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Call Participants:

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- Sh B Srinivasan, President, Reliance Industries Limited
- Sh Kiran Thomas, President, Reliance Jio Infocomm Limited
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- Sh Dinesh Thapar, CFO, Reliance Retail Limited
- Sh Sanjay Roy, Senior Vice President – E&P, Reliance Industries Limited

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- **Sh B. Srinivasan** 00:00:05 – 00:00:35 **(Introduction)**
- **Sh V Srikanth** 00:00:36 – 00:08:57 **(Consolidated Financials)**
- **Sh Kiran Thomas** 00:08:57 – 00:26:31 **(Digital Services)**
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Transcript:

Sh B. Srinivasan 00:00:05 – 00:00:35 **(Introduction)**

Good evening everyone. Welcome to the call for Reliance's quarterly results. Just like every quarter, we have Srikanth, Kiran Thomas, Anshuman Thakur, Dinesh Thapar and Sanjay Roy, who will walk you through each of the individual businesses as well as consolidated numbers. I will now request Srikanth to talk about consolidated numbers first.

Sh V Srikanth 00:00:36 – 00:08:57 **(Consolidated Financials)**

Thanks Srini and good evening, ladies and gentlemen. Just on the consolidated financial results, starting with performance record quarterly EBITDA led by O2C, Retail and Digital services. Our EBITDA was up 30% year-on- year, and net profit at Rs 15,479 crore is 46% growth on a year-on-year basis. All of them records.

On the O2C side, this will be a fifth sequential quarter with recovery in refining margins. You know for us demand for major polymers and polyester products have come to the above the peak of levels, and upstream volumes led by KG D6 ramp up and EBITDA above Rs1,000 crore. This is a number, which is coming after six years.

On the Retail side, you know revenues are actually back to pre-COVID levels with the easing of lockdowns, and if I have to a zoom in on one, it is fashion and lifestyle that really led the increase in revenues and margins.

On the digital services side, strong subscription got almost 36 million – the highest in seven quarters. The Covid impact in the previous quarter led to churn of low-end subscribers and ARPU was also up at Rs 144. From a vaccination standpoint, 100% of eligible employees have completed dose one and 96% are fully vaccinated.

When you look at the revenues and net profits and compare it on a year-on-year basis strong growth – revenues up almost 50%, net profit up 46%. And when you look at q-o-q the revenue growth was led by O2C and Retail. Also on the O2C side, of course, coming because of higher realization and on retail side because of the removal of the lockdowns.

EBIDTA when you look at it, primarily led by retail but every other business O2C, digital services, and oil and gas contributed positively. Quarter-on-quarter profit up 12% despite higher finance charges, depreciation and tax. Finance charge was higher because of the spectrum liability in the March auctions.

When you look at the bridge from Rs 27,550 all the way to Rs 30,283 crore – Rs 489 crore coming on account of O2C, which benefited from fuel cracks, product placement, yield management. Retail up almost Rs 1,000 crore, because of opening up new stores and good momentum on digital commerce. Digital services benefiting from higher ARPU and subscription addition and, of course, oil and gas benefiting from a quarter-on-quarter 18% growth in volumes in KG D6.

Year-on-year the picture remains the same in terms of contribution by all the businesses but O2C was a standout – EBITDA up 44% with the revival in fuels and demand in downstream. Higher operational store days and omni channel growth boosted retail performance. On the digital services side clearly benefiting from customer adds and ARPU increase, and as I mentioned, oil and gas, the sharp jump of almost Rs 1,265 crore on back on KG D6 - in a production volume increasing.

So, when you look at the EBIDTA similar to O2C, actually you look at it consolidated EBITDA to this is fifth consecutive quarter of growth, benefiting from economic recovery and the ebbing of the pandemic. Given our mix of portfolios, spanning industrial and consumer consumption baskets, you are seeing the benefit flow through. And overall, as I mentioned, EBIDTA up 40% from the pandemic hit, which we saw in first quarter of 2021.

Here balance sheet – no really big change. Overall, we continue to have more cash as compared to debt and cash flow generation is strong across businesses that I said and continue to leverage our strengths to capture the opportunities coming from the economic recovery and investment grade we are higher than sovereign ratings across all these rating agencies – S&P, Moody's, and Fitch.

Just one slide on each of the businesses before I hand it over for a more detailed review. Even look at O2C, clearly the big one is the fact that oil demand for the quarter was actually up by 2.6 million barrels per day. The bulk of it really came from transportation fuel demand. Also, apart from that, you know, switch from gas to oil, drove the cracks to multi quarter highs, and of course the inventory drawdown, as well as supply outages did a lot in terms of seeing both the margin recovery as well as the demand. When you see the domestic side, polymer demand up 7%, polyester up 39%, of course at that time it was from a lower base. Oil is also up about 7%.

From our own performance standpoint, as I mentioned, fifth consecutive quarter, it is almost now Rs 30,000 crore of EBITDA, sequentially up 4% and year-on-year up 44%. We, as I mentioned, were benefited from our key enablers, which is on feedstock flexibility, our portfolio integration, strong cost positions at this point in time. Our dependence on imported LNG is effectively very negligible. Also, the superior placement that we were able to do. Overall, I would only say that the fact that increased mobility does support oil demand recovery and we are also seeing very healthy demand on the domestic sector.

On digital services side, we had a gross adds of 36 million, which is the actually highest in the last seven quarters. The COVID impact in the previous quarter lead to churn of low-end subscribers, driving net decline in the customer base by 11 million in the second quarter. The usage is very, very strong growth – per capita now of data usage is about close to 18 GB and about 840 minutes per month. Financial performance, 15% growth year-on-year, EBIDTA at Rs 9,300 crore also up 17%, EBITDA margin at 47% and as I mentioned, ARPU increased to Rs 144.

On Retail, this is all about operations approaching normalcy, our operating hours effectively is at 89%; you may recall it was 38% in June. Also, footfall recovery has been good, and we continue to scale, we added 813 stores and 91 new supply chain locations. Performance wise turnover at Rs 45,000 crore+ is 16% higher on a year-on-year basis and in a fashion and lifestyle with actually record sales in apparel and footwear. Good traction in digital commerce and merchant partnerships which Dinesh will talk about, and overall again benefiting from consumer sentiment in the festive season and relaxation and vaccination, all contributing to the strong performance of Retail.

With this, Anshuman and Kiran, if I may request you to take over.

Sh Kiran Thomas 00:08:57 – 00:26:31 **(Digital Services)**

Thank you, Srikanth.

Obviously, in this tough situation that that we have all gone through in the past months, because of physical distancing, digital connectivity has become extremely meaningful and that is reflected in the strong growth that you've seen across our digital portfolio especially digital connectivity. And our revenue has gone up, again, on the back of that growing usage against strong growth in revenues, north of 15% EBITDA growth north of 15% ARPU growth as well. So, all in all, we have had a quarter which is our best quarter over the last seven quarters. So that's the good news. We've been able to add again a very strong set of customers gross adds up 35 million plus in the last quarter. During the peak of the second wave. We have done a lot of initiatives. We have launched a lot of humanitarian initiatives like giving voice minutes to keep them on our network and keep the lifeline alive.

Now, two quarters later, we find that a large number of the people in the bottom of the pyramid have not been able to stay up to date with recharges. Of course, we have a policy of keeping them in our base for about 90 days. So effectively, the effect of these people stopping recharging two quarters before, is now getting reflected in our subscriber count, and because of that you'll see a net reduction, about 11 million in this quarter. Having said that, this has zero negative impact on all of the numbers that are mentioned before. This is more of an accounting correction that we are having to do, like I said the ARPU has also significantly grown to north of 140. This is also because of the improving subscriber mix. We can see the people who are continuing on our network – we can see increasing engagement, both on the mobility side, as well as the fibre to home side. The monthly traffic on our network has crossed seven and a half exabytes, exabytes is like a billion gigabytes.

And of course, in a difficult macro environment, because of the fact that we have a digital foundation, we are helping people navigate this this tough scenario. We have seen substantial improvement across our financial metrics, JPL revenues are now at 19,000 crores plus. And there has been an underlying growth of 15% year-on-year after adjusting for the interconnect usage charge regime which has changed over this period. JPL EBITDA is at Rs 9294 crores, which is healthy 47% margin over revenues. So all in all this has been a great quarter for us – extremely strong growth across all of the operating and financial numbers. And like I said, with a downward revision only because of the bottom of the pyramid users who had stopped recharging a couple of quarters back.

And, of course, like I said, just to add a little bit more detail, the April to May timeframe is really when India went to the peak of the second wave of COVID, of course we did a lot of, we took a lot of measures by extending free services, extremely attractive tariff plans, a lot of extra GBs along with recharges, which has really made a huge impact for a large chunk of our customer base.

We have been able to expand our network and operationalize all of that spectrum that we were allocated, which meant there has also been a significant capacity improvement that we've been able to make in our network. All in all, we have seen that reflected also in the customer satisfaction metrics as well as the usage metrics that I mentioned earlier. One key thing that I want to mention is the MNP numbers.

We have seen a net positive MNP for Jio, and as you know, that is also reflected in that negatives for other operators. And we have seen a significant increase in this net MNP customers who are joining the Jio network. All in all, reflecting the fact that we still remain the most preferred service provider for Indian customers.

Another thing that I want to talk about is a significant development that we want to announce here – the readiness of what we are calling Jio Phone Next. We are all aware of the JioPhone and the dramatic impact it made for people who wanted to go from 2G to 4G. Now this is a continuation of that evolution, this has been announced in the past. And this is an effort that we undertook along with our partner, Google.

So JioPhone Next is an extremely affordable value engineer device, a true smartphone that we will soon be launching in India. But it is entirely powered by a brand new operating system, while it has all the advantages of Android, which has been contributed through the partnership with Google, but we have completely optimised that operating system to work on this extremely affordable value engineered device.

And not only the performance, but we have also given special attention to a number of unique experiences for first time smartphone users, voice and language translation being the most prominent of them that people will be able to experience. Because, as you know, India has diversity in languages and also the fact that sometimes the first-time smartphone users are not very digitally savvy. We have focused on really making that experience seamless for them.

While it is value engineered, but when it comes to the quality of the component, we have not cut corners. We have given the best of partnerships. The most leading providers of chips and other components is what is reflected in this device. So in terms of quality, it is next to none. In terms of making it more affordable, again, we are introducing a lot of services, especially when it comes to how this device would be made available from a financing perspective. Again, there will be a lot of innovative things which will be unveiling in the future. We have paid special attention to make this extremely affordable for first time smartphone users.

And of course, we are fortunate that in our own family, the Reliance group, we have Reliance Retail and Jio Mart, the digital arm, which has been doing extremely well. We have extended that onto a platform called Jio Mart Digital, which is an assisted sale platform that we are extending through the new commerce model to a lot of the small digital retailers across India, lakhs of them whom we want to bring on our distributor network. And through them, we will also make sure that your phone has the widest possible availability and reach, especially where the physical proximity and the physical support makes a difference.

And of course Reliance Retail has a well-established after-sales network services like ResQ etc, very prominent and very proven, so we of course want to take advantage of that as well. So it's a wholesome 360 degree proposition, driven by the product, driven by the operating system, but backed by a full 360 degree set of services and partnerships.

So we are really excited about what's to come on the network side. Again, a lot of investment that JPL is making when it comes to applying cutting-edge data science, a lot of platforms that we're building to bring in next generation automation. And like I mentioned, of course, the operational improvements that we are continuing to make.

All of that, resulting in a dramatic improvement, also when it comes to network quality and the experience that our customers are able to get out of the network services that they offer, using data science, we are able to more proactively predict where there could be customer experience issues. Understanding the traffic patterns and more importantly, being able to forecast those traffic patterns especially around peak events, sporting events and concerts and so on. There are the VPC, pick up in traffic on our network, and we are able to now we have a rich history now. And because of it, we are able to marry that to algorithms to really predict this and take proactive measures. And all of these solutions, after having been deployed, we are seeing a consistent improvement in scores, and, of course, with respect to the reach we have always been number one, with respect to quality. We have also been a leading player here. But if you look at for example in this slide we are showing the latest open signal statistics. We can see a consistent improvement that we've seen over the quarter from everything like videos to download speeds and upload speeds. In fact, in the Open Signal statistics, we are ranked number one in India when it comes to the video quality scores.

Another thing that has also come along extremely well is the homegrown or what we call the indigenous 5G platform that JPL has built. And we are really gearing up to launch that with our telecom subsidiary. The field trials have been ongoing. And we have applied the most rigorous standards visa-a-vis how we have run this field trials. And obviously the entire stack itself covers the full spectrum of what is needed to launch 5G. Everything from radio, which is called the 5G New Radio or NR, 5G NR the core network, and obviously, a whole series of use cases. Because we strongly believe that 5G is not just about more bandwidth, but 5G is about the kinds of applications that can be launched, using extra speeds and extra low latencies which 5G affords. So everything from augmented reality, virtual reality to gaming, entertainment, and of course a number of use cases in around manufacturing. So the use cases are extremely powerful and what we are doing with JPL is not just offering the platform that will power 5G, but also the applications that will run on top of 5G.

And we are very happy to say that through this trials, we have shown consistently that we can deliver throughputs as high as 1.5 gigabits per second, which is which is among the highest which has been demonstrated anywhere in the world.

JioFiber. Another area where we have quietly been making progress, even during COVID. We had restrictions in entering buildings and premises, but in spite of all of that, today we are present in more than 4 million connected premises. And this number is growing at a steady pace as the situation eases in the country. But on the other hand, the on the groundwork to lay infrastructure has been somewhat faster in terms of the rollout, and today we are physically present outside 16 million premises. Ao there's a huge runway of new customers who are ready to be acquired because of the work that we've done, even during COVID.

Of course, of the people who already have in the 4 million premises, we are seeing a steady uptick in terms of customer engagement, which is reflected in the fact that the average home consumes in excess of 300 gigabytes of data per month, with more than five hours of engagement that we are able to see in the on the Jio set top box that we have also placed in these homes. And we believe that the Jio setup box is the gateway for Jio and JPL to offer a rich set of services into the future. So obviously this is just the start. And we see this engagement growing month on month in the future.

Just to give you an idea visually. In addition to the connectivity of course which is best in class, we provide each of these 4 million homes with a slew of solutions. Of course, we provide them all the devices which are required to connect to the fibre network. But in addition to that, we also have the Jio4K set top box, along with the smart remote, which is voice activated, which really brings that 10-foot experience to life. And we today have all of the leading media and content partnerships both local as well as global already supported on that set top box.

So obviously a rich slew of content that we are able to offer right from day one, and even through the partnerships with Facebook and Google even popular applications like YouTube and Facebook are also present. And this list of applications are growing. Hundreds of application developers who are partnering with us every given month. And there's a strong pipeline of applications that we see into the future. Also, there are a slew of solutions like smart speakers, and connected IoT devices for the smart home, all of which have been developed over the past few months. And now we are gearing up to make it available to these 4 million homes as well as the additional homes that are connecting on a monthly basis.

I think we have made it a practice to also talk about our extended family, so we have now a number of start-ups who form part of the Jio group, especially the JPL ecosystem of Digital Solutions. Today we want to talk about one of those partners, which is Jio Haptik. Some of you may know that the Haptik, which is now Jio Haptik after our acquisition, is playing in that space and an exciting space of conversational AI platforms – using the power of AI to have natural conversations with computers and with applications in the back.

So obviously, this opens up a completely new paradigm of user interaction and Haptik is a leading player there already. If you look at the rankings from rating agencies like G2 to where they've already recognised even in this early days, Haptik is a leader in this category. And the good news is it is not just an Indian audience that Haptik is serving. More than 50% of the revenues for Haptik already comes from outside India. So this is a very strong story for the JPL mantra that we build solutions that is proven in India, but then made available to the world.

And the good news. Also here is not just for consumers, but the story for enterprises is also extremely strong for Haptik. CRM platforms like Salesforce, Zendesk, Shopify enterprises today can integrate with Jio Haptik extremely easily and extend the conversational AI capabilities on top of all the solutions that they're building as well.

And, of course, Haptik is also building strong capabilities which are industry specific. So they are training their AI models to understand and to be able to very easily serve the needs across multiple domains of interest like e-commerce, telecom, gaming, banking and insurance and so on so forth.

In the last month, they also introduced an extension, an extremely powerful platform called Interact, which is a 100% self-service platform. So even without talking to any engineer from Haptik, even small SMBs can use this platform to build an end-to-end conversational platform for engaging their customers. So, all in all, a very strong performance by one of our subsidiaries, and we're also glad to announce that recently they crossed the 4 billion interaction on Haptik. And this usage is going exponentially into the future.

At this point I will probably hand this over to Anshuman who can give some of the numbers, the operating metrics and the financial performance. Thanks. Good evening everyone.

Sh Anshuman Thakur 00:26:31 – 00:30:04 **(Digital Services - Financials)**

Starting with the operating metrics for this quarter, Kiran spoke about the subscriber base, we ended the quarter at 429.5 million customers. We saw a reduction in customer base on account of non-activity during the previous quarter, which got recorded as churn in the September quarter.

In some ways, this was really a function of the SIM consolidation that happened people using multiple SIMs. Deciding to not use the SIMs at all. So SIM consolidation, which is a healthy trend, from our point of view, even strategically that's something that we want to focus on. Some of the low end users which stopped using the service, hopefully with the new device strategies that we are working on, some of them will come back. But we'll continue to expand the market and strategically focus on customers, more than SIMs, and make sure that for each of the customers, we are getting very active engagement, and which is what is really reflected in the rest of the operating metrics. So ARPU has gone up 143.6 rupees, significant jump over the previous quarter.

Because of the improving customer mix, total data consumption, as again Kiran pointed out, over 50% growth year-on-year to 2300 Crore GB or 23 Exabyte per capita data consumption at 17.6 GB per user per month, and voice consumption at 840 minutes, all of those operating metrics have been very healthy.

Really, if you see during the September quarter, the operating matrices have been very steady and very healthy.

Moving on to the financials on Jio RJIL, the connectivity business has delivered another strong quarter of operating financial results, operating revenues at 18,700 crores, which is 16% growth year on year. This is why you see EBITDA at 9,003 crores, 48.1% EBITDA margin continues to grow, both growth and the operating leverage are improving the financial numbers. Once again, to remind you, what you see here the drop in the March'21 quarter in operating revenues was on account of IUC regime moving to bill and keep. So overall the connectivity business has been showing fairly steady growth, continuously.

Moving on to Jio Platforms. Key financials. Their gross revenues of 23,200 crores operating revenues of 19,777 crores during the quarter. EBIDTA came in at 9294 crore. And the net profit are 3728, which is a 23% year on year growth. Continues to grow.

And despite, you know COVID challenges and other limitations on the ground, as you all are aware, the fibre rollout has been impacted, enterprise rollout has been impacted. But things are getting better on the ground now, and despite those challenges we have, another very strong quarter of financial results delivered by Jio platforms.

With this, I'm going to hand over to Dinesh to take you through the Retail results. Over to you Dinesh.

Sh Dinesh Thapar 00:30:04 – 00:51:33 **(Reliance Retail)**

Good Evening everyone. Let me start by giving you a sense of the operating context. Now most of you will remember that when we spoke last time around in July, I had mentioned that the operating context was directionally improving having come off what was a very tough first quarter when wave two erupted. Through the last three months of Quarter 2, things have gotten progressively better – each month has been better than the preceding one. And we've now seen pretty much most of the operating curbs and limitations abate.

We had close to about 90% of our stores that were operational through this quarter compared to about 60% In the preceding one. More importantly, if you recall the last time around when stores were open, we had restrictions in terms of the hours that they could operate. Most of those restrictions have now been removed. It reflected in a significant improvement of operating hours which are almost again close to 90% as we exited September, relative to what was 38-40% in June. So really we are getting very close back to normal. Footfalls have recovered, footfalls are at what 78%, you know, for the quarter compared to 46% for the preceding quarter and as I look at the October numbers, we're getting closer to 90%.

And it's the sentiment has distinctly improved, we've seen demand which is buoyant, we've seen demand come back in a big way across the country. We've had a good festive season, and I think relaxations and confidence on vaccination has really meant that many more people are out shopping, across our stores.

So what are the key messages? I think by far retails had a very good quarter. You know our revenues have surpassed pre-COVID levels. I'm not just talking about year on year, of course, over the previous year we are 16% up but when you compare it against Q2 of FY 20, we are clearly ahead, so therefore we've really built back momentum over pre-COVID, led by a very strong uptake on fashion, lifestyle. In fact that's been the star performer many ways.

It's been a record quarter for fashion & lifestyle. EBITDA has come back in a big way, it's up 45% year on year, driven by a favourable revenue mix. Clearly our most profitable business, fashion & lifestyle has come back to the growth party, and up by some amount of investment income that you've been used to seeing. Rapid infrastructure expansion has resumed. We have over 800 new stores now, and about 86 new supply chain locations that were added to the network in this quarter.

Digital commerce and merchant partnerships which were clearly very very strategically important has been much of a focus area of the last few quarters. More particularly so after COVID broke out, it continues to gain momentum, and in fact we've now had record orders across our platforms, most notably on JioMart and AJIO. And from the few announcements that you would have heard us put out, we continue to take very decisive actions to bolster the portfolio for retail.

We completed the acquisition of Milkbasket which in many ways, frontiers the subscription business that we're looking to build out. Portico, which is really going to bolster the portfolio in our home and living space, and of course the acquisition of Just Dial, what we're very excited about as we look at the marketplace business. And then recently a couple weeks back we announced the partnership with 7-Eleven to really set up a range of convenience stores. So whole host of actions being taken to really bolster the capabilities for the retail business. Next.

So, double clicking onto revenues, strong revenue performance growth of 16%. We refer to 16% apples to apples and just keeping the effect of the petrol retailing business out that's a business you will recall, and we've spoken about this for a few quarters now that we've hived off and transferred to the RBML JV, when that was formed. So really apples to apples comparison was 16%, even though it's 11% on headline numbers.

Fashion & lifestyle by far strong outperformance out there, and it's been a record quarter of sorts for that business. Store revenues which had taken a beating as operating curbs were imposed and restrictions were imposed are back on track and now again are ahead of pre COVID levels. We continue to build very strong momentum on digital and new commerce. You'll recall the last time around when we met, I mentioned that that was close to 19-20% of our business, of our retail business. And that was in the quarter when our store revenues were curtailed by the operating curbs. Now as that revenues have come back, this business has continued to maintain its momentum and continues to contribute to about 20% of our sales in this quarter. Petro retailing, I mentioned 2000 crores which was there in the base, no longer here, and therefore that's a bit of a drag but as we get to the next quarter onwards, it starts to dissolve because that comes into the base.

Looking at EBITDA. The next chart, please.

For EBITDA, you know, strong build-back 45% year-on-year, 50% up over the preceding quarter. We've had almost 1000 crores again led very clearly by the build-back of our most profitable business, fashion & lifestyle, has lead the way over here. Electronics and grocery has seen a very steady and consistent performance, but revenues have built back as operating curbs are being lifted and that's contributed to EBITDA performance. We continue to remain very very judicious on cost management. You'll recall that I mentioned this, when COVID broke out and we've continued that effort right through. And that continues to keep us very tightly managed on our fixed costs. The boost from investment income now has been part of the base for some time, and that's continued to play out in this quarter. Most importantly I think you're now starting to see, again, as revenues come back and you know with the confidence that we now have on the outlook up ahead operating leverage starting to come back into the business, as we start pushing the growth for their come back.

Next... So rapid infrastructure has now resumed. We are up with 800, a little over 800 stores right now. We got 86 new warehousing locations and I think when you look at the first half therefore between quarter one and quarter two, we've now got about over 1000 locations that have been added to the retail network, of course across stores and supply chain, with about 6 million thereabouts square feet of additional space, and that in the first six months of what has been reasonably constrained would represent a fairly significant addition. Of course we've got plans in the offing, to really be able to accelerate the infrastructure from here onwards.

So this is, you know, when you put it on a timeline, these are really some of the actions that we've taken on acquisitions and partnerships to build the capabilities for the retail business all the way going back and we've done this across fundamentally three lanes, you know, acquisitions and partnerships to bolster our capabilities, whether it's about filling a white space in our portfolio and you know something like Zivame was in that space. Even Portico was in that space, Hamleys was in that space.

The second is supply chain. And that was where Grab came in very handy; they really front a lot of our, our last mile fulfilment at the moment. And of course, technology, you know, a whole host of platforms that power various parts of our retail business. Most recently we concluded the acquisition of Just Dial, Portico, Milkbasket, for which we have very exciting plans in place and we will talk about that in the quarters ahead and, you know, a couple of weeks back we made three announcements we signed out the master franchise agreement with 7-Eleven, Inc,

Very recently started to set up a whole host of convenience stores in the country starting with the Greater Mumbai cluster. And then of course, two partnerships with leading designers in the fashion space, Ritu Kumar and Manish Malhotra which we're very excited about.

So quick set of numbers the headlines, you know, gross revenue was up 45,000 crores plus. That was 11% on just the headline but 16% on an ongoing apples to apples basis. EBITDA at 2,913 was 50% more than it was last quarter, about 1,000 crores added, and 45% higher year-on-year and profit after tax was up 74% year-on-year purely reflecting the benefit between EBITDA, and a lower rate of growth on depreciation and interest income which allowed profit after tax to really go 74% year-on-year basis. More importantly, operating margin is now up 200 basis points over what was proceeding quarter. Preceding quarter was clearly a challenging one because we had most of the retail operations, was constrained by what was happening in the environment, but we are now back to 200 basis points, as the normal growth to the multiple businesses is trying to come back

So quick comments for each of our businesses. Consumer electronics has been on a very, very steady growth momentum - double digit growth across store sales you know it's been the highest in quarterly revenues. For our ResQ business which is really services, we have kept pace on it and the business is doing really well right now. We've had the best ever 15th August sale and you'll hear this thematic on multiple occasions as I talk about right now that we've made our sales days even bigger.

Progressively, every sales day is now starting to become even bigger, driven by ticket sizes, and we've done everything else that has really led to very strong execution of events, whether it's the affordability programmes, the most compelling offers and launches, we are big on partnership with a number of brand partners. Double digit growth across categories, Reliance Digital, which is the digital commerce arm continues to expand, we are now across 2000 cities.

And we're back now that logistics constraints have been lifted, we're back to delivering over 90% from stores in under six hours. We continue to expand own brands and headline revenues would have been a bit higher, but we've had low device revenue on the deferment of the JioPhone Next launch. We just heard Kiran speaking about that, and therefore that is something to look forward to in the future,, but it's clearly had an impact in terms of how we faced up in terms of just the numbers for electronics but otherwise, on the revenue front we have both the stores business and the digital commerce business, very very steady momentum that has continued on this business. Fashion & lifestyle, you know, it's a record quarter, it's the highest ever performance that we've had for this part of the business - our apparel and footwear sales are up over 2x. Very strong festive season performance that we've had.

Footfalls haven't quite recovered in this business as yet... we're still 78%, but what we've done is to really be able to activate in-store, have the right portfolio and temporary portfolio, locally activate for festivals, and really drive conversion. Conversion in this business is at record highs, and with values up nearly 20% higher over normative levels. So that rhythm on that business continues to chug along quite well and make up for footfalls which quite haven't recovered as yet. What we've done is to also strengthen the portfolio, we've now expanded the stores format into saris, we've launched a new format called Avantra by Trends and another one called Trends Saris, you'll be familiar with how large saris is as a category within the Indian and ethnic fashion and lifestyle space and we've now made a very focused and clearly excited by the opportunity that that could potentially bring us to expanding that nationally.

We continue to expand our brands portfolio. AJIO has had again a phenomenal run, it's been a record quarter for AJIO and you heard me say this time and again now that each quarter is getting bigger than the preceding quarter. We're delivering serious sequential momentum on AJIO, strong activation, strong event execution again over here, each of the days that we have, each of the sale days that we have - the AJIO Big Bold sale is getting bigger with each successive addition. We're expanding the catalogue with getting many more categories, we launched beauty, fashion accessories, and we're clearly widening the offerings on AJIO to make it really, you know, the premium lifestyle destination for fashion and lifestyle.

In terms of our B2B business which is our Merchant partnerships, we continue to expand. I think last time I spoke to you, we were close to about 2,400 cities. We've now expanded our reach to 3000 cities. We are adding many more brands, many more sellers to build the supply-side ecosystem and we are expanding the catalogue for this business, and now the fashion markets are starting to open up, we will look to accelerate both recruitment and the business on this front.

Looking at our jewels business, jewels is seeing very strong growth momentum. It's been another fantastic quarter for this business, you know, share of diamond jewellery has increased 24% to 25% this quarter clearly higher than what it was same time last year, we are leveraging design capabilities, increasingly you've heard me talk about this – very core and strategically important for this business, we introduced line collections with both national and regional themes, and those have been well received. And clearly enrolments and gold savings schemes have surpassed pre-pandemic levels. Our luxury business, Luxury and Premium business partner brands revenues up 2X as more stores have opened up and businesses are coming back to normal.

The distance selling that we've pioneered is still contributing silently to sales, even as stores have opened up. We've continued to expand our partnerships, a few more brands have come along and refresh that are happening across our brands, and AJIO Luxe is another business where we did not have a sizable digital commerce presence pre-COVID, we since have it now across all our brands between listings of AJIO Luxe which is the luxury curated section that we have on AJIO mono brand sizes. We've really scaled up our digital commerce business. On AJIO Lux we now have over 400 brands, 100 of the most premium and luxury brands available in the country now well over 15,000 options to pick and choose from. And surprisingly, you know, over half the revenues that we're seeing in this initial period some luxurious brands launched comes in, beyond the top 10 cities.

Grocery – double digit growth momentum, this is on the continuing business, you know on higher operating hours. The fear of non-essential, you will recall, as operating curves were imposed, we were restricted from selling, parts of portfolio, which was not considered to be essential. And as that has eased out this part of the business has come back in a big way. And that's almost up 2X. The smart superstore that we have, which is the flagship store supermarket big box format, has now reached crossed 400 store milestones. And interestingly, over 200 of these stores were open in just last two years. We will accelerate footprint on smart store just as like we have the winning formats.

Successful execution of mega events across all categories, and that's another instance of where we've made one of our sale base is even bigger. You know, it's the highest ever again. JioMart, and I think this is really the big call out. We ran a sale on 12th of September, and in those two days we recorded 3.7 million orders. We were very pleasantly surprised, and pressure-tested our system for it's given the team a lot of confidence to really not be able to handle what is truly an exponential increase in the volume that we saw in those two days. Very strong conversion rates, high degree of traffic that came in from new users and I think 3.7 was clearly something which would definitely surprise us way ahead of our expectations, but like I said given us a lot of confidence on the JioMart proposition.

Our merchant base has grown, you know 20x over last year, we just want to give you a sense of the fact that we started the journey, and we've grown sequentially, you know, you know, quarter after quarter despite the fact that markets are being on, off, shut, open, we've continued to go ahead and build out the proposition with kiranas, and we are significantly investing behind, you know, supply chain service capabilities and enhancing user experience for our merchant partners.

New businesses, quick sneak preview, Pharma, starting to build up, Netmeds, you know we are investing behind serious activation, we had growing the capital on profit was up 48%, we've launched a subscription model on stores, we've doubled the farmer footprint, and we've now started an expanded the hyperlocal capability, you recall I mentioned at a point of time in the past that we were piloting this in Bangalore, we're now extending this. And clearly, double digit contribution that's now starting to come through from the hyperlocal business, which is where fundamentally you place the order Netmeds and you get serviced from one of the local stores that we have. We've launched the Netmeds wholesale. We're looking to scale that up, this is really the new commerce equipment that we have where we are partnering very closely with partner pharmacies, and we've continued to strengthen the product mix and this was an area where we need to invest in supply chain and we believe more than 20 of new fulfilment centers we've operationalized and to be able to extend our play nationally.

Zivame, you know Zivame has had a fantastic quarter again, it's been a record and for the firm for that business. As we build the business online on digital commerce, we're also expanding our footprint offline, we've added 15 new stores, many more in the offing. The Zivame portfolio is now being extended to the rest of the Reliance retail formats, it's available, Ajio, Avanta from Trends, to saris format across smart stores. It is our intention therefore to really be able to leverage our existing store formats to be able to grow. Many of the new acquired businesses and brands that we have. The Grand Lingerie was very well executed and clearly traffic and activation has more than doubled. And another one of those instances are where we are making sales even bigger.

Urban Ladder has seen good growth as markets have opened up, that business has seen again another 2x on orders, growth across all major categories and key cities, and we're now building both local manufacturing and the portfolio with a wider selection of options across both furniture and home decor. Through all these businesses sitting for serious growth up ahead.

So, looking ahead, you know you've noticed these themes very consistently, because this is really what we're looking to do, and drive consistently which is now that markets opening up, normalcy seems to be coming back. And operating curves are being lifted, rapidly roll out new stores, it's always been part of the works, we have a very significant pipeline that is there, which is in various stages of development, we'd like to bring those to market, now that operations have opened out.

Expand digital commerce, you know, and the service capabilities and service capabilities are really talking about investing behind technology for the new peaks that we're seeing with each of these businesses, well imagine, you know, on JioMart when I told you that we got 3.7 million orders in two days, what that would have meant in terms of pressure-testing both our tech platforms as well as fulfilment capacity, we are now seeing similar searches in AJIO and across the rest of our digital commerce channels, we're now preparing it for the subsequent peaks across both these dimensions, which is so important.

We're looking to accelerate new commerce merchant onboarding across the business you know, ramp up grocery and fashion, lifestyle which is well underway, expand coverage, expand supply chain so that we can cover wider pieces, and then as you heard from Kiran, you know, which is to really go and launch full-fledged and scale up on JioMart Digital which is the play in electronics and to scale up of course, the partner pharmacy, which is what we calling it Netmeds.

Development of the new businesses marketplace with the Just Dial, the 7-Eleven piece on convenience stores subscription, led by the Big Basket acquisition, Zivame and Urban Ladder which are playing spaces, which have expanded portfolio-wise for exponential growth as we leverage the Reliance Retail ecosystem. And then of course we're running the grounds for a bigger playing beauty, that I think what we're also doing is to really augment and fast track a lot of the work that we wanted to do and we're not able to doing on really augmenting supply chain infrastructure, and really building this whole product and design ecosystem that we have across all verticals, because you've heard me say this in the past that building out our own brands across the businesses is as much of a strategic priority and we have to invest significantly behind building product and design to be able to underline each of those strategic priorities

So that's really in a sense, looking ahead, acceleration plan performed over three years and I think with the markets and operating conditions looking to normalize now with footfalls coming back schools remaining open. I think we feel very confident to be able to restore and accelerate growth momentum in the business and in really putting out the numbers that you've been used to seeing from Reliance Retail. Thank you and let me hand over the session to Sanjay.

Sh Sanjay Roy 00:51:35 – 00:56:04 **(Hydrocarbons - Exploration & Production)**

Good evening everyone. If you can go to the next slide please.

So, once again, this quarter gone by, we have done very well. We have exceeded by almost – in terms of revenue as well as EBITDA growth – we have seen a growth in those areas. In terms of EBITDA, we've almost seen a 34.5 per cent growth. Now this is mainly an account of sustained production from KG-D6, as well as the higher price realisations from CBM and US shale.

And as we go forward, as you may be aware that the price ceiling has been revised by the government, and you'll see an upside of almost 70% - it has been revised from $3.62 to $6.13. So essentially, the volume growth and higher price realisations are driving the margin expansion and we expect that to continue as we go forward. Next slide please.

In terms of MJ field, now that we are more or less stabilizing between 18 to 19 million standard cubic meters and we have got this MJ field, which is currently under development. We expect the first gas to come on stream by the third quarter of FY23.

All the fronts are on track in the project, the wells have been drilled, and we expect to undertake the completions in the early part of next year. The FPSO is currently under build, and the subsea production systems and the fabrication is underway, and we are planning to have the next installation campaign come up in December. So, all the pieces are coming together, and we expect to be on track with first gas by 3Q of FY 23. With this we expect to achieve a cumulative production of more than 30 million standard cubic meters from the block.

Meanwhile, we are also looking at leveraging our knowledge of the area, and considering developing prospects based on the seismic data. Now, there are potential resources that we are looking at and we expect to mature something by early next year for potential exploration drilling. Next slide please.

Just to give you a perspective on the gas outlook. As you are all aware, gas prices have gone up multi-fold. In fact, during the COVID we had seen prices almost dipped to $1.50 to $2, and today we have also seen prices swing upwards of $35. So, you know, it has been quite a volatile market. But long term we believe that gas will be an ideal transition fuel and considering that the COVID is more or less at an endemic stage, there has been quite a sharp demand recovery.

This, along with some of the demand that has emerged has come from Asia, where China, Japan and Korea have been the key drivers. And what we expect is this demand will continue to sustain. But on the other hand, we have seen supply constraints come in between planned and unplanned outages of LNG export facilities in several countries. In fact, there have been maintenance activities at a large gas production field in Europe.

So, all that put together with inventories also remaining at historical lows. If we compare, the current inventory levels are 77% full versus in the 90% or so that we have seen in the last five years. So, this indicates that prices are likely to remain strong.

In India the demand has recovered, and it has sustained. It has been quite resilient at about 168 million standard cubic meters. The price is remaining high overall. We expect that the price ceiling will also remain – will go upwards, which bodes well in terms of overall price realizations in the quarters to come. So, that is the outlook of production as well as better price outlook, is what we are expecting in the upcoming quarter. Thank you. With this I will hand over to Srikanth.

Sh V Srikanth 00:56:05 – 01:11:45 **(O2C Business, Summary and Closure)**

Looking at the demand factors, you can see the jump in demand across oil globally as well as Indian demand for oil, polymer and polyester. Just on oil, for the quarter, you saw a very sharp jump 2.6 million barrels per day. That is pretty big, and also year-on-year the growth was 5.1 million barrels per day. When you look at it overall, we can attribute it to the very positive sentiment on the consumer side, vaccination drive supported by monetary policy, all these things have played a big part. Of course, the mobility indices, at 135% of pre-Covid, air travel has gone up.

As far as demand growth for polymer and polyester are concerned, it has surpassed the pre-Covid levels. On the operating rates, refinery operating rates up 200 basis points at 78%, cracker at 86%, that is up for four percentage points, and this is despite hurricane Ida, which, you know, you saw the number of supply outages in the US, and also a reflection of strong demand. High prices supported the high utilization levels.

When you look at now the feedstock prices, oil up almost 7%, LNG at $19 – in MMBTU is up 86%, and therefore you saw the cascading impact going through on naphtha and ethane.

We saw the prices going up 2% on naphtha and almost 34% on ethane, clearly the demand has been strong, supply constraints have been there, and it is all reflected in the price.

On the margin side, the total impact of strong demand and the mobility that I talked about, is that transportation fuel crack spreads are up between 17 and 20%. This is, you know, when you look at the inventories of refined product stock that is at a five-year low. And also, you saw a lot of high gas prices, you know, you see we saw that leading to switching to liquid fuels, of course, the impact of the higher input prices meant that you know you did see the polymer margin, down 16 to 18% and polyester chain down slightly by about 5%.

So here the demand revival and supply chain issues, and low inventory is what, pushed what prices and over all margins. This is just the pictorially, depicting the fact that you are seeing the sharp jump in, crack spreads for gasoline, gasoil, jet fuel, and that is on the left side of the gas prices you saw a six in April'21, becoming 12 and then going to as high as 36. So very sharp jump and this is overall again back to coupled with the fact that the seasonal demand also grew in US and Europe, thinned Chinese exports clearly also played a big part of course in addition to the outages that you saw in the refineries in the US.

The fact that the jump in the gas prices, explains almost a 0.75 million barrels per day shift away from gas to oil and if you recall I mentioned about an overall demand of 2.6 million barrels per day of increase of which 0,75 is attributable to in assumptions to natural gas prices and then the balance coming on the transportation.

So, this is again a quick one pictorial depiction of mobility index that I talked about, it is well above pre-Covid and you know it is seen from the condition and traffic across the world. Also, when you look at flight departures over the last three months, big jump maybe barring, of course, Asia Pacific, but otherwise the trend remains intact, it is going up.

When you look at the domestic market environment for polymer and polyester demand growth is strong demand up 14% and 7% Q-o-Q. We have seen it in ecom, we have seen the demand coming through ecom, health and hygiene, FMCG. Polyester, of course, it's almost 40% growth year-on-year and quarter-on-quarter. Last year, of course, we had the impact of a lower base but overall festive season, all that helped. The container shortage and port congestion, lead to higher freights. It did restrict imports, and there was higher Indian premium for most of the downstream chemical products, were on the back of the higher demand from India. Oil overall 7% increase, gasoline 12%, gasoil 9%, ATF jumped 37% and if you look at just the petrol demand, compared to FY 20, now in the second quarter of FY 22, the absolute petrol demand is up 6% clearly indicating preference for personal mobility.

This slide if you recall we had presented last time too, in one slide it captures the fact that overall PPP demand, is at 12% above pre-Covid, starting at fourth quarter of FY 20 as the base, and on quarter-on-quarter basis the demand is 14% up and year-on-year is up 7%. When you look at deltas, they are 10 to 20% depending on the product, above the pre-Covid levels. Of course, on a q-o-q basis, you know, the delta or naphtha is down between 16 to 18 I talked about. High oil prices and all the translation coming through in both prices of naphtha and ethane. Same story with PVC, you know, price at all-time high, but margins constrained by strong naphtha and EDC prices and, of course, logistic constraints and strong demand supported domestic delta so to that extent it was offset by the demand and the fact that it has restrictions.

Polyester again, demand is now 19% over pre-Covid and it has recovered fast. With the onset of the festive season, and the vaccination coverage and economic outlook, and year-on-year, quarter-on-quarter up 40%. So good growth there. On the delta side marginally lower, I would say, 622 now chain delta is now at 593. So, margin is lower on a quarter-on-quarter basis, but up 12% from pre-Covid levels. PTA specifically prices remain pretty firm on the back of the constraints logistic constraints that I talked about. Two quick ones on each - starting with gasoil quarter-on-quarter, you can see that $7 becoming $8, on an average basis but if you see the end of the quarter, you know, the gasoil prices jumped to $13. Just for this quarter the improvement in demand was 0.5 million barrels per day.

So, this is 0.5 out of the 2.6 that I talked about. And you may also note the shortfall in the inventory 225 million barrels down to 176 million barrel so very sharp inventory drawdown that you can see. Similarly, on the jet side, not much on the inventory. Inventory from 58 to 54 but demand upon 0.3 million barrels per day. With the removal of the restrictions on travel in the west, definitely helped. By the end of the quarter what was an average of $5.4 for second quarter is jumped up to $10.2 by the end of the quarter.

And on gasoline the demand is about 0.7 million barrels per day, and the overall margins, for second quarter was close to $10 versus eight, the previous quarter and, you know, end of the quarter we'll say it was well above $11. So, all the mobility supply outages, all that is, has, has led to a significant improvement in price. So, when you bring that together from a performance point of view O2C a 1,21,000 crores in revenue, sharp increase year- on-year, 58% EBITDA close to Rs.13,000 crores, 44% up on a year-on-year basis, margins about 10.6% that's slightly lower but I will explain to especially on the petrochemical side margins were a little lower. But on an absolute level the earnings you can see the jump there.

Again, we have gone through the factors and all of them applicable for us, you know, we saw the demand benefiting us, crack spreads benefiting us and more importantly on the cost side, the fact that we had, syngas, as well as the fact that we had a lot of domestic gas coming to us. It kept our high-cost LNG exposure to absolutely negligible level, so that absolutely helped and this is a structural advantage, not a one quarter phenomenon, and that will come in, the benefit will be there for a long time.

Finally, you know the utilization rates continue to be good product placement strategies have helped, especially for us in the quest for getting the highest net backs in product placement. So, this is the overall operating performance throughputs slightly lower, but we maximized gasoline, we maximized paraxylene, all the distillate products placements were pretty good.

Our product export capability has improved with the commissioning of the A2 jetty, as well as the PCN quality upgrade facility that helped. We have also completed a successful trial of the high value needle coke production that will come in, as its application in graphite. And we were able to mix, get a very good grip on the grade mix optimization in PE and PP which was really helping to catering to the domestic market.

So overall, when you look at it, oil demand in 2021 is from IEA forecast 96 million barrels per day, this is almost 97% of the 2019 levels. The overall direction looks good from a demand point of view. Infection rates are lower, there are significant improvements in the mobility, restrictions that are there. On the price and margin, the fact that economies are opening up, you know Chinese exports, across the whole chain you are seeing reduction there. Specifically, mid-distillates will benefit from that.

The direct control policy and restrictions are likely to support regional prices for chemicals. On the demand side those drivers are in place, at the end of monsoon season harvest, all that is expected to boost diesel demand and we are seeing the confidence - consumer confidence side, the upcoming festive season, government policies are all looking very favourable in as far as supporting consumption of polymer and polyesters. Challenges, of course, feedstock price volatility and those factors are very much there. There is significant volatility, which is real and the uncertainty of covid, those factors are always there, but overall structural factors and cyclical factors point towards a very healthy environment for this business.

In summary, I would say that when you look at us, we have a very strong financial position. You have seen all businesses generating robust cash flows. Our balance sheet is very strong with high liquidity and effectively cash in excess of debt.

We are very committed to maintain our investment grade ratings. The overall when you look at it, cyclical and similar tailwinds are absolutely in our favour, and the digital services we are seeing a lot of attraction in our digital services platform. Our omni channel strategy is intended to meet the consumer need there. The focus has been on customer centric products and services, and all the factors about reopening all aspects of it will benefit us across our product chain.

And finally, on the advancement on the net zero – we have seen a series of acquisitions on the new energy side. We have also laid the foundations for the Giga factories and focus on building the hydrogen ecosystem in India, and we will be talking about it more in the coming quarters.

So, in short, we are completely positioned to accelerate growth and achieve the objectives that we have across each of the businesses that we talked about. Thank you so much and let me also take this opportunity to issue a very very Happy Deepavali in the early part of next month. Thank you so much.