0	37,904	3.8
Total Expenditure	2,23,478	2,00,076	11.7	2,13,013	4.9
EBITDA	46,018	43,789	5.1	45,885	0.3
EBITDA Margins (%)	17.08	18.0	-88bps	17.7	-65bps
Depreciation	14,622	13,181	10.9	14,416	1.4
EBIT	31,396	30,608	2.6	31,469	(0.2)
Other Income	4,914	4,214	16.6	4,482	9.6
Interest	6,613	6,179	7.0	6,827	(3.1)
PBT	29,697	28,643	3.7	29,124	2.0
Exceptional items	-	-	-	-	-
PBT	29,697	28,643	3.7	29,124	2.0
Tax	7,530	6,839	10.1	6,978	7.9
Reported PAT	22,167	21,804	1.7	22,146	0.1
PAT Margin (%)	8.2	8.9	-72bps	8.6	-33bps
Adj. PAT	22,167	21,804	1.7	22,146	0.1
Adj. PAT Margin (%)	8.2	8.9	-72bps	8.6	-33bps

Source : RBL Research

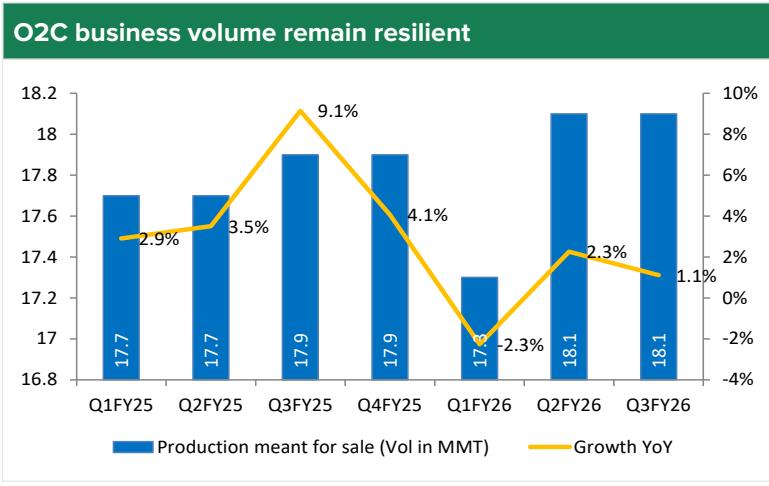
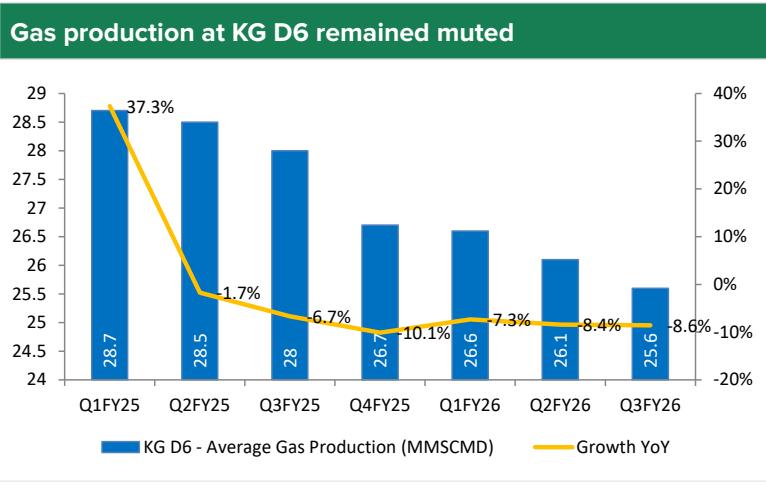
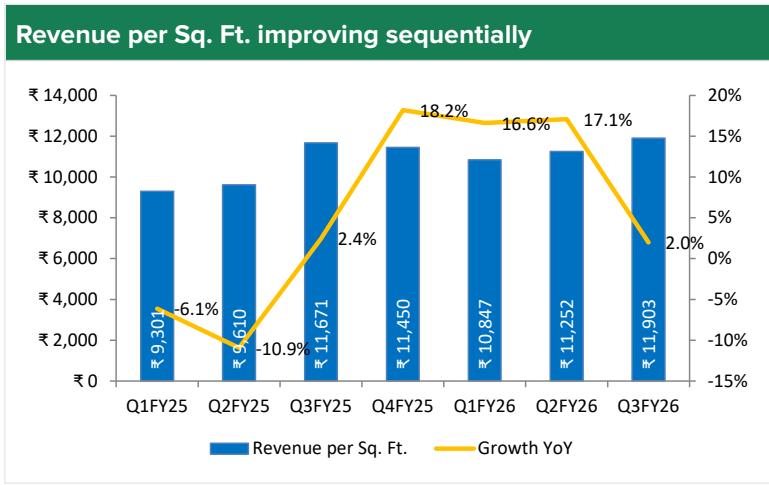
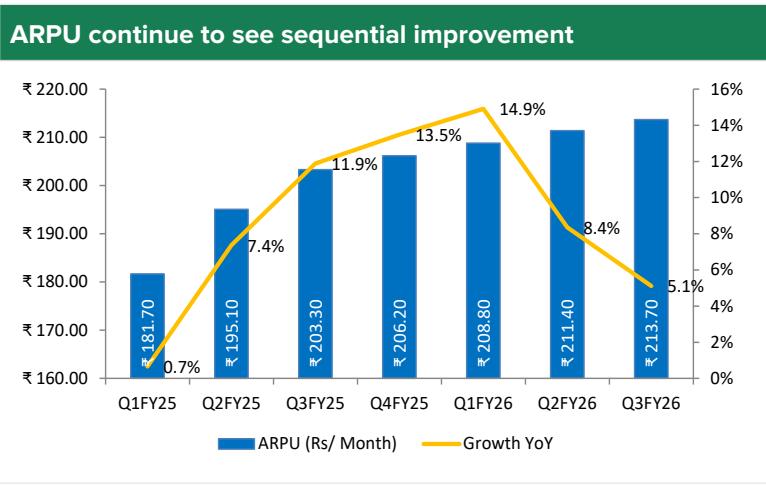
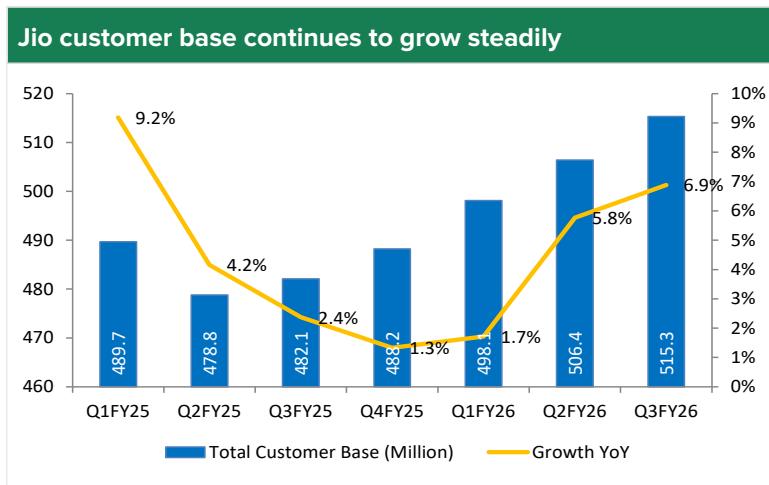
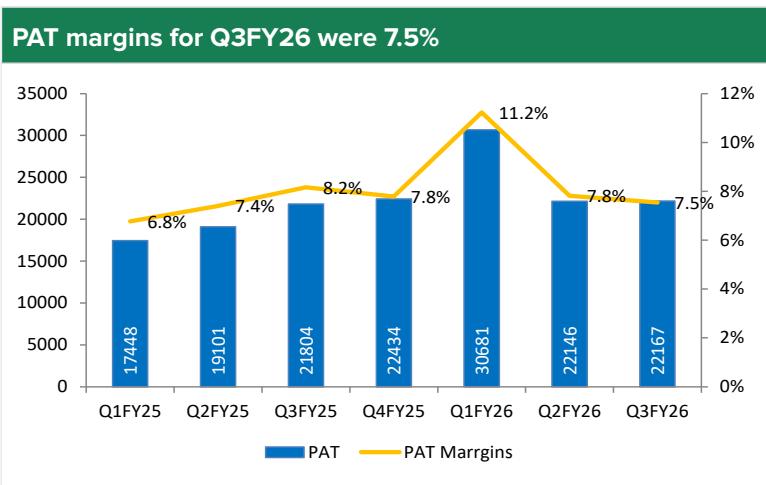
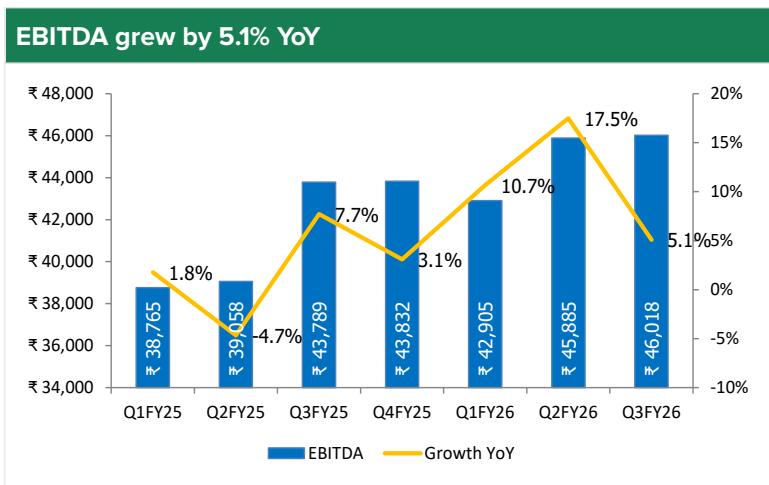
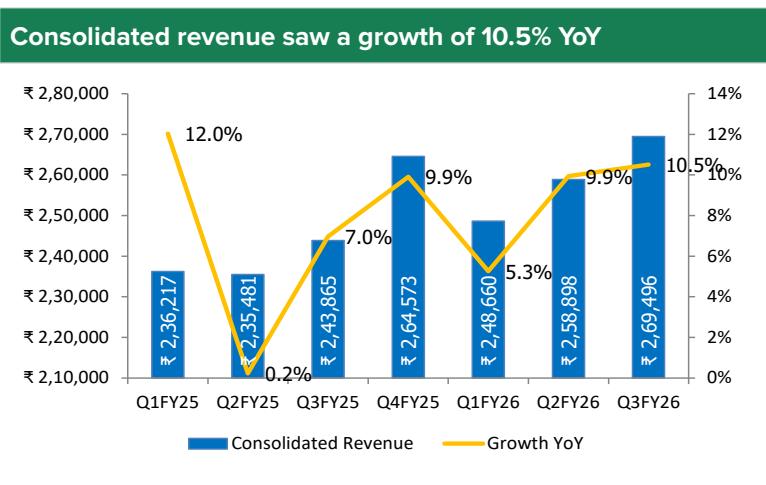
Jio and retail drove the overall revenue growth.

Jio and O2C were main contributor in EBITDA growth.

Key Parameters						
Particulars	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %	
Jio Consolidated						
Sustained improved in ARPU and customer base.	Total Customer Base (Million)	515.3	482.1	6.9	506.4	1.8
	Net Customer Addition (million) (QoQ)	8.9	3.3	169.7	8.3	7.2
	ARPU (Rs/ Month)	213.7	203.3	5.1	211.4	1.1
Reliance Retail						
Higher costs impacted margins for retail segment.	EBITDA Margins from Operations	7.8%	8.3%	-55bps	8.4%	-59bps
	Total Stores	19,979	19,102	4.6	19,821	0.8
	Area (Mn sq.ft.)	82	77	5.9	80	2.5
	Revenue per Sq. Ft.	11,903	11,671	2.0	11,252	5.8
OIL & Gas:						
KG D6 production were lower than expectations.	KG D6 - Average Gas Production (MMSCMD)	61.8	68.5	(9.8)	63.5	(2.7)
	KG D6 (GCV-\$/MMBTU)	9.65	9.74	(0.9)	9.97	(3.2)
O2C:						
Volumes remained resilient.	Feedstock throughput (Vol in MMT)	20.8	20.2	3.0	21	-
	Production meant for sale (Vol in MMT)	18.1	17.9	1.1	18.1	-

Source : RBL Research

Story in Charts



Source: RBL Research

Profit & Loss Account - Consolidated

Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Net sales	9,14,472	9,80,136	11,16,347	11,80,298
Growth %	2.6%	7.2%	13.9%	5.7%
Expenditure				
Raw material consumed	4,00,345	4,22,127	5,07,587	5,28,344
Purchase of stock in trade	1,89,881	2,22,686	2,38,170	2,47,940
(Increase) / Decrease In Stocks	(4,883)	(15,124)	(26,870)	(28,410)
Total RM Cost	5,85,343	6,29,689	7,18,887	7,47,874
Gross Profit	3,29,129	3,50,447	3,97,460	4,32,424
Gross Profit Margin %	36.0%	35.8%	35.6%	36.6%
Excise Duty	13408	15443	17099	17433
Employee cost	25,679	28,559	30,535	30,993
Operating & Manufacturing expenses	1,27,809	1,37,110	1,53,895	1,58,837
Total expenditure	7,52,239	8,10,801	9,20,416	9,55,136
EBITDA	1,62,233	1,69,335	1,95,931	2,25,162
EBITDAM (%)	17.7%	17.3%	17.6%	19.1%
Other income	16,057	0	19,542	19,370
Depreciation	50,832	53,136	58,016	61,339
Interest expenses	23,118	22,495	25,038	25,827
Exceptional Items	-	-	-	-
PBT	1,04,340	93,704	1,32,419	1,57,366
Tax	25,707	25,230	31,093	37,114
PAT	78,633	68,474	1,01,326	1,20,251
PATM (%)	8.6%	7.0%	9.1%	10.2%
PAT Growth %	6.8%	-12.9%	48.1%	18.7%
EPS	58.1	59.7	68.9	82.3
EPS Growth (%)	6.8%	2.7%	15.5%	19.4%

Source: RBL Research

Balance Sheet - Consolidated

Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Share Capital	6,766	13,532	13,532	13,532
Reserves & Surplus	7,86,715	8,29,668	9,06,083	9,97,106
Minority Interest	1,32,307	1,66,426	1,83,069	2,01,375
Total Shareholder's Fund	9,25,788	10,09,626	11,02,683	12,12,013
Long term borrowings	3,54,066	3,69,360	3,80,441	3,88,050
Short term borrowing	1,61,617	1,72,677	1,86,842	2,11,611
Total Debt	5,15,683	5,42,037	5,67,283	5,99,661
Deferred tax liabilities	72,241	83,453	87,626	96,388
Long term provision	2,044	28,304	29,153	30,028
Long term liabilities	4,480	5,641	6,205	7,136
Total	78,765	117,398	122,984	133,552
Current Liabilities				
Trade payables	1,78,377	1,86,789	1,90,525	2,19,103
Short term provisions	2,175	4,147	4,354	4,529
Current liabilities	55,198	90,124	1,00,038	1,02,038
Total	2,35,750	2,81,060	2,94,917	3,25,670
Total liabilities	17,55,986	19,50,121	20,87,867	22,70,896
Assets				
Net Block	69,852	6,83,102	7,20,314	7,83,459
Current WIP	1,52,382	1,69,710	1,77,469	1,93,026
Goodwill	14,989	24,530	20,879	22,709
Other Intangible Assets	89,060	1,44,639	93,954	1,02,190
Intangible Assets Under Development	56,871	38,742	62,636	68,127
Investments in Subsidiaries, Joint Ventures and Associates	1,23,023	1,30,502	1,60,766	1,74,859
Other Non-current assets	2,42,539	2,59,488	2,76,120	3,00,326
Deffered Tax assets	938	408	1,566	1,703
Total	7,49,654	14,51,121	15,13,704	16,46,400
Current Assets				
Current investments	1,06,170	1,18,709	1,31,536	1,43,066
Inventories	1,52,770	1,46,062	1,81,644	1,97,568
Trade receivables	31,628	42,121	31,318	34,063
Cash & Bank	97,225	1,06,502	1,25,272	1,36,254
Other short terms financial assets	26,482	28,728	35,494	38,605
Other current assets	55,825	57,148	68,900	74,940
Total	4,70,100	4,99,270	5,74,163	6,24,497
Total assets	12,19,754	19,50,391	20,87,867	22,70,896

Source: RBL Research

Cash Flow - Consolidated

Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Profit before tax	1,04,727	1,06,017	1,24,373	1,48,458
Add: Depreciation	50,832	53,136	58,016	61,339
Add: Interest cost	23,118	22,495	25,038	25,827
Others	(14,294)	(18,200)	(22,400)	(36,500)
Operating profit before WC	1,64,383	1,63,448	1,85,027	1,99,124
Changes in WC	6,366	12,197	28,515	47,248
Direct taxes	(11,961)	477	(5,863)	(6,021)
Cash flow from operating	1,58,788	1,76,122	2,07,679	2,40,351
Net cash used in Investing				
Purchase/Sale of fixed assets	(1,37,576)	(6,77,569)	(14,529)	(94,260)
Purchase/Sales of Investments	16,975	(37,929)	(1,77,032)	(75,774)
Others	6,300	(11,822)	(15,641)	(27,704)
Cash flow from Investing	(1,14,301)	(7,27,320)	(2,07,202)	(1,97,738)
Cash flow from Financing				
Proceeds from equity shares	20,922	-	-	-
Borrowings	9,262	62,648	27,730	28,746
Dividend (Incl dividend tax)	(6,089)	(6,059)	(6,996)	(8,351)
Interest cost	(37,173)	(39,179)	(43,966)	(45,334)
Others	(3,568)	(5,810)	(6,111)	(6,320)
Cash flow from Financing	(16,646)	11,600	(29,343)	(31,259)
Net cash Inflow/Outflow	27,841	(5,39,599)	(28,866)	11,353
Opening Cash	68,664	97,225	(4,44,708)	(4,78,616)
Cash & Cash Equivalent of Subsidiaries under liquidations	720	(2,334)	(5,043)	(4,343)
Closing Cash & Bank	97,225	(4,44,708)	(4,78,616)	(4,71,606)

Source: RBL Research

Key Financial Ratios				
Particulars	FY24	FY25	FY26E	FY27E
Growth Matrix (%)				
Revenue Growth	2.6%	7.2%	13.9%	5.7%
Operating Profit Growth	14.1	2.0	13.6	15.1
EBIT Growth	12.2	0.8	16.3	16.6
Net Profit Growth	6.8	2.7	15.5	19.4
Profitability Ratios				
Operating Profit Margin	17.7%	17.3%	17.6%	19.1%
EBIT Margins	13.9%	11.9%	14.1%	15.5%
Net Profit Margins	8.6%	7.0%	9.1%	10.2%
ROCE	12.1	11.0	12.0	12.7
ROE	8.5	8.0	8.5	9.2
ROA	4.5	4.1	4.5	4.9
Per Share Ratio				
Earning Per Share	58.1	59.7	68.9	82.3
Dividend Per share	10	5	5	5
Book Value Per Share	684	746	815	896
Per Share Ratio				
Dividend Payout	8.60	8.38	7.25	6.08
Tax Payout	24.64	24.90	25.00	25.00
Liquidity Ratio				
Debt to Equity	0.35	0.37	0.36	0.35
Interest Coverage Ratio	5.44	5.38	5.12	5.80
Debtor Days	10.96	11.64	12.37	12.37
Inventory Days	53.43	56.79	63.72	61.32
Creditor Days	101.40	110.76	105.43	97.56
Valuation				
P/E (x)	28.93	23.70	20.53	17.20
P/B (x)	2.54	1.90	1.74	1.58
EV/EBITDA (x)	12.57	12	10.53	9.35
Price to Sales	2.24	1.79	1.57	1.48

Source: RBL Research

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Ratings Methodology

Ratings	Upside
Buy	More than 15%
Accumulate	5% - 15%
Hold	0% - 5%
Sell	Below 0%

Note: RBL Investment ratings (All ratings based on absolute return; All ratings and target price refers to 12 month performance horizon, unless mentioned otherwise).

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S No.	Statement	Answer	
		Tick Appropriate	
		Yes	No
1.	I/we or any of my/our relative has any financial interest in the subject company? (If answer is yes, nature of interest is given below this table)		No
2.	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of the research report or date of the public appearance?		No
3.	I/we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of the public appearance?		
4.	I/we have received any compensation from the subject company in the past twelve months?		No
5.	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
6.	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
7.	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
8.	I/we have served as an officer, director or employee of the subject company?		No
9.	I/we have been engaged in market making activity for the subject company?		No

2014 is/are as under:

Statements of ownership and material conflicts of interest, compensation – Research Analyst (RA)

Nature of Interest [If answer to f (a) above conflicts is Yes

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to

S. No.	Name of RA	Signature of RA	Serial Question of question which the signing RA needs to make a separate declaration	Answer	Answer

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