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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
- Sh Anshuman Thakur, Head of Strategy, Reliance Jio Infocomm Limited
- 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** 00:00:01 – 00:00:37 **(Introduction)**
- **Sh V Srikanth** 00:00:38 – 00:07:37 **(Consolidated Financials)**
- **Sh Kiran Thomas** 00:07:38 – 00:20:20 **(Jio Platforms Limited)**
- **Sh Anshuman Thakur** 00:20:21 – 00:26:26 **(Jio - Financials)**
- **Sh Dinesh Thapar** 00:26:29 – 00:44:23 **(Reliance Retail)**
- **Sh Sanjay Roy** 00:44:32 – 00:51:29 **(Hydrocarbons Exploration & Production)**
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- **Sh B. Srinivasan** 01:17:39 – 01:17:55 **(Closure)**

Transcript:

Sh B. Srinivasan 00:00:01 – 00:00:37 **(Introduction)**

Good evening everyone. Apologies for keeping you waiting for so long. We will now start with our presentation on Reliance's results for the Q3 FY2021. Mr Srikanth would start with the consolidated financial performance and followed by Kiran Thomas and Anshuman Thakur who will take you through with the Jio performance for the quarter. Dinesh Thapar will take on from there to talk about the Retail segment, and Sanjay Roy will talk about the E&P segment. Then Mr Srikanth will come back and talk about both the O2C segment as well as sum it up. Over to you Srikanth.

Sh V Srikanth 00:00:38 – 00:07:37 **(Consolidated Financials)**

Thanks, Srini, and good evening to all of you. So, a very quick set of slides on the consolidated financial performance. Starting with revenue Rs.138,000 crores up 7% and this is primarily led by the O2C segment on the back of higher volumes and realization.

EBITDA is higher by 12 percent to Rs.26,100 crores. And this is on the back of strong operating performance by all the segments. And if you see the split about 56% of the incremental EBITDA came from Retail and Jio.

We also have continued to see a sharp fall in finance costs at Rs. 4,326 crores, which is almost 29% lower. And even if you compare it to what was in Q1 the fall is even more sharper. This is on the back of all the capital flows that came in and we have used it to run down our liabilities. Also, the tax rates are low and this is, we talked about it last time too. This is due to the reduction in effective tax rate for the year.

All this means that our net profit at Rs 14,894 crores is up 41% on a quarter on quarter basis and 26% year on year. This number does include the exceptional item of Rs 121 crores, which is the net impact of impairment of US shale assets of Rs 15,691 crores and recognition of corresponding deferred tax assets, there are detailed notes are provided in the releases.

So, this is the split of EBITDA by business and you can see O2C up 10% and consumer businesses up 16%. Retail sharp improvement, and digital services at about Rs.10,942 up around 7.2%. Clearly on O2C side demand revival and also downstream product deltas have been strong and this in some sense helped negate weakness in the fuel market.

On the consumer side, Jio EBITDA continues to grow on the back of subscriber addition as well as higher ARPU. Retail benefited from a sharp rebound in Fashion and Lifestyle and also by the investment income on the capital raise that happened.

Overall, consumer businesses is now accounting for 51% of EBITDA, which was 37% a year ago.

Just one slide each on each of the businesses, before I hand it over to my colleagues. So for us, the key milestone is a run rate of US$10 billion annualised for Jio. As I mentioned, strong revenue and EBITDA growth on the back of both subscriber and ARPU uplift.

ARPU is now at Rs 151 vs Rs 145 in the earlier quarter with significant increase in customer engagement. Overall, we have around 411 million customers as of December. Also, FTTH business continues to scale up very rapidly. In short, strong financial matrix and healthy consumer engagement explaining the growth.

On Retail, this is very strong performance when you look at the operational context in which it was there. Clearly, the benefit coming from Fashion and lifestyle, which got back to pre-COVID levels. From the revenue standpoint, revenues were dragged down because of transfer of fuel retailing to the O2C business and some one-off factors in the grocery business. We have now more than 12,000 stores and we continue to build our digital and New Commerce. The performance I'd say is been pretty steady with progress on store and digital commerce.

On O2C, clearly benefiting from healthy product deltas. Some of the deltas are multi-year high. We did well in terms of feedstock procurement as well as product yield shifts. We saw feedstock throughput at around 18.2 million tonne, which is 8.3% higher quarter on quarter. And that alone along with higher product realisation benefited us. And, along with, of course, demand.

When we see across the board demand side, the oil demand was up 19% QoQ, polymer up 8% QoQ, Polyester up 38% QoQ – basically all of them have demand above the pre-COVID levels. Maybe a bit lower for the oil demand side, but otherwise very very strong growth in demand. And, when you look at the key segments, which are health, hygiene, pipes – irrigation and construction – all of them grew close to 15% QoQ. This explains why our quarterly EBITDA grew by 10.3%.

Moving to the Balance Sheet. This quarter we received Rs 73,502 crore. And with this we have completed the capital raise of Rs 152,056 crore in Jio Platforms and Rs 47,265 crore in Reliance Retail. With this the total cumulative cash inflow for the year has been Rs 220,231 crore. This is basically JPL + Retail + Rights Issue + the asset monetisation of fuel retail. And we have another Rs 40,000 crore of Rights Issues to be received in 2021. If we take all that into consideration, we are net cash positive of close to Rs 3,000 crore.

So, with this, I am going to hand over to Kiran and Anshuman.

Sh Kiran Thomas 00:07:38 – 00:20:20 **(Jio Platforms Limited)**

Thank you, Thank you Srikanth.

I think if you look at where Jio has come, especially JPL it has literally been founded on a twofold promise. One is providing the best world class connectivity solutions, where the promise of connecting everybody every place and everything that journey continues, I think on mobility we continue to be by far the leader in mobile broadband in India and as Srikant mentioned earlier on fiber, the journey is really picking up now as we come out of the lockdowns that we have had and as you're picking up momentum, we are already the largest fiber provider in the country and we have just gotten started. And on connecting things obviously things like narrowband IoT etc now it's pan India available. And I will speak a little bit about some of the IoT solutions and we are rolling out on the back of that and the most exciting frontier for us is the fact that we are at the cusp of 5G where we're doing something to the truly special.

On the other side, the second pillar for our growth is what we call digital solutions, which are built on top of the digital connectivity infrastructure. There we talk about device solutions, as well as software solutions, which are appropriate both for individuals, small businesses, enterprises. And obviously, covering very very crucial areas like education and healthcare, all of those solutions are nearing launch. We are going through some internal betas have been very exciting future as we entered those verticals, you see the logos on top, obviously that is a line-up of all the solutions digital solutions which are already in the market, many of them. Many of them have been running now for close to four years, and especially the media properties are all multiple hundreds of users on a monthly basis. So, they're doing well.

I think I spoke about 5G. Obviously we are by far, the leader in India when it comes to 4G broadband. We have a no legacy all IP modern network easily upgradeable to 5G, because they architected correctly from day one. But in 5G I think the true differentiator that we are really bringing into the market is the fact that almost the entire 5G solution. In addition to being an operator, the entire solution has also been developed internally. Everything from the radio technology, with respect to macro base stations with respect to small cells, indoor cells. I think the full gamut of those solutions are being developed internally as well as the entire core software network which, as many of you may know, is now built on cloud native principles from day one, have also been developed internally, through JPL.

Many of them have already undergone successful field trials. And what you see here are some of those numbers like on wireless we have demonstrated that we can deliver one gigabit per second, from a single cell, as can be seen here on the, on the picture on the right. So, end to end solution for 5G as well as the fact that we have the ability to take that solution and roll it out. Pan India because of the infrastructure that we are already having in place as soon as the operational ability to reach them to customers and to get market adoption, I think that will be a true end to end capability that Jio can demonstrate in the coming months.

When it comes to home. As I mentioned, even though we are just getting started. We've already become the largest fiber service provider in the country. But obviously we see the opportunity to be growing this business by orders of magnitude as they look forward into the coming quarters. If you see this particular slide on the left-hand side are all the solutions which are being enjoyed by current set of customers. Everything from the setup box to the obviously the fiber, and the Wi Fi terminals, which brings connectivity to the home.

All the best applications media application that they can think about are already supported on the setup box which Jio has developed internally. And you can see the line-up here everybody from amazon prime to Netflix to the Disney's to a full lineup, including popular applications like YouTube and Facebook watch etc. are also now available on the Jio Set-top box. This is just the most prominent among more than 200 applications from independent app developers also available now through the set-top box, literally, it is really creating a smart device for the home are connected to the large television in the home. And then you look forward. What is coming just down the road are another slew of what we call Smart Home Solutions everything from smart speakers to home IoT solutions to a series of other large screen experiences, especially things like gaming, which are, which are again being just around the corner with respect to being introduced.

Similarly, just to double click on some of those solutions, the Jio set top box again is a story where the hardware design, the operating system, the entire set of software solutions that go in, other than of course the independent developers who continue to continue to contribute, but the entire platform has been developed internally, while it is already delivering a lot of value to our customers but there's a pipeline of innovations, which are mentioned a few of the prominent ones are mentioned here.

Really strengthening the virtual assistant, which is a voice based assistant which really makes it grandma friendly for anybody to speak to a microphone and to get things done on a TV which is 10 feet away now already supported in six Indian languages, and obviously seven more are being developer. So literally it will become truly built for India solution where anybody in any part of the country can really interact with this device in a very intuitive and friendly way. Everything from creating the next set of smart solutions vis-à-vis the recommendations that we can make so that there is better discovery of all the solutions that were built on the set-top box. The first step towards really monetizing this asset, through advertisements and other ecosystem monetization opportunities that we can unlock in the living rooms of really affluent homes who are adopting the fiber solutions. In addition to that, of course, really making it very intuitive with respect to notifications and ability for multiple profiles because the living room is a shared facility and there are multiple members who all would want to interact with it so there's a really rich set of functionalities which are also being envisaged in the coming days.

The home IoT I just mentioned, again, everything from, you know, monitoring solutions energy monitoring all the smart devices that you can see, represented here, smart lights to smart cameras to really deliver security and other notification solutions. Temperature sensors, motion sensors water leak detectors, Smart plugs so that you can literally turn on and turn off appliances, with a click of a button or even programming. Literally everything that you would want to conceive of to convert an Indian home into the and bring them up to speed, or up to par with the smartest homes anywhere in the world. I think the entire set of solutions now are being developed by Jio and these will be obviously made available to the market, pretty soon.

I think the next area where I think we are really focusing is what I call the enterprise solution. A very attractive opportunity for us, especially within the enterprise opportunity, I think we are very excited by what we can do for small and medium businesses, which is largely wide space when it comes to digital solutions. What we have done is really put together what we call an SMB bundle, which is everything that a small business would need to really operate their business and all of these are solutions which are already available or very close to being offered in the market everything from high speed internet both mobility as well as fixed to communication solutions, which are IP Centrex and other conferencing type solutions through tools like Jio Meet, which bring together the collaboration that the small businesses need. So, our partnership with Microsoft to really bring the power of Microsoft 365 as an integrated bundle with the best value that can be availed by the small businesses who are obviously price sensitive.

And when it comes to taking the solutions and making it visible. A simple solution through one of our startup partners to really set up a website for any business with a few clicks within a few minutes, called Jio online. And of course there are certain types of businesses where infotainment is important for the customers who walk into those premises so obviously our home solution, variant of that through JioTV plus again becomes relevant for this, for the small and medium businesses, and again bringing our sister company through Reliance digital to create a very unique set of offerings vis-à-vis discounts warranties, very high touch set of services for all the devices that the small business may require. These are common denominator services which we are already making it available in the market. And in the coming days, obviously very industry specific solutions will also follow focused on certain industry verticals.

Jio IoT I spoke about home IoT but now this is really IoT outside of the home context. So smart vehicles, I think these are solutions which are already being piloted in the market with leading auto OEMs. We have had a number of wins in the in the past two quarters, and there's a rich pipeline of partners who are lining up already to now adopt Jio IoT solutions, which is a combination of both hardware solutions, as well as Network Solutions combined with cloud hosting solutions to really power or collect data and analyze and integrate the information which is being generated by these IoT devices. So, everything from connected vehicles or smart vehicles to smart energy metering where we are working with a number of electricity distribution companies as well as OEMs who are creating some of these smart meters. The Smart City solutions were things like Smart Lighting and smart utilities water utilities etc. Again, working with a number of municipal corporations. Connected assets, especially things like diesel gensets, and storage facilities where the operating conditions have to be monitored continuously again, we have built modules which are being piloted in the market. And smart hospitality where solutions which are built for monitoring the conditions where, you know, where these hospitality providers are looking to provide the best of environment and best of solutions to their own customers again we are enabling in through some of our IoT solutions. So, all of these broadly categorized under either industrial or smart city IoT solutions which we are already piloting with a number of marquee partners across the country. And when we look forward to the coming quarter. Again, there's a, there's a pipeline of partners who are lining up to adopt these solutions.

At this point I can hand it over to Anshuman, who can speak about the operational performance of Jio.

Sh Anshuman Thakur 00:20:21 – 00:26:26 **(Jio - Financials)**

Thank you, Kiran. Good evening, everyone.

I'm going to take you through the operating and financial highlights for the quarter for Jio. So, the quarterly highlights, this was one of the milestone quarters for us we achieved annualised revenue run rate of US $10 billion. The JPL consolidated operating revenue was ₹ 19,475 crore with an EBITDA of ₹8483 crores. And the RJIL revenues were at 18,492 crores which is up, 32% year on year. We saw a very healthy subscriber addition gross addition of 25.1 million we ended the quarter at 410.8 million subscribers. There was impact of COVID related and local issues during the quarter which, resulted in higher churn. I'll just update you on that. But we see those impacts subsiding now, so things, you know, have been stable lately.

The FTTH business has been scaling up fairly rapidly as Kiran spoke about. We are offering our services across several hundred cities across the country, there is significant demand for these services. And that's, that's just getting proven in every new city that we are launching our services in. Very strong customer adoption we have some restrictions on account of COVID, but as those are getting eased, we are able to ramp up our pace of customer addition.

The ARPU for the quarter increased to 151 rupees if you recollect this was ₹145 the previous quarter so 4% percent increase in the ARPU, so reflection of much higher engagement that the customers had on the networks so all in all sustained momentum in financial and operating performance for the quarter.

If you look at the engagement customer engagement and really a good proxy for that is the overall data traffic on the network so the quarterly data traffic has been showing a healthy increase quarter on quarter this quarter, we had 1586 crore GB's on the network. So consistent improvement over the previous quarters ARPU I said was ₹ 151 rupees, and 25.1 billion gross adds. On the engagement customer engagement parameters and customer, you know, popularity parameters, I should say, we have done well on most customers continue to like Jio for the services that we provide to them.

You know, our aim has been to connect everyone everywhere. And this is across the country. We continue to gain customer trust and customer loyalty. We have market leadership in 18 out of the 22 circles. As of September 20, based on TRAI data, and we are a close second in Tamil Nadu and Jammu & Kashmir. The wider reach of our LTE network as well as very deep channel presence helps us get to our customers. And of course, the quality of service, and the value proposition is what is attracting most customers to us, and continues to do that quarter after quarter. Our network performance has been fairly steady, despite the increase in the data consumption of the network, and the number of customers. And we continue to improve that as well. Through various initiatives that we have been taking consistently to keep improving our network performance and, of course, Kiran spoke about the rollout of 5G over the next few quarters, but on the existing network as well we have been consistently adding more capacity and maintaining and in fact improving the quality of our network.

Coming to RJIL's financial performance, which continues to be very healthy. Over the last one-year revenues have gone up 32.4% to ₹ 18,492 crores this quarter, and a 45.8% year on year growth in EBITDA, which was at ₹ 8166 crores during the quarter. EBITDA margin increased to 44.2% so that's over 4% increase in the last one year. And we've spoken in the past about the operating leverage of this business as new revenue lines kick in and start getting ramped up. We see that playing out quarter after quarter. This was a milestone quarter with setting annualised revenue run rate of US $10 billion.

A summary of the key operating metrics that we report every quarter subscriber base at 410.8 million, net adds of 5.2million against gross add of 25.2 million and then that was really on account of COVID, and local issues that we face but most of those are now getting better. ARPU improved to 151 rupees and the per capita data and voice consumption were both very healthy. Data consumption at 12.9 GB or significantly higher subscriber base and voice consumption at 796 minutes per consumer per month, over all voice traffic on the network cross 10.6 billion minutes a day. And in the end summarising the JPL consolidated financials, the Jio platforms Limited, which had operating revenues of ₹ 19475 crores and EBITDA of ₹ 8483 crores with net profit at ₹ 3486 crore that's a 15% QoQ increase in the net profit. So, across all of the financial matrix we had strong sequential growth. JPL of course is less than a year old as an entity and therefore the YoY numbers are not represented here. So that was a quick summary of the financial performance I'm going to invite Dinesh now to speak about Reliance Retail results.

Sh Dinesh Thapar 00:26:29 – 00:44:23 **(Reliance Retail)**

Good evening. Let me start with the key messages for retail.

To start with, the operating environment remain challenging and I'm going to talk about these in some level of detail as we go forward. But for headlines perspective, the environment still remained very challenging, both on Covid related restrictions, and a host of local issues that impeded business. Profit delivery… profit was an all-time high for Reliance retail this time. And if you would have had access to the results, you'd have seen that, primarily coming on the back of a very strong recovery in our fashion and lifestyle business which is by far the most profitable part of our retail business. And we continue to make very steady progress on expansion across stores, expanding many more stores. Our digital commerce business which we embarked upon with greater vigour, as COVID set in, and really expanding merchant partnerships across geographies.

So, talking about the operating context, you know, our stores continue to operate under restrictions although it's been getting better quarter after quarter. Q3 better than Q2 and Q2 better than Q1. We had about 96% of our stores which were operational clearly better than the 85% that we had the preceding quarter. But the important part is that 52% of them were fully operational, which essentially meant that the balance were operating with some form of limitation, limitations on operating hours in terms of footfalls. So really constraint in some way.

Overall footfall hasn't quite recovered to pre COVID levels yet it's still at 75% and pretty much at par with the last quarter. And within businesses, if you look across businesses and, and across store formats fashion lifestyle and mall stores is where it is still significantly lower. The good part is malls have opened up. Traffic is starting to come back but, you know, even as of December, we had only 50% footfalls in mall stores.

Our small towns and cities are recovering faster, and clearly seamless operations across the supply chain network and stores were disrupted by a host of local issues and disturbances. Stores were remaining shut that has had an impact and created some challenge in the course of this quarter. So overall message I say is a gradual recovery but impacted in some pockets.

From a revenue standpoint, if you reconstruct our revenues, really, I think the star performer for the quarter has been fashion and lifestyle. It has led the way, it has surpassed pre COVID levels. And this is coming back on the fact that footfalls in this business, continue to remain a third lower than where they were pre COVID. So that's a strong comeback on that business. The continuing grocery business and electronic stores are in a sustained growth track. In fact, they continue on the continuing business, they continue to deliver double digit growth. And I use the word continuing because clearly in the grocery business, we've had a set of one offs that I'm going to talk to you about after this.

But our overall reported revenues have been dragged down by the transfer of the Petro retailing business which used to be a part of reliance retail results. That's been transferred out to the Reliance BP JV. So separate entity and that has meant that we've taken a revenue hit of what used to be recorded on the retail books.

The second thing we did was to take a very conscious decision. You know, keeping the longer-term view to really transition, our reliance market stores into fulfilment centres to really enable the expansion of our new commerce business into those cities. Now, as we beef up supply chain infrastructure across the country, we've realized that in some of these cities, we've had locations which are large which could really serve as fulfilment centres. What we've done is to transition stores, which were revenue generating into fulfilment centres, which will then serve new commerce operations and that will enable us to rapidly expand to those cities in the current quarter. And the third is of course, challenging operating conditions which have had a bearing on the revenues the sporadic COVID restrictions, but more importantly the local issues that came over. Overall, I'll leave you with a message which is saying on the continuing business the part of the business which wasn't impacted by these one off all these exceptional, the business for them continues to remain very healthy.

From a profit standpoint, you know, it's been a record quarter on profit. Both EBITDA and net profit. That's been led by the near doubling of fashion and lifestyle. As fashion and lifestyle has come back and I did mention that this is by far the most profitable part of our business. So, it's very reassuring to see this business come back, and therefore it has contributed to profit delivery. The continued benefit of cost management initiatives, it's something that we had embarked upon if you recall, had spoken about in previous quarters as well. This has been COVID struck with a fairly broad-based cost management program and the benefits are those continue to reflect in our results, and we've received a boost from higher investment income. So, after the fund raise, there is clearly capital which, which is surplus in which we will look to invest as we go forward. Those have been deployed at this point of time in investments and we've received a boost from the income that we've earned on those investments. So, EBITDA in a sense crosses a new milestone as you will make up the graph on the right of Rs. 3000 crores.

Here are the financial headlines, therefore. Segment gross revenue for retail given at Rs.37,845 Crores. And I'm going to talk quarter on quarter comparison because we still coming off a period of recovery. So, that was

8% lower but fundamentally for the reasons that I just mentioned transfer out of petrol retail, decision to migrate and transition of market stores into fulfilment centres. And thirdly, I'd say Covid related restrictions and local disturbances. Total EBITDA at Rs.3,087 was up 54%, over, over the previous quarter and profit after tax at Rs.1,830 is up 88% over previous quarter. Now the total EBITDA, and I just mentioned this in the previous chart, but the total EBITDA was boosted by investment income of Rs.775 crores. And if I had to exclude this, the underlying operating margin would be at 7%, which is still way higher than what it was last quarter and same time last year so in many ways reflecting a recovery of margin despite all the operating challenges.

Our thrust and priority on expansion continues unabated. Our store count is now in excess of 12,000 stores. We've opened 327 stores this quarter, YTD we've opened 630 stores. Our digital commerce business, something that's gained increasing momentum after the onset of COVID continues to grow scale. It's up 12 X year on year. If you look at same time last year, now our digital commerce scale is 12 times more. Jio Mart and AJio continue to scale, new highs we have new records on whether it's traffic, whether it's customers, whether it's orders. We're extending our new commerce business. Now, over a million partners on board with us centrally we trusted partners and working on an inclusive growth model with them. And clearly as we build supply chain infrastructure and we've done some of these actions on converting market stores to fulfilment centres that will start to receive a fillip, in terms of onboarding and scale. The most heartening piece is, through this phase one of the very important principles that retail has always stood for in terms of its business model is to really create employment and through this period of time, ever since COVID struck you know the retail business has actually generated over or created over 51,000 jobs as we stand I think that's very heartening piece. As you look at a host of all the other financial metrics.

So, coming to each of the businesses, I think on consumer electronics a few comments. When you look at our stores and consumer electronics and I'm not saying, excluding the Jio devices because I will make a comment on the Jio devices specifically but excluding that these stores have sustained their growth momentum. They are up double-digit quarter on quarter. These are very strong festive season performance clearly, with growth ahead of the market, as reported independently - tier 2 and 3 cities and towns are leading the way. This is a thematic that is playing out across the breadth of our business, whether it's grocery, electronics, fashion, lifestyle. Smaller towns and cities have really led the way in terms of both recovery and growth.

A lot of things which have worked for the businesses in the past which has allowed us to deliver very competitive performance whether it is a campaign around affordability, product launches, partnerships with vendors, offers all of these have continued to remain key factors and drivers performance in this business.

Across categories laptops, tablets, televisions and small appliances have really led the performance. Omni channel capabilities, which is really the build out of reliancedigital.in, you know, was further augmented across 1300 cities that we were present. 95% of the orders that were delivered from stores was delivered in under six hours. And let me remind you, and I've said this earlier that this is a very unique capability that we have; a unique proposition that we have that we think that at this point of time, we're able to deliver the fastest, so really 95% of those orders were delivered to customers in under six hours.

And yes, we've had a drag from the Jio devices, that's continued into this quarter as well. But there are clearly plans afloat and a lot of those plans have now moved into the next quarter. So, when we come back and talk to you the next quarter, you will have seen this being put behind and progress on this front as well.

On fashion and lifestyle and this has been the star performer for the quarter. Clearly apparel and footwear revenues have staged a strong bounce back, higher conversions and bill values have offset the lower footfalls.

Footfalls as I mentioned to you was about a third lower than they were at the same time last year. But clearly, a lot of the work that we've done on driving activation in store, the assortment that we've created has really led to higher conversions and higher ticket sizes. And that's really helped to drive that growth. So, I think the big piece for us now is that as restrictions start to ebb and more traffic comes back to stores. This augurs quite well. Impactful, regional and event activation has led to a good festive season performance for us again the growth led by smaller tier towns and I think that's where trend small town as a format is doing really well and leading a lot of performance in the fashion and apparel space.

Our continued focus on building digital commerce, AJIO orders are now 5X up than they were at same time last year. And we have seen a step up across all customer operating metrics, traffic, monthly active users, orders, business, catalogue size, pretty much everything really growing exponentially on this one. And what we're now doing is to extend digital commerce for fashion and lifestyle onto JioMart as well. So, it's well established on AJIO and we're now taking it on to JioMart as well. We've already launched it on JioMart. It's now live across 3,000 plus pin codes, with over 10,000 options on that already listed. And this is poised for expansion across cities in the course of the current quarter.

Our partnerships, which is very integral part of the business model and frontier of growth, Reliance Retail is looking at continues to grow. We are now in the fashion and apparel space in 1900 cities, this is up from where it was last quarter. We have 2X more merchants and 3X more on the catalogue we offer, and this is again poised for rapid expansion in the quarters ahead as markets start to open up and come back.

In our jewellery business, we've had a very good quarter, very high double-digit growth, both in the year and year basis and almost a sequential doubling of this business. Portfolio was strengthened. I think this is where the design capability that we've been investing on over a period of time is really yielding very good benefits. Portfolio strengthened, then we've launched a host of collections which were very well received, whether it was Utkala – the themed collection based on the heritage of Odisha, collection called sparkle for silver, Nitara for children and Bella which is the lightweight jewellery. So, clearly the portfolio is being widened over here and design capability being leveraged, strong festive season performance and diamond contribution which had come off as the onset of COVID had come through is now building back, it's not where it used to be pre COVID but clearly inching back to it. So directionally improving.

And our luxury and premium brands portfolio, as malls have opened out, this businesses are 2X of what it was last quarter. And that augurs well as the guest traffic starts to come back into malls, the businesses are well positioned. Digital commerce revenues are up 3X where we closed last year. And we have many more mono brand sites to really complete the entire digital commerce capability for this business. What this business has also done is because stores were shut, it had looked at alternative ways to really be able to engage customers. And two things which it specifically did was to create impactful events and many of you would have already experienced the Luxury Shopping Festival, or Rainbow Express which are really events which have been very engaging. And the other thing which the business did was to really pioneer this whole concept called distance selling where store associates and store teams really engaged with customers, virtually to really be able to engage with them and drive commerce and that's now 20% of the business. It didn't exist pre-COVID and that's a new capability for this business.

On grocery, I'd called it continuing in business because there have been pockets of this business which had been impacted by the decisions that we took and by the local issues that we were confronted with. But the continuing business has sustained its healthy double-digit growth momentum. Right. But the headlines revenues were obviously impacted for the reasons I just mentioned. Higher bill values have continued to make up for lower footfalls. JioMart has continued to grow scale, more traffic, more active users, more orders and I can tell you this quarter over last quarter businesses up 50%. So, 1.5X sold over last quarter. And so, JioMart continues to grow very rapidly and exponentially. Robust growth during the festive season, another good season for this business. We continue to leverage brand partnerships and a whole host of activities that we work very closely with Brand Partners. We have strengthened our own brand portfolio, looking at them as brands, and Snac Tac, Good Life and DC kitchen are some of those brands where we've extended the portfolio in the course of this quarter. And our kirana partnerships now have been extended to 23 cities which is 2X more and growing adoption of the proposition that we are putting out in working very closely with them as trusted partners. And now that we are building our supply chain and we have some level of readiness available with the transition of the market stores. This is poised to expand across cities in the course of the current quarter.

Okay, so before I end it, I'll give you a sense of what lies ahead for the retail business. I thought, I'll just take a minute to really talk to you about this whole inclusive approach to retailing that we are taking. This is very core to the operating model of retail and what are we seeking to do as a retail business. We're going to step backwards and we are saying that we will go ahead and go back to really invest in design and development. We will start with that leg off the value chain. You know, build design expertise, build brands, leverage customer insights and then work progressively with a whole host of producers, MSMEs, local vendors, manufacturers, regional and national brands and really play a leading role in developing India's suppliers' ecosystem.

Alongside investing significantly in building supply chain infrastructure which has the widest reach, state of the art, a very efficient last mile which is clearly a mainstay and an important driver of customer satisfaction as digital commerce, or digitally enabled businesses grow with the finest technology enablement to really power that supply chain network. So, that's what we're really investing in to really then as a route to working with millions of merchants to benefit a whole host of customers and consumers and the route to doing that is JioMart. So, JioMart essentially is looking to really leverage all that we are doing, between design development, building the vendor ecosystem and supply chain infrastructure to really enable millions of merchants and benefit customers from all that we're doing. So that in a sense is at the very core of the approach that we're taking to build out the retail business.

Looking ahead in keeping with that intent, what are we looking to do. We're looking to step up the pace of new store expansion and this will clearly a large part of it will be in the grocery space. But as much about creating the smart point network, because the smartphone network also serves the purpose of really last mile fulfilment for our new commerce business.

Building season readiness. It's a big quarter for seasons and events. And building season readiness for upcoming events, accelerating digital commerce, expanding the category play on JioMart, specifically. There's so much more in the works. You heard me say fashion lifestyle already on board, we're looking to extend that across to cities, we're looking to bring electronics on and expand that across cities that's currently undergoing tests. And then in the groceries side of it, we've clearly got the work happening on building out some more models and some more offerings and extending the assortment. So, JioMart will continue to see increasing action in days ahead.

Developing the vendor ecosystem and executing supply chain infrastructure expansion because this is just so for and such an enabler to being able to deliver all that I just spoken about. And growing new commerce partnerships across the businesses and across geographies. So really, in many ways, the retail business has the full funnel of initiatives which are in progress, to really be able to fuel expansion and really deliver on our plans going forward. With that, let me hand over the session to Sanjay for the next piece.

Thank you.

Sh Sanjay Roy 00:44:32 – 00:51:29 **(Hydrocarbons Exploration & Production)**

Thanks Dinesh.

So, let me give you an overview of the quarter gone by and what to expect in the upcoming quarters and years. So quickly, in terms of the production it's been pretty much flat. The positive news is that the R-cluster production commenced on December 18, and the production has ramped up as per our expectations. We are at about 4.5 MMSCMD currently, and we expect to get to the peak production later this year, which is about 12.9 MMSCMD.

In terms of CBM, for the current juncture, you know, we still remain quite flat. But what we are looking at is ways of augmenting the production. US shale yes, the production has dipped a little, good reason for that is it's essentially the weak environment and in terms of pricing and that will be impacting and calibrate our approach to future further investments.

But overall, if you look at production, you know its flat and we obviously expect that to now go up in the upward trend. We'll begin with the KG-D6 production coming on stream, with the present fields and future fields that are poised to come on stream in the subsequent years.

In terms of price realization, as we can see, there was a setback due to the COVID and there was some amount of demand recovery. Fortunately, in India we are seeing the demand has already recovered to an extent that has built upwards compared to the pre COVID levels, and we are seeing high price realization. We are pretty good to expect to have that and, yes, higher but lower than what it was in 2019.

So, what do we look forward to going forward. Yes, you know, the start of production in KG-D6, does herald the new journey on the gas business in Reliance and for India. We do clearly believe that the gas business is poised to grow two and a half to three times over the next 10 years. And that bodes well in terms of the pricing outlook.

In terms of production, you know, as you're aware, that the first field has been commissioned and we are expecting two more fields to come on stream, the Sat-cluster and MJ fields. Combined production expected to peak out at about 30 million cubic meters per day which is significant proportion, about 25% of India's current production and will meet about 15% of India's demand projections.

So, all in all, you know, the big advantage we have right now in terms of the East Coast is that we have a world class deep water infrastructure and in terms of exploration activities we are looking at opportunities in the contiguous areas in the catchment areas. And in case of success we can bring it onstream in the most capital efficient manner. So that's one of the priorities that we are also looking at in the next 12 to 18 months - Exploration upside in the resources.

So, in terms of the R-cluster, I like to say that we've had a safe and reliable start up. This is Asia's deepest gas field with the water depth of 2000 meters, so that's a technology milestone, deployed in the industry and in terms of India it is India's first ultra-deepwater gas production project.

So, production is underway, ramp up is underway and things are in line with our expectations so that's a positive and we believe that sometime towards the second half of this year, we should be able to achieve the peak production, which in itself is like a 10% boost from the current domestic production. In terms of sales as you're aware, five million standard cubic meters of gas, been sold in 2019, and the balance, you know, seven and a half to eight standard million cubic meters of gas we intend to undertake in next round of bidding, which should happen in a few weeks time.

So just to give you an update on the other two projects, the Satellite cluster is very much on track, the wells are drilled and completed, and we are in the final stages, you know, which is the installation campaign which is currently underway and then once all the connections happen then we are ready to produce and export the gas. So, we expect this to all come together by the middle of this year, so that is around 6 to 7 million standard cubic meters, besides the R cluster. And also, we have the KG-D6 MJ field which is a gas condensate field. So there, drilling has been underway since last year, it's been on track. And even as the wells get drilled and completed. We are having the FPSO fabrication and subsea production system fabrication going on in parallel. So, all of this should come together in the fourth quarter of FY 23. And together should bring the production level to about 30 MMSCMD by the calendar year 23.

And like I mentioned, UDW1 we have initiated exploration campaign over there. So, once we have the seismic, we will look at potential drilling in the next 12 to 18 months.

That's the overall update on oil and gas.

Thank you.

Sh V Srikanth 00:51:30 – 01:17:37 **(O2C Business and Summary)**

Thanks Sanjay.

As you have seen in the financial slides, we have not combined refining and petrochemicals into an integrated O2C segment. So, for the next 10 minutes I will describe the rationale, and also highlight some of the salient aspects of the combined O2C business. More specifically, I want to talk about our highly integrated configuration, the manufacturing facilities, the diversified product portfolio that we have, the logistics infrastructure that helps movement of both feedstock and products, our market presence and opportunities.

While in one sense, we will benefit even more with the O2C segment reorganisation, in another sense, we are also formalising and already integrating business. So, after the next 10 minutes, we will quickly wrap up the Q3, O2C - both operating environment and financial performance.

Starting with the O2C business segment. As you know, now countries are now aligned on the need for a strong global action on climate change, and this, we believe provides us the right opportunity to accelerate our new energy and materials business, which is based on clean and green development.

We believe that the reorganizing, refining and petchem as O2C. It reflects this new strategy, as well as, the management metrics and it facilitates more holistic and agile decision making. It allows us to pursue opportunities for growth with strategic partnerships. It allows us to drive and move towards further downstream and getting closer to the customer and provides a sustainable and affordable energy and material solution to meet India's economic needs.

When you look at this. We pioneered vertical integration and in really some sense, considered oil to chemicals concept well ahead of the industry. This has given us feedstock security. It has provided us with flexibility. It has definitely reduced our volatility in earnings. It has also enabled the margin capture at every levels. When we look at Jamnagar supersite, we know that it is the world's largest and most integrated O2C complex. It's called an integrated C2 complex with the largest off gas cracker and downstream polyethylene as well as energy plants.

Also, as you know, our PX facility is the largest single facility in the world. So, cracker, for example, the cracker costs - we are in the first quartile only because of our deep integration. We also have 9 domestic and 3 international downstream facilities. Four of them at Hazira, Dahej, Nagothane and Vadodara are cracker integrated sites, which are also in turn, integrated with downstream chemicals and polyester polymer and elastomers.

For ethane, we have a virtual pipeline in the sense that we have six VLEC's that move ethane from the surplus US markets and when it lands in India, we have liquid pipeline that carries ethane to Dahej, Hazira and Nagothane.

While this does seem like a busy slide, it captures most accurately the extent of the integrated configuration that has helped us to maximize our profits. In Jamnagar, as you can see, apart from producing transportation fuel It also provides a variety of feedstocks that forms part of end products such as PE and PP as well as elastomers that are manufactured in Jamnagar itself.

That site also, uses petcoke in the gasification complex to produce syngas as a source of energy, and also puts to use high value hydrogen back into their refinery. In addition, Jamnagar supplies PX, naphtha and energy to other integrated sites - Hazira, Patalganga, Vadodara and Dahej which uses it for manufacturing petrochemicals.

These integrated units in addition gets ethane from the US, I talked about the floating pipeline, as a source of feedstock and again these integrated units in turn also provide feedstocks such as PTA and MEG to the polyester sites including Silvasa, Barabanki and Hoshiarpur. So, this schematic, in a way, highlights the very deep and unique integration across sites.

Just a few quick words on the manufacturing facility. The new plants that we built recently are state of the art, future Proof engineering standards what we have used. The age of most of the assets are less than 20 years, providing a long runway. We are the second largest producer of PX, fourth largest of PTA and sixth largest as far as PET and MEG are concerned and also the world's largest integrated producer. We have produced the building blocks that is ethylene, propylene, aromatics – indeed! we have the lowest cost there. We have deployed the world class catalyst and product technologies across facilities and coupled with the fact that we do have flexibility to process a variety of crudes. You know, we process crude, condensate, off gases, naphtha, ethane and propane, so there is significant flexibility to use feedstocks and coupled with the multi modal infrastructure support ensures that we have the best in class configuration to maximize on purpose chemicals production. Also, we have consistently maintained high operating rates and we will be in the top quartile performance in terms of cost and safety and operational excellence.

This schematic talks about, the portfolio that we have that cater to a growing consumption market. When you look at it, there is a margin capture across all the conversion chains, then there is a reduced exposure to individual products, and then they are exposed to the high growth domestic market as an opportunity. So, when you look at fuels - gasoline, gas oil and ATF, they are all transportation fuels, when you look at polymers like PE, PP, PVC they go into construction, consumer goods, agriculture, automobile. Elastomers goes on to make tires for automobiles and aromatics and fiber intermediates goes into polyester and textiles. Of course, polyester goes for making textile, apparels, and beverages. We believe that we will be the only company globally with this level of integration from oil to polymers, chemicals, polyesters and elastomers.

A quick word on the logistics. We have six SPMs, dedicated ports and jetties and multimodal product evacuation infrastructure. We have tankages at major trading hubs. We have pan-India warehouses capabilities to give just in time to the smallest of customers, which is a big asset for us. We have five times bigger distribution footprint then our nearest competitor in India. And we have a strong customer connect across O2C products. We serve 11,000 plus customers for chemicals and materials through 16 regional offices and 61 warehouses and in our retail fuel we are talking about serving 1,300 retail customers per day per fuel retail outlet.

And we have a digitized and automated supply chain so there is zero touch order processing. So what logistics infrastructure does is, for us it is a key enabler to reduce feedstock cost, as well as improve our product realization.

Going to the performance indicators. What we believe our key performance drivers for O2C are starting with operational excellence that helps high utilization levels.

Feedstock sourcing is more specifically talking about flexibility to process challenging crude grades and also multi-feed cracker operations.

Energy efficient operations very important driver, you know now with increased flexibility with the gasification complex.

Our presence across multiple product value chains, starting from polymer, elastomers, polyester and transportation fuel. And in each one of this, we are either a top global producer or it's a part of a large integrated chain or we are able to produce the kind of product and specs that is required. The transport fuels are integrated well with retail outlets and product placement is a key driver. For fuels it is the export market and for polymer and polyester it is the domestic. But what is important is the fact that we were able to switch this, as you saw in March and April, when in the case of the petrochemical products which was going into the domestic market we were able to shift it over to exporting it, so the ability to swing that has also been a key performance driver. And finally, as you get closer to customers, having a customer centric applications and solutions mindset is one of the key performance driver and, therefore, overall inherent advantages, the operating excellence and the rich portfolio makes RIL a leading O2C global player.

On the market presence side. As you know, we have a 35% share in polyester and polymers and these cater to induce application that, if you recall, I talked about on automobiles and consumer durables, FMCG, packaging, agri, infra, health and hygiene. I mentioned all these names because, as you know these are the opportunities for growth.

And when you look at chemicals, interestingly, chemical inputs now are among the top three items in our portfolio by value. So, in that sense, it provides us with a multiyear growth opportunity and more it's a high potential for buildings India a self-reliant. Also, our capability to produce niche and speciality grades of chemicals and polymers for diverse end end-users. The proximity to demand centres and logistics, these, these give us sustainable cost advantage or competition.

So when you bring this together as an integrated and diversified O2C player - scale, size, flexibility and integration makes us very cost competitive and also reliable production plants, globally. Our customer connect and wide distribution network and more importantly as we strategically move towards solutions It helps us really capture the India growth story, because as you move from a 3 trillion, 5 trillion to 10 trillion economy, and where demand growth for these chemicals and materials are will continue to grow very sharply. And then you also juxtapose that against the fact that we are among the lowest in the world in terms of consumption per capita. we therefore believe that this O2C business will play a major role in growing as well as enabling India's growth story.

Just quickly to the operating environment and financial performance. Here the key macro trends, you've been tracking, global economic activity reviving and you know, clearly the vaccine visibility will help. This quarter demand for oil improved by one and a half million barrels per day Q-o-Q. We also saw a strengthening in prices. Arab light heavy differential was negative for the first time in two decades, because the Q-o-Q fall in heavy crude was less compared to light over all mobility indicators when you baseline it to Jan 20. Well, Asia ex-China at 113%, China at 103% indexed to pre COVID baseline of Jan 20, which is strong improvement there. For us, If you see the demand for polymer is up 8% sequentially polyester up 38% to now this excess demand environment to above pre COVID levels. Oil demand is also actually up 19%, and this is almost 99% of the pre COVID levels in products like gasoline, diesel was well above 102%. So, the economic activity revival, in a way, reflected in the commodity market.

Moving to specifically into polymers, you can see that 8% I talked about, specifically PP has been stronger at 12%. Global cracker operating rates continued to be high at 86% improvement over 84% in the previous quarter. As I mentioned, the demand for polymer coming from the health and hygiene sector and irrigation and construction sector where demand grew by 15%. When you look at the margins, very sharp improvement there and when you look at specifically PP, LDPE or naphtha, prices are actually five and 10 year highs and more so PVC especially has gone about 10 year levels so it's very strong environment. Of course, it was also benefited by the fact that there has been some supply constraint for containers, which also, helped to boost the margins.

I would say the driver is coming from very strong sustained recovery in demand for all the key consumption models.

On polyester side, this is a strong story up 38%, as I mentioned, demand about pre COVID levels on the back of festive season and the fact that the economy is growing. Chain margins, you can see 410 to 452 to essentially up 10%. On the back of firm operating rates and declining inventories, and you can see the downstream exit rates for December, where operating rates for spinning is at 95%, knitting at 74%, weaving at 76% and processing 79%, also specific margins for a PTY, FDY have been strong.

On transportation fuels, you know there is a slight improvement in the demand in gasoline globally, took 27.6 million barrels per day. But overall gasoil market remained weak because of over supply coming on account of refinery rates in Asia. Inventory as you can see in the box, 195 million barrels which continues to be high when you compare it to 3QFY20.

Also, gasoil pool continues to be well supplied because of yield shifts on lower Jet fuel demand, and so that is that is pressurizing gasoil a bit. On ATF you can see that the global mobility tracker for air travel is about 54% yes, it is about 45, but it is still way to go in terms of recovery there. You do see a sharp increase in cracks from minus point seven to 2.4 sequentially and this is also on the back of stocking by South Korea and Japan, on account of winter, overall mid-distillate cracks, we believe are showing early signs of improvement with increased popularity.

And finally, on transportation fuels. This gasoline demand was lower by 0.5 million barrels. This, I would say is more seasonal, you know with in winter seasonal periods of winter and as well as the lock downs in US and Europe. There has been a slight marginal improvement in cracks, and this will continue to be constrained by high inventories and regional exports from China.

So you can see that our throughput for this quarter was at 18.2 million tons, this is up 8.3% Q-o-Q and as you know, last time we had a planned CDU turn around in second quarter.

We are providing now production meant for sale, which means that across transportation fields, polymer, fiber intermediaries, polyester and chemical we are talking about the production meant for sales that means you know the internal consumption of feedstock is not part of this number so it's easy for people to understand what has been meant for sale.

That is at about 16.2 million tons, again an increase over 14.9 million tons over` the previous quarter. Our utilization rates have been high cracker utilization at 96%, you will recall that the global average is about 85%. So, our jet production also increased in line with some of the improved re-grades. We rebalanced fuel mix to include more liquids due to higher LNG costs and paraxylene and ortho xylene production was also optimized based on economics, so you know we continue to maintain our market share with the both the optimization of product mix as well as feedstock.

So, when you're bringing it together in terms of overall numbers you can see revenues that Rs.83,800 crores, you know 10% higher on a quarter and quarter basis. EDITDA Rs.9,756 crore which is again 10.3% margin for, you know, the margin 3Q. 2Q has been, at 11.6%, flat. Just to summarize the talk about all the reasons for that is the growth is really about demand growth, high utilization rates, and the fact that polyester chain and polymer margins have strengthened a lot, which kind of offset some weakness we saw in transportation fuel. We also benefited from the feedstock flexibility, especially you know when we did shift heavy crude to Latin America, and also some of our naphtha cracking enhancements, because of improved product economics from downstream to margins and demand recovery aided our EBITDA growth.

And finally, going into our near-term outlook. You know, on macro. You know, we think 2021 should be 96.6 million barrel per day higher than this year for sure, but slightly below what we saw 2019. But this this increase in itself we believe will bring a rebound in fuels and downstream products in India.

Margin trends: Fuel margins, we do see a steady improvement with this demand revival and more importantly the inventory drawdown, on specific products like PVC and PP the outlook remains very constructive, favourable demand supply, polyester chain margins expected to remain firm on improving and markets and we saw some of the utilization in the previous slides.

But from a more broader sustainable growth, we believe that the entrepreneur of the domestic market and our strong competition for competitive position across products and the fact that we are focussing much more on customer centric offerings of niche polymer products will help sustain growth for us. Near term challenges are there which can come from product stock and supply from China and any increased lockdowns in US and Europe.

Concluding remarks: Our path to energy transition as we saw some of our best in class O2C assets have now been carved into Reliance O2C Ltd and with the focus will be on maximisation of profitability on further downstream chemicals and materials be meet India's demand. It will mean reducing our transportation fuel footprint in a phased manner and the downstream integration. We expect it to be asset light through alliances and partnership. RIL incubate new material and new energy platform focus will be on clean and green affordable energy as well as sustainable material of the future and value will be created through technology and innovation and we target net carbon zero by 2035.

To bring all our growth engines in one slide, which we believe will help us create value.

Starting with Reliance Jio; You know, growth will come from subscriber ramp up, it will come from enterprise solutions, it will come from narrowband IoT and scaling up of our digital platform. In Retail, we see growth coming from Jio Mart, which will create value for the entire ecosystem, because of its partnership with small merchants Kiranas and farmers. In O2C the value comes from going or maximizing further downstream, reducing our transportation fuel and focus on clean and green energy platforms as Sanjay talked about we will ramp up domestic oil and gas production and increasingly going forward synergize our financial services with consumer platforms and RIL will continue its focus on identifying nurturing new growth platforms, so we do have multiple engines of growth, which are firing and the focus clearly is on focus on consumers and technology.

This really brings me to the end of the presentation and thank you so much for, for being for being getting on the call and handing it back to Srini.

Sh B. Srinivasan 01:17:39 – 01:17:55 **(Closure)**

Thank you, Srikanth.

As always, please, if you have any queries, please do send us on email and we will be happy to answer them.

Thank you very much for staying up quite late and listening patiently to all our presentations.

Thank you and good night.