

Jio Platforms Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
21 October 2026	23 October 2026	₹1,065-1,119	Subscribe

Investment Summary

Jio Platforms Limited (JPL), promoted by Reliance Industries Limited (RIL), is India's leading integrated digital connectivity and technology platform, serving 533.3 million customers, including 284.9 million 5G users and 28.6 million fixed broadband subscribers as of June 2026. Its nationwide 4G/5G infrastructure, complemented by expanding cloud, AI, IoT and enterprise solutions, provides strong long-term growth opportunities. Improving subscriber monetization, with ARPU rising from ₹181.7 in FY2024 to ₹215.6 in Q1FY2027, supported healthy FY2026 financial performance, with revenue growing 14.56% YoY to ₹1,46,885 Cr, EBITDA increasing 16.38% to ₹73,382 Cr (49.96% margin) and PAT rising 15.14% to ₹30,064 Cr. **The IPO is a fresh issue of 27,00,00,000 shares aggregating up to ₹30,213 Cr**, with ₹27,500 Cr of proceeds proposed for RJIL borrowing repayment and remaining for general corporate purposes. Moderating capital expenditure following peak 5G investments, alongside the proposed ₹27,500 Cr debt repayment from IPO proceeds, is expected to strengthen cash flows and the balance sheet. While rising broadband penetration and digital services offer additional growth avenues, high telecom dependence, substantial spectrum liabilities and uncertain monetization of newer businesses remain key risks. Overall, JPL presents a strong long-term growth proposition, supported by market leadership, improving profitability and cash flow prospects, subject to IPO valuation.

Company Overview

Incorporated in November 2019, Jio Platforms Limited is a technology company focused on digital connectivity, digital services and technology-led solutions in India. RIL owns 66.43% pre IPO (Post issue-64.48%) of JPL. JPL is the holding and technology platform of Reliance's digital ecosystem, with RJIL as its material subsidiary. RJIL served 533.3 million customers as of June 30, 2026. The Company operates through an integrated technology platform encompassing digital connectivity, consumer applications, enterprise solutions, cloud services, Internet of Things (IoT) and artificial intelligence (AI). Its consumer offerings include mobile and fixed broadband, digital entertainment, cloud storage, virtual PC services smart home solutions and AI products. JPL's offerings span JioFiber/JioAirFiber, JioTV+, JioSaavn, JioGames, JioAICloud, JioPC, and enterprise managed services. JioHotstar is a Reliance Group media platform, not synonymous with JPL ownership. For businesses, it provides Enterprise connectivity, Enterprise IoT, Cloud and Security, Managed services and Enterprise AI. The Company's proprietary technology capabilities span network infrastructure, device engineering, software, operating systems and digital applications. The Company's infrastructure includes pan-India 4G and 5G connectivity, fibre connectivity across more than 1,200 facilities and over 100 edge nodes within its networks as of June 30, 2026. The group has developed its network, service orchestration, device software and applications in-house, leveraging 7,220 patent applications across 4G, 5G, 6G cloud-native core network architectures, AI-driven network automation and other digital technologies, of which 1,043 have been granted and 12,477 digital product/technology employees as of June 2026. It has access to 3,60,537 network towers, holds 26,800.8 MHz of spectrum and covers over 99% of India's population with wireless broadband. As of June 30, 2026, the Company had 27,932 full-time employees and engaged 63,795 personnel on a contract basis.

Business Model

Connectivity is the recurring revenue engine: RJIL monetizes mobility via prepaid/postpaid plans and home broadband through fibre and fixed wireless access, with revenue driven by subscriber additions, tariff/ARPU increases and higher-value plans. Monthly ARPU rose from ₹181.7 in FY2024 to ₹214.0 in FY2026 and ₹215.6 in Q1FY2027; monthly data consumption reached 43.7 GB per customer in Q1FY27. JPL layers consumer content, cloud/AI, IoT, managed Wi-Fi, CPaaS and enterprise solutions over this installed base. MyJio app and set-top boxes provide digital touchpoints while Reliance Retail Limited (RRL) is the sole distributor of prepaid connectivity services. The economics remain heavily telecom-led: RJIL contributed 87.74% of FY2026 consolidated revenue and 94.88% of EBITDA, making monetization of independent digital services an important medium-term watchpoint.

Investment Rationale

Market leadership and deep subscriber monetization: Dominant Market Position in Indian Telecom: Jio is India's largest digital connectivity provider, with 533.3 million subscribers as of June 2026, including 284.9 million 5G users. The company holds the No. 1 position in mobile broadband and fixed broadband, with a customer base approximately 1.4x and 1.9x that of the respective second-largest players, providing significant competitive advantages. ARPU increased from ₹181.7 in FY2024 to ₹215.6 in Q1FY2027, providing operating leverage on an established nationwide network.

Advanced 5G Infrastructure and Technological Capabilities: Jio has developed an indigenous, end-to-end 5G technology stack, supported by its proprietary Unlicensed Band Radio (UBR) technology and in-house hardware and software engineering capabilities. Its nationwide 5G deployment and ownership of core technologies strengthen network efficiency, reduce dependence on external vendors and support long-term scalability.

Strong Promoter Pedigree and Reliance Group Synergies: Backed by Reliance Industries Limited (RIL), one of India's largest and most diversified conglomerates, Jio benefits from strong promoter support, financial strength, established execution capabilities and an extensive business ecosystem. Reliance Group's presence across retail, media, entertainment and technology provides significant cross-selling opportunities, distribution advantages and strategic partnerships, strengthening Jio's competitive positioning and long-term growth prospects.

Margin strength and improving cash-capex intensity: Consolidated EBITDA margin expanded to 49.96% in FY2026 vs 49.60% in FY2024; FY2026 EBITDA grew 16.38% YoY. Cash capex fell from ₹53,509.6 Cr in FY2024 to ₹34,184.3 Cr in FY2026, and EBITDA less cash capex improved to ₹39,197.3 Cr, reflecting normalization after peak 5G spending, which will lead to higher free cash flow, Jio retains more cash after infrastructure spending, which can be used to repay debt or fund other businesses.

Significant Opportunity in Rural and Fixed Broadband Penetration: Rural markets accounted for approximately 46% of network data consumption, highlighting Jio's reach beyond urban centres. Additionally, fixed broadband customer additions in Q1FY27 were distributed across urban (64%) and rural (36%) markets, indicating opportunities for further penetration of home broadband, digital entertainment and connected-home services.

Rising Data Consumption and Monetisation Potential: India's per-capita monthly wireless data consumption increased from 0.2 GB in FY16 to 26.7 GB in FY26. Jio's subscribers consumed an average of 43.7 GB per month in Q1FY27, reflecting strong engagement. Increasing data consumption, premiumisation of 5G subscribers and potential ARPU improvements provide opportunities for sustained revenue growth.

Strong Distribution Network and Reliance Group Synergies: Jio's connectivity network reaches over 99% of India's population, supported by extensive physical distribution and Reliance Retail's nationwide presence. Strategic partnerships with technology companies, including Google and Meta, alongside Reliance Group's media and retail ecosystem, strengthen customer acquisition, distribution capabilities and cross-selling opportunities.

Key Risk Factors

Spectrum obligations and reinvestment intensity: Telecom licences and spectrum are essential, with most spectrum expiring in 2041–42 and the unified licence due for renewal in October 2033. The licensor reserves the right to unilaterally modify licensing terms and rules for future spectrum auctions. There are no guarantees regarding the timing of these auctions, whether RJIL will secure spectrum, or if license extensions will be made available. Furthermore, failing to meet required rollout deadlines may result in financial penalties or the revocation of spectrum allocations. FY2026 depreciation/amortisation was ₹27,248.9 Cr; additional densification, future auctions and technology shifts can sustain capital intensity.

Debt measure understates broader fixed liabilities: The RHP's net-leverage ratio of 0.36x for FY2026 deducts cash/current investments from reported borrowings but does not include deferred payment liabilities. At March 2026, current and non-current deferred payment liabilities totalled ~₹1,04,513.7 Cr; these warrant assessment alongside debt and spectrum cash commitments.

Competitive and execution challenges: Tariff affordability, competition from Bharti Airtel and other operators (Competition from Bharti Airtel and Vodafone Idea could restrict tariff increases and ARPU expansion), satellite broadband, network outages, cyber/privacy incidents and uncertain AI/cloud monetization could affect churn, spending needs and the premium investors are willing to pay.

High Capital Intensity and Spectrum Obligations: Telecom operations require substantial investments in network expansion, spectrum renewals and technology upgrades. Spectrum-related deferred payment liabilities of approximately ₹1,04,514 Cr as of March 2026 add to long-term financial commitments.

Execution Risk in New Digital Businesses: Jio's expansion into AI, cloud, data centres and satellite broadband involves substantial investments, with monetization and returns yet to be fully established. Delays in commercial scaling could impact future earnings growth and valuation premium.

Financial Snapshot

Metric	In Cr		
	FY2024	FY25	FY2026
Revenue from Operations	1,09,558.1	1,28,218.4	1,46,885.3
EBITDA	54341.4	63055.4	73381.6
EBITDA Margin	49.60%	49.18%	49.96%
Profit After Tax (PAT)	21,421.8	26,110.2	30,064.3
PAT Margin	19.55%	20.36%	20.47%
Basic EPS (₹)	23.96	29.21	33.63

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Jio Platforms Ltd
IPO Issue Size	27,00,00,000 shares (agg. up to ₹30,213 Cr) Fresh Issue 27,00,00,000 shares (agg. up to ₹30,213 Cr)
Price Band	₹1,065 – ₹1,119 per share
Face Value	₹10 per share
IPO Opening Date	21 October 2026
IPO Closing Date	23 October 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: 66.43% → Post-IPO: 64.48%
Book Running Lead Manager	Kotak Mahindra Capital Co. Ltd
Use of Proceeds	₹27,500 Cr to prepay RJIL borrowings in FY27; balance for general corporate purposes, capped at 25% of gross proceeds.

Valuation and Outlook

At the upper price band of **₹1,119**, Jio Platforms Limited commands an **FY2026 P/E of 34.28x**, implying a **post-issue market capitalization of ₹10,30,490.55 Cr.** This attractive valuation is firmly supported by stellar growth, with FY2026 operational revenue up 14.56% to ₹1,46,885.3 Cr, an 49.96% EBITDA margin, and Restated PAT up 15.14% to ₹30,064.3 Cr. Going forward, sustained ARPU improvement, rising 5G adoption and expanding fixed broadband penetration are expected to drive revenue growth and operating leverage. Additionally, moderating capital expenditure and the proposed ₹27,500 Cr debt repayment should strengthen free cash flow generation and balance-sheet flexibility. Emerging opportunities in AI, cloud and enterprise solutions offer additional long-term growth potential. **We assign a SUBSCRIBE stance**, supported by JPL's dominant market position, strong profitability and favourable long-term growth prospects. Key monitorables include sustained ARPU growth, free cash flow generation, spectrum-related liabilities, competitive pricing pressures and successful monetisation of emerging digital businesses.

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