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Call Participants:

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- Sh Kiran Thomas, President, Reliance Jio Infocomm Limited
- Sh Anshuman Thakur, Head of Strategy, Reliance Jio Infocomm Limited
- Sh Gaurav Jain, Head – Strategy and Business Development, Reliance Retail Limited
- Sh Sanjay Roy, Senior Vice President – E&P, Reliance Industries Limited

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- **Sh B. Srinivasan** 00:00:01 – 00:00:45 **(Introduction)**
- **Sh V Srikanth** 00:00:47 – 00:13:58 **(Consolidated Financials)**
- **Sh Kiran Thomas** 00:13:59 – 00:32:19 **(Digital Services)**
- **Sh Anshuman Thakur** 00:32:20 – 00:36:36 **(Digital Services - Financials)**
- **Sh Gaurav Jain** 00:36:37 – 00:58:13 **(Reliance Retail)**
- **Sh Sanjay Roy** 00:58:14 – 01:00:47 **(Hydrocarbons - Exploration & Production)**
- **Sh V Srikanth** 01:00:48 – 01:16:13 **(O2C Business, Summary and Closure)**

Transcript:

Sh B. Srinivasan 00:00:01 – 00:00:45 **(Introduction)**

Good evening, and welcome to the third quarter financial year 2022 financial results presentation of Reliance Industries Limited. I hope everybody is staying safe.

As always, we have a panel of leaders, who will walk us through the highlights of performance. First, it will be Srikanth, who will give you a consolidated view of our performance for the quarter, followed by Kiran Thomas and Anshuman Thakur, who will walk you through the digital services performance. It will be followed by Gaurav Jain for Retail and Sanjay Roy for E&P and then Srikanth will come back and talk about O2C and all our other consolidated plans and summarize it. Over to you Srikanth.

Sh V Srikanth 00:00:47 – 00:13:58 **(Consolidated Financials)**

Good evening to all of you. So, this is the consolidated set of slides and we start off with the key messages, starting with performance where we had record quarterly EBITDA across all our four businesses and the consolidated EBITDA at Rs 34,000 crores is up 30% on a year-on-year basis. The net profit came in at Rs 20,539 crore which is up 38%, and there was an exceptional item that I will cover subsequently.

Going into each of the individual businesses starting with O2C, this is the sixth sequential quarter of growth for O2C with strong recovery in fuel margins and we saw high operating rates across O2C facilities and overall volume that was processed was up by almost 5%. We also had a sharp increase in our upstream realization resulting in an EBITDA in excess of Rs 2,000 crores.

Moving on to retail, again another strong revenue record revenue and EBITDA, our revenue crossed Rs 50,000 crores, EBITDA of Rs 3,822 crores, our store operations normalized with near 100% operating hours and also footfalls were also in the 95% range. We added 837 stores coming to a total of 14,412 stores. On digital services, we crossed the Rs 25,000 crore market revenues and the Rs 10,000 crore mark in EBITDA, and there were gross subscriber additions of 34.6 million offset by some consolidation. ARPU also increased to Rs 152 with improving subscriber mix and tariff hike. With this our consumer businesses account for more than Rs 75,000 crores of our revenues.

Moving on to the last highlight on corporate. So, this quarter we did a large jumbo bond issuance of $4 billion, this was for refinancing our existing borrowings as well as extend our debt maturity profile. We raised 10 years 2.90% and 30 and 40 years at 3.70% and 3.80%, respectively. This was the largest issuance from India and also the largest from Asia Pacific ex- Japan. When you look at the private sector categories in the BBB space, it also has the lowest coupon ever in the 30 and 40 years, very strong demand it was oversubscribed, you know, three times. The response to our issuance is just a reflection of how the credit markets have voted on the transformational change of the company, the growth of our consumer businesses, the capital raise, and finally the potential of the four growth engines that we are building.

In addition, we also prepaid Rs 31,000 crores of high coupon spectrum liabilities, which are anywhere between 9.2% to about 9.7% and this resulted in an expected annual savings of Rs 1,200 crores per year. So, in short, within a very short span we have effectively refinanced our multi billion dollars debt.

On the new energy side, we are continuing to accelerate our investments and these investments are REC Solar, Sterling & Wilson, Stiesdal, NexWafe and Faradion. All of them were announced in the third quarter and in the quarter prior to that, and all these investments will help support the rollout of Giga factories at Jamnagar.

This is the overall consolidated numbers in this quarter year-on-year as well as quarter-on-quarter shows strong recoveries in revenues and profits and EBIDTA. As you can see on a year-on-year basis, we are talking about revenues as well as a net profit, aggregate of a 38%. Even if I back out the exceptional item coming on the back of exiting the Shale gas operations, some of the Eagle Ford assets, which were sold to Ensign, even then, if you look at it, the net profit increase is 18%. EBITDA growth on a Y-o-Y basis is about 30%. So, when you look at it, it is on the back of revenue growth on the back of higher price realizations.

Upstream performance again on the back of higher prices, in Retail, it has benefited from the change in the operating context and new stores getting added. We benefited on Jio side on the back of higher ARPU and also the subscriber- mix and the net profit addition is higher, despite the higher charges in depreciation and tax.

So, when you look at the bridge on a year-on-year basis, you can see that 75% of the incremental EBITDA this time came from O2C and Oil & Gas. In O2C, specifically the revival of global growth also led to higher fuel margins and also chemical margins, retail benefiting from store footprint as well as, robust Omni-channel presence, both helped deliver retail growth. On the digital side, subscriber additions plus good customer engagement remains solid and the value proposition continuous demand compelling. On the Oil & Gas side, on a year-on-year basis, we saw significant revival in KGD6 production and also higher price realization. When you look at it from a quarter-on-quarter as I mentioned, every business has delivered increases. O2C again benefiting from higher volumes that got processed as well as the sharp recovery in fuel cracks mainly middle distillates. On Retail on the operating environment changes and demand we saw across the entire consumption baskets and on the digital side from higher ARPU and the mix that I talked about on Oil & Gas, almost a 70% increase in KG-D6 price on the back of stable volume of gas, all in all contributing to 12% increase.

And this is just a slide about the EBITDA growth, and you can see on an aggregate we are talking about 6th consecutive quarter of growth. From the lows that we saw in first quarter 2021, we are 1.6 times that number and the economy's reopening as well as the festive season buoyancy helped and the fact that we are a diversified business helped in participate in this growth.

On the balance sheet side, you know we were net cash in September at 3,585 crores, now it is minus 2862. As I have highlighted before, we have refinanced or repaid high-cost spectrum liabilities and refinanced with market borrowing. So, the bulk of the net debt change that you are seeing is net debt is on the back of the spectrum refinancing and that was Rs 10,000 crores in the last quarter and then in this quarter, we have to repay the remaining Rs.20,000 crores, so, that's one part of it.

And I talked about, you know, proactive liability management through refinancing. So, this is to get obviously a significant increase in maturities and also optimize our finance costs. The cash flow that we have on balance sheet in supporting growth initiatives across our businesses. And you know, we can look at it from an international rating point of view, we are in a two notches or one notches above the sovereign rating.

A slide each on our key businesses. Starting with O2C, we saw demand up by 1.1 million barrels in this quarter on the back of mobility, and higher vaccination coverage. Specifically, we saw a very, very sharp recovery in fuel cracks and this led to multi-quarter high on mid distillates side. However, higher feedstock energy cost weighed in on downstream petrochemicals and we did see some impact of elevated prices and the fact that there has been volatility on domestic Polymer and Polyester demand down between four to five per cent. Oil demand also year-on-year is down, but, in the last quarter we did see a 12% growth in oil demand. Primarily it is also seasonal at this time after the monsoons.

On the operational performance side, we had a six per cent sequential growth in EBITDA at Rs.13,530, and also on a year-on-year basis you are talking about 39% growth. Our throughput and production went up by 5% on a quarter-on-quarter basis as we maximized our fuel output to capture the higher transportation cracks and also, we continued to focus on optimizing our fuel mix to manage energy costs.

On the digital services side, 421 million customers, a gross add of 35 million and a net add of negative 8.5 million. The SIM consolidation and repurposing of customer retention efforts led to a reduction in the subscriber base in quarter three. When you see it even closer, it has been mainly driven by subscribers with inconsistent engagement and also lower-end subscriber base. Overall engagement remains good with the traffic in excess of 7.8 exabytes. Per capita data and voice consumption it is about 18.4 GB per customer per month and 901 minutes of time voice. They consistently focus on the network performance as in an average speeds of about 22 Mbps in December 2021.

On financial performance, I talked about the Rs 10,000 crore EBITDA mark. Also, for long we had talked about striving for an EBITDA margin of 50% in RJIL and we have it now in the third quarter of FY 22. Also, strong attraction in as far as FTTH is concerned, with 5 million connected customers and significant enrichment of the offerings that we have with now with 4k content on Jio TV, the home secure, home automation that we have, live TV gaming solutions -- so all of them have significantly enriched the offering. And I talked about Rs 152 on ARPU, the growth which is on the back of subscriber mix and also partial impact of tariff hike, and of course, the strong FTTH momentum.

Finally, on Retail, I talked about almost 100% normalization as far as the operation in stores are concerned, and footfalls were pretty close at 95% of Pre-COVID levels. The important trend, which we will cover in subsequent slides is the fact that the demand has been across consumption baskets and very strong festival season and our continuing emphasis on agile business operation meant that we have a much higher level of preparedness to navigate volatility even from this new Covid strain.

Finally, on the financial performance side, as I talked about festive season stores, also the continuing momentum and digital and new commerce helped us deliver close to Rs 58,000 crores of revenues, which is up 52% year-on-year, as well as 27% on a quarter-on-quarter basis. EBITDA growth on the back of very strong operating leverage is up 24% year-on-year and 31% on a quarter-on-quarter basis and the continued strongly add 837 stores and 73 Supply Chain locations and also a series of investments in new categories and partnerships, which we will cover in detail in our Retail presentation.

With this I'm going to hand it over to Kiran.

Sh Kiran Thomas 00:13:59 – 00:32:19 **(Digital Services)**

Thank you, Srikanth. Hopefully, you can hear me.

So, if you look at what has happened in the last quarter. The Government in India has undertaken significant and decisive steps to strengthen the Indian telecom sector. As you all know, most of the operators have been under severe strain and especially with a lot of the liabilities towards the government. The government has helped to defer a lot of those liabilities into the future. And all of these actions that the government has taken, we believe, are quite positive to strengthening the India's telecom sector. With these steps that the government have taken, most of the operators have also now raise tariffs across the board by about 20 to 25%, which should result in significant revenue boosts for all the operators in the sector.

Having said that, a combination of these tariffs and obviously the challenging environment that is still continuing around COVID have meant that there has been a lot of consolidation on the SIM base. People who are on the low usage side, as well as inconsistent recharge behaviour. We have seen a compression of that base into fewer number of SIMs or even giving up those SIMs altogether. While the numbers are reducing, that also means that across the board in the industry, the quality of subscribers is continuing to increase, and this is something that Jio has also been encouraging in its customer base. As a result of the consolidation of the SIM base as well as the rationalisation of the usage and the concentrating of the usage in the subscriber base also means that there is a per user improvement in the cost position as well as network efficiencies.

Of course, this is what we are already doing. But, looking forward, we are under active exploration to fine tune our 5G technology. That activity is ongoing as we are now undertaking active trials across multiple cities in India. And we are well positioned because of the future ready network as well as the rich digital ecosystem that we've put in place to be able to make that transition pretty quickly and seamlessly and to help with further digitalization in India. So, really, a very positive things: everything from what the government has done to improving subscriber quality as well as the roadmap towards having 5G. And as the sector grows, we are confident that Jio will continue to lead in that growth story.

Just to talk a little bit about the tariff revisions. Like I mentioned earlier, most of the tariffs across the board and across operators have been increased by about 20%, effective 1st December of 2021. Jio has also participated in these increasing tariffs to support the support sector. But still, in spite of that, we continue to offer the best value for consumers in the industry. For obviously longer duration plans, we are giving significant benefits back to the user as well as in terms of the benefits that we offer for at the same price point even that is much better than the industry.

All of this has resulted in gross subscriber addition continuing to be maintained at a very healthy level. And also, we are seeing that a lot of the customers are now coming in longer- commitment plans, which is also a good trend.

Of course, this is a very recent development with respect to the increase in tariff plan. We already have users, who are committed to multiple months of the early tariffs. So, we anticipate that the full effect of these tariff hikes that we have now offered to the market will be fully reflected over the coming quarters. But we can hope that in the coming quarters, we'd see the effect upside effect of many of these tariff revisions that we have done.

Over the last meetings, we have spoken about how we have gone that extra-mile to help customers stay recharged, even under extreme lockdown conditions. Again, some of it we are again revisiting over the past few weeks. But what we did last quarter in along that direction another few steps that we have taken is to introduce Jio Auto Pay, taking advantage of the UPI auto pay feature.

Now, Auto Pay is supported through MyJio across all of the UPI handles when it comes to recharge. So, users can configure all of their connections using Jio Auto Pay and they can always remain recharged without having any disruption in the service.

Likewise, we have been working very closely with our partner Meta, especially WhatsApp as a channel. We are happy to announce that in this last quarter we have launched recharges for Jio connections using WhatsApp, using WhatsApp Bot. This is a unique thing because we are a showcase for WhatsApp Pay integrated with WhatsApp Bot. And, of course, this is just an introduction. We are continuously monitoring usage, and this will improve with respect to user experience and adoption over the coming days, again making it much easier for customers to recharge and to stay connected without any disruption.

Quantifying some of the numbers, like I mentioned, gross adds remained very robust. If you look at the trends over the past year, some numbers quarter-on-quarter numbers are here in the graph. You can see the growth adds have remained pretty strong at nearly 35 million. While the SIM consolidation has happened, there is, obviously, an impact on the net addition. But if you look at the forward-looking number with respect to the people, who are opting to come into the Jio network, especially through MNP that story remains extremely strong. And, of course, we are net MNP positive, which is also a healthy, forward-looking trend with respect to the adoption of Jio services.

Like I mentioned, the subscriber quality has been steadily increasing. If you look at the graph at the bottom, you can see that the per capita data usage, which was a year back around 13 GB per user per month, is now at more than 18 GB per month per user. With respect to the cumulative usage of data again, Jio connectivity across its entire ecosystem, now supports nearly 8 exabyte of data traffic on a monthly basis. And this is a near 50% year on year increase over the past year. In addition to the near 50% year on increase in data consumption of the Jio network.

Even on quality metrics, Jio continues to improve. Our average download speeds on our network as per the TRAI My Speed data for the month of December 21 is in excess of 20 Mbps in fact 22 Mbps, which is again an improvement even as the usage on our network has steadily increased.

We have also deployed all the newly acquired spectrum in record time in spite of the COVID related challenges. And this investment is obviously creating capacity well ahead of demand growth that we are seeing across all of all of the circles. And again, from the network side, a lot of technology solutions that we have deployed means that we are able to bring very targeted insight into our geography teams, where we use rich analytics and convert them into very specific actions that they can take to both augment capacity where needed, as well as to minimise disruptions in the quickest possible way.

And just to highlight over the last year, we had to face three cyclones and seven floods and heavy rainfall situations across the country. And through all of that, Jio's network has been a bedrock that people can rely upon to stay connected, especially when the need for doing so is the highest.

Looking forward, like I mentioned, we are well underway with our trials for our 5G network in multiple cities in India. But, in advance of the full-scale rollout, we have already started the planning work for rolling out the 5G network. Thanks to the rich analytics that we have and the very clear visibility that we have of usage across our network, we have very specific understanding of where the data consumption is the highest and growing is the highest. We have very clear visibility about all the handsets, especially 5G-ready handsets, which are connecting to our network and the locations from where they are connecting.

And, we are using the most modern approaches towards network planning, especially 3D maps and ray tracing technology because, 5G is pretty unique technology, which requires very advanced network planning techniques, and we are undertaking that for all of India, so that as and when the approvals are received for us to roll this network, we will be well geared-up to prioritise our rollout, where we can make the maximum contribution. Also, on the infrastructure side, we are augmenting the fibre as well as the power situation across all of our sites, so that the 5G, as the time comes to roll out 5G gear, especially when we have fibre assets, we have all of the planning in place to be able to deploy that extremely quickly.

And, of course, now 5G means, we need 5G solutions. And we already created multiple seed- teams, both in India as well as in the US, to focus on very dedicated vertical solutions, both of our own development as well as to bring partnerships and alliances, so that a rich set of 5G solutions can be made available in India, on par or even better than the rest of the world. And, we have even initiated certain partnerships, as well as we've created a technical team in Europe to develop long term capabilities, even beyond 5G.

Some of the new cases, I want to mention and again you can see the pictures here, these are actual pictures from videos that we have taken of the pilots that we have already demonstrated. For example, in the hospitals, especially where we have strict Covid-protocols and isolation, we have been able to create or connect robots.

And here, you can see, an example of a robot, which is delivering food trays and other items to patients in a fully automated way and remotely controlled in real-time using a private 5G network. Similarly, when we are moving patients, for example, COVID patients from their homes to the hospital and back, again, most of these hospitals are having an emergency room and now we are able to bring the same capabilities with respect to all the equipment that you can see even within the ambulance and these ambulances are connected to the emergency room of the hospitals, again in real-time using 5G network.

Another example is, for our own network, where we can use drone technology married with 5G to be able to inspect all of the network equipment, especially towers, which are pretty high up, and rather than humans having to climb up and down these towers, we are able to use connected drones to do the surveillance and monitoring of these sites. And again, for things like retail and industry, we are again piloting certain use cases where we can use 5G connected robotics that we can bring to warehouses. And you can see some of those images here.

Now moving to home, I think Srikanth mention that now we have crossed 5 million connected homes in India. Again, growing very rapidly. We are now the largest fixed line provider in India. And, in addition to obviously the best of breed world class fibre connectivity, another thing worth highlighting is the rich set of experiences that we have been able to bring to Indian homes in a very affordable way.

For example, all of the devices, which are deployed in India homes are powered by what we call the Jio operating system, Jio OS, which has a rich set of capabilities, which are described here on the slide. In the Indian homes again, as you know, the usage patterns vary, because the things like setup boxes are shared devices. And right baked into the Jio OS is support for user profiles, which allows parents to control what their children can access as well as for all of the users in the home, they are able to identify their usage pattern and give very specific usage recommendations.

Things like voice assistant, as you know, the digital literacy varies quite dramatically in Indian homes. Having a voice assistant brings access to all the capabilities of the Jio OS to every person in the home, right from the youngest child to the oldest member of the family. And you can even issue commands beyond, obviously, controlling the setup box for everything, from home automation, asking general knowledge questions and of course, finding out what's going on in the city through weather and so on.

Again, the operating systems are able to write on the boot-up the new relevant recommendations and promotions right to the opening screen. And all of this, we're able to do using multiple languages, which are, obviously, required to be supported across India. For things like payment, to be able to recharge, like I mentioned earlier, what we've done for mobility, the same ease of experience we are now bringing to the Setup Box, so even as a home experience, you are able to continuously stay connected and never have a disruption of your services and make payments pretty promptly.

Even the connectivity itself, we have been able to bring a lot of innovations. Wi-Fi mesh, as a solution, we are now deploying across all of our customers. What that means is you can be assured that we are giving you solutions where you can have wall-to-wall Wi-Fi coverage, so that anywhere in the home you get access to the same power of fibre network through this Wi Fi mesh solution.

When it comes to video and voice calls that you can make, of course, we give you a support for traditional landline phones. But in addition to that, we are bringing the same in an app form on your mobile phone so that even if you're far away from the fixed line phone, the same call that comes into the home or your landline, customers are able to access it through the app on their on their smartphones.

In terms of device management, we have very rich instrumentation, which gives us a lot of analytics from these devices. Constant understanding about the performance status of all the technology that you have deployed in each and every one of these 5 million plus homes and if there is a different performance or if there is a disruption, you're able to use analytics to proactively fix whatever is the problem, including marshalling people, who can visit the home where required. And, of course, a great series of applications spanning entertainment home automation and things like security.

Just to give you an idea about the entertainment on the Jio setup box, already we have, probably, the most compelling line-up of applications, both offered by Jio, as you can see on the left of the chart, everything from TV to music to video calling, self-service news, photographs, and music, in addition to even things like live news, which you can get on the large-screen television.

And, of course, now an emerging area, which is games, through Jio Games. And on the right, you see the line-up of partnerships that we have been able to already deliver to Indian homes, everybody from Netflix Prime Video, of course, or Disney Hotstar, and of course all the other logos that you see here, are already available.

But what highlighting are two names that I want to mention here: YouTube, as well as Apple TV plus. As you know, YouTube is supported on Android TV, and traditionally Google has not offered YouTube on any other set top box other than Android TV. And, likewise, Apple TV plus. Apple, of course, supports on their Apple TV product, but they have not done that for any other operating system. Both these partners have made these applications available, for the first time anywhere in the world, on the Jio setup box. And this is also a testament to the confidence that they have in the work that we're doing to bring the best digital experience to Indian homes at scale. With this I will hand this over to Anshuman, who can talk about our operating and financial performance.

Sh Anshuman Thakur 00:32:20 – 00:36:36 **(Digital Services - Financials)**

Thanks Kiran. I hope I'm audible let me start with a quarterly highlights first. The financial performance, very healthy financial performance across our connectivity and platform businesses. JPL revenue for the quarter came in at Rs 20,597 crores, this is the operating revenues net of taxes and GST.

JPL quarterly EBITDA crossed Rs 10,000 crores for the first time, at Rs 10,008 crores, with a 48.6% EBITDA margin. The gross subscriber additions, as Kiran spoke about, remained very healthy at 34.6 million gross adds during the quarter. The total subscriber base at the end of the quarter was at 421 million. The reduction really was on account of SIM consolidation, and you know, the repurposing initiatives that we have undertaken to encourage single SIM usage and because of which there was a reduction in the end of period subscriber base, or rather, I should call it a SIM base.

But that also resulted in ARPUs increasing from 143.6 to 150.6, a combination of subscriber mix and tariff hikes. As Kiran said, the impact of the tariff hike has been limited so far, because it was only in December, and it will gradually play out over the next few months. The customer engagement continues to be very strong, with monthly data traffic crossing close to 8 Exabyte now.

One of the other highlights for the quarter post December has been that RJIL prepaid Rs 30,791 crores worth of deferred spectrum liabilities. And which will result in interest cost saving itself of almost Rs 1200 crores annually, based on current interest rate environment. So, strong operating performance, with EBITDA adding 10,000 crore for JPL in this quarter.

Moving on the operating matrices for RJIL, as I said, we closed the quarter at 421 million subscribers. And that was a reduction of 8.4, but the gross addition continued to be very strong 34.6 million. And the reduction was really on account of SIM consolidation and some of the less active customers, now with tariff increases, etc. looking at consolidating uses in a single SIM.

ARPU increased to 150.6. That was a healthy increase from 143.6 that we reported in the last quarter. Data traffic was up 48% year-on- year to 23 exabyte during the quarter. And both the per capita data as well as per capita voice usage continue to be very strong at 8.4 GB and 901 minutes, per month.

Snapshot of the RJIL key financials, as you can see, the operating revenues have been growing steadily, quarter after quarter. The dip that you see in March 21, just to remind you, was an account of the IUC regime moving to bill and keep, and a very healthy increase in EBITDA as well over the last several quarters. So, the RJIL EBITDA, which is really the connectivity business was at Rs 9,669 crores during the quarter. So, an increase of 13% year-on-year in revenues and EBITDA of 18.4%.

RJIL recorded EBITDA margin of 50%. So, you know, a few quarters ago, we had spoken about the margin trajectory and RJIL now has achieved a 50% EBITDA margin with a very strong growth momentum.

Coming to the JPL financials, Rs 24,176 crores of gross revenues and Rs 20,597 crores of operating revenues. EBITDA at Rs 10,008 crores, which grew from Rs 9,294 crore in the previous quarter. The net profit came in at Rs 3,795 crore. So, quarterly revenues up 14% YoY and EBITDA margin at 48.6, which was a healthy 160 basis point increase within from the last quarter. So, with that, we come to the end of the Jio section Digital Services section I'm going to hand over now to Gaurav to take you through the Reliance retail results. Over to you Gaurav.

Sh Gaurav Jain 00:36:37 – 00:58:13 **(Reliance Retail)**

Good evening to all. I hope I'm audible.

Let's start with the Reliance retail presentation. It has been a solid quarter for us as we have delivered highest ever quarterly revenues and also the best ever profit performances. It has been a quarter where all our omni-channel capabilities have really come together and to serve our customers far and wide, and also supported all our businesses to really deliver their best ever quarterly performances. But, before I really go into the performance for the business, let me spend just a moment on talking about the operating context.

So, the operating context has been improving as the restrictions were eased through the quarter progressively and there was a build-up of festive buying as the normalcy started to set in.

We were able to reach back to store operating matrices and also footfalls to near pre-COVID levels at 95% and 97% respectively.

We also saw the market open up and the festive cheer started to come back starting from Navratri three all the way to the Dussehra-Diwali and then leading into the wedding season. Towards the fag end of December there were sporadic disruptions that started to get visible because of the new COVID strain. But we remain prepared and optimistic to be able to tackle the emerging operating challenges in the operating environment.

Talking through the key highlights and the messages for the quarter. We delivered our revenue at a record high levels at 53% year on year. It was also a period where it was led by a strong festive season and a bounce back of customers back into the stores.

Our revenues were at a record high and we delivered a milestone of crossing 50,000 crores of revenues in a quarter. It was also period which was matched with record EBITDA performance at 3822 crores up 24% year on year, which was also buoyant with revenue.

Our focus on infrastructure expansion has continued through the quarter and we have added 837 stores across the consumption baskets, across geographies, and also added 73 Supply Chain locations measuring almost 2.5 million square foot of space to help service all our channels and our businesses. Our focus on strengthening our digital commerce capabilities and also merchant partnerships is being maintained.

We continue to see more customers coming onto our platforms and getting served through an enriched experience through better availability of products, wider choice of merchandise and also superior service deliveries which has resulted in customer orders going up 2x year on year and also our Merchant partnerships base expanding 4x year on year.

This has also been a period where we have strengthened capabilities through acquisitions. These capabilities will help us not only serve our customers better but also expand our portfolio of product capabilities. Through this quarter we have made acquisitions for Jaisuryas, Amante, Kalanikethan and also made investments into Ritu Kumar, Manish Malhotra and Dunzo. We'll talk a little bit more on these in coming slides.

So, all in all a very strong record performance in the quarter. Looking at the revenue build-up for the business, gross revenue at 57,714 crores, up 53% year on year and 27% quarter on quarter.

If you really look at revenue coming from retail excluding connectivity and petro, I think we did much stronger on consumption baskets at 90% growth year on year and 49% growth quarter on quarter.

We had highest ever store sales and also, we maintained our momentum on digital and new commerce as well. So, in many forms, it was really a truly an omni channel experience that we delivered where customers could either come to our stores or they could sit at their homes or at base locations and still be able to buy products across various digital platforms that we've created. The revenue build up also has come from all our key consumption baskets. So, consumer electronics, as well as apparel and footwear has actually doubled their business led by festive buying through the quarter.

Grocery has maintained its consistent run and also posted its double-digit growth through the period.

Talking about profit performance, it has been a solid performance on the profit front. EBITDA delivered at 3822 crores which is at record high. If we exclude the investment income, profit performance has been even stronger at 52% growth year on year and a 45% growth quarter on quarter. It has been led by a very strong broad base recovery across businesses, especially consumer electronics and fashion lifestyle, supported by the growth that we have seen in our grocery businesses.

It's also utilising the operating leverage in the favourable mix that has drove in margin expansion in the quarter where we have seen 90 basis point growth quarter on quarter delivering at 7% EBITDA on net sales at the margin level as compared to 6.1 over the last quarter. Our investment income stood at 300 crores for the quarter as compared to Rs 775 crores last year and also Rs 477 crore in the previous quarter.

Talked about infrastructure expansion and this is really one of our focus areas. We again added over 800 stores in this quarter as we did in the last quarter.

In the year put together so far, we have opened 1773 stores and we have exceeded the number of stores in these nine months than what we opened in FY 20 and also in FY 21.

It has been a landmark quarter in many ways for us as we achieve the milestone of operating now 40 million square feet of retail space. Also crossed over to 14,000 stores ended up with 14,412 stores at the end of the quarter.

In addition to the store expansion, we have also been investing hugely into developing warehouse and fulfilment centre capabilities. And we have added at 73 new locations with an area of 2.3 million square foot across the geographies to help serve all our businesses. As we continue to invest in expansion of our businesses, we continue to add more people to our capabilities. This year we have so far in the quarter ended 46,000 new jobs and 75,000 new jobs in the first nine months.

This is when we compared to last year where we added around 65,000 people onto major stores across geographies. At the end of the period our employment opportunity now stands close to at about 300,000 across various routes and geographies.

Talked about the acquisitions and the strengthening of capabilities. We have spent close to about 7600 crores plus in the first nine months in investing and acquiring assets and investing in capabilities which will help us reach out to our customers and offer better quality of products and also improved service delivery. Investments in Ritu Kumar and Manish Malhotra has been on the designer brand front while our investment in Amante's in the space of intimate wear, lingerie. Kalanikethan, which is a leading saris and ethnic wear retailer while Jaisuryas is a regional grocery chain in Southern India, which is going to help us fill up gaps in some of the smaller markets in the southern markets. Dunzo which is leading last mile delivery and also a quick commerce player which will help us further strengthen our delivery capabilities to our customers.

Look at the financial summary, Gross revenue strong growth 57714 crores up 53% year on year, 27% growth quarter on quarter. EBITDA from operations at 3822 crores 52% growth year on year 45% growth quarter on quarter. There's also an expansion of 90 basis points that I talked about from EBITDA margin on operations. Total EBITDA at 3,822 crores, which is a record for us across any quarter, which is up 24% year on year and also 31% bottom quarter profit after tax standing at 2259 crores which is a 23% growth and also over 33% growth on a quarter-on-quarter basis. So, all time high revenues and profit that we have delivered in this quarter. Looking into the performance highlights for consumption baskets, talking about consumer electronics, consistent double-digit growth coming from stores. It has been a period where we have seen customers coming back to stores where near normal walk ins.

But our conversions average bill values have been high and that has resulted into some of our best sales during the Diwali period, festive period and also lending into the wedding season. We have seen broad-based double-digit growth coming from wide categories, but it has been productivity segment which has really done well which is constituting of products like mobile phones, laptops, tablets, etc.

ResQ which is our service capability and a huge enabler in serving our customers through installation, after sales service and value-added products and services that continues to do really well and has also sustained strong service delivery of more than 98% within the SLAs even during the tough times.

The business has also launched JioMart Digital this quarter where we are now looking at working with merchants across geographies, onboarding them and in the initial period that we have seen we have received extremely encouraging responses to the proposition that you're extended. So, the focus would be to onboard a wider set of merchants and service them across the country.

Talking about fashion lifestyle. Again, a record quarter for us. The business doubled year on year. It has been a record quarter as the customers came in with festive buying as well as also supported by winter wear sales.

It has been a period where footfalls were nearly at pre-COVID levels, but we maintained much higher levels of conversions, average bill values were also very high, higher than the pre COVID levels.

It has been a period where we've seen tremendous level of efforts coming together from the product capabilities that we have built in which has led to some of the categories like menswear kids wear posting very very strong growth.

Also, specifically the winter wear has been extremely well received in the northern markets and also the Eastern markets which has helped serve customers with wider assortment and also helped us deliver higher bill values. We have created a format called as Trends Small Town which is meant for serving much more focused assortment in small towns. And that format has been consistently doing well ever since it was launched. This is the quarter where we have crossed a milestone of 500 stores across geographies, and that format continues to deliver its best ever sales on a monthly and quarterly basis.

AJIO which is our destination for fashion lifestyle through a digital commerce platform that continues to grow strength by strength and delivers its best over sales each quarter. It is yet another period of its all-time high delivery on all the matrices whether it is the MAU, whether it's the number of orders, whether it is the deliveries and also the assortment that we offer to our customers.

It has capitalised on some of the key properties such as the big bold sale and also more promotions that it has created through the year and continue to engage with our customers.

The focussed assortment expansion on the catalogue side continues where we continue to add more and more products onto our offering, we add close to about 50 leading international and national brands this quarter.

Our focus on expanding new commerce capabilities has been maintained. It has been a period where we have grown 3x year on year on our performance working with our Merchant partners. Our base has also now increased to over 3500 towns and we continuously look at engaging with our channel partners through a variety of events such as Pragati Mahotsav and Sambandhan and some of them are strong initiatives that has helped in increasing our order size and also the frequency at which the merchant has been working with us. So, all in all, very, very successful period for our fashion lifestyle business.

Looking at the jewellery business, maintained a very strong double digit growth momentum, posted its best ever Dhanteras, best ever Diwali period sales. The festive collections which were created were also well received by our customers.

There has been a focused work which has been going in towards increasing the diamond contribution and we have also launched affordable diamond jewellery in this quarter, which has also helped us gain the diamond contribution of by about 500 basis points. So, our diamond contribution now is well above 25% which is really reflection of the strengths on the product development side that we have created.

On the partner brand side, revenues grew 2x as the offline stores bounced back, customers were able to come back to stores in leading malls.

We could see that there was a growth momentum that was sustained online as well while they were still shopping in the stores.

We, in this period also launched 30 new stores, including some of the new concepts like the White Crow pop up store, the White Crow books format at the JWD Mall in Mumbai. We continue to also enrich our portfolio of partners. We signed up with Valentino, La Martina and Starter brands during this period.

Zivame, which is in lingerie and that business continues to expand rapidly. It also had one of its best quarterly performances. And, during this period launched 24 new stores to reach a milestone of over 100 stores across the country. There has been a continuous focus on expanding the catalogue and there was an addition of over 9000 SKUs through the marketplace model.

There were also new products which are launched through the winter wear, or sleep wear (inaudible) which are all well received.

Talking about the grocery business it has maintained its strong growth momentum, even when the customers have come in, footfalls in gained. But what we have seen is also that customers now continuously shop with higher values our conversions are much better, our throughputs are much better, leading to better efficiency of stores.

The entire Diwali period has been one of our best festive periods where we were able to impactfully engage with our customers some of the categories that really did well were about gifting, packaged foods, branded packaged sweets, and chocolates and confectionaries. All of these categories led to strong double-digit growth in their respective segments much ahead of the overall market.

The quarter also saw launch of our format, Freshpik, which is really a gourmet store, a high-end store in the JWD mall in Mumbai. We have plans to expand that format into new geographies in a phased manner. On the JioMart side, which is on the b2c side, we continuously created new highs. Every month, every quarter is a new high for JioMart and our engagement with our customers is enriched, it's getting stronger with every passing quarter.

We looked at Milkbasket which was acquired during the course of the year and also integrated into our Reliance Retail business. That business has been now scaled up to 1.5x on its subscriptions on a daily basis.

The business has also been expanding to new geographies it has been a leader in the north and also in certain cities in South like Hyderabad and Bangalore. It is now being expanded to new geographies, like Chennai and some other markets in West.

On the new commerce side really, the focus has been on onboarding merchants. This has been a period where we have now on boarded, 10x growth of merchants between last year and this year. And we are continuously investing in supply chain infrastructure so that we are able to serve them better.

Talking about pharma again a period with highest ever quarterly revenues. The focus has been of building up the hyperlocal capabilities which now stands at about 80% of the total orders being served. Netmeds platform continues to scale up on all the matrices, daily orders are up. The number of monthly active users are up 2x. There has been also a rapid expansion of new commerce capabilities in the pharma space and our operations have now extended to over 1200 cities. Urban Ladder which is into furniture and furnishings. That business has grown 2x over last year, very healthy inventory and its attractive offers has really helped us to capture the pent-up demand.

Also, some of the some of the assets such as the Full House sale and also the Maha Cashback Offers have really helped us to gain traction with customers during this period.

The business has also been looking at extending its product offers and also creating multi brand offers which now contributes to about 18% of the business.

So, I think that that has been very, very, very strong quarter for us is as we look forward into the next quarter.

What we see is that there has been some volatility which has come with the COVID strain, but we believe that we are well prepared to navigate our way through the challenges that are posed by the COVID strain.

But as the situation normalises, our focus would remain on accelerating the growth momentum and also the expansion. So, some of the priority areas are to ensure that we will continue to increase the pace of new store rollout. We have opened now 1700 stores these nine months and will continue to ensure that store opening plan remains on track. We will look at scaling of our digital commerce businesses across all the platforms, augmenting offers and also sharpen service capabilities to serve customers. New commerce value proposition which has been really received well across the businesses… we will continue to look at onboarding merchants across geographies and also grow share of businesses as they continue to buy more. We will look at integrating all the acquisitions and also scale up these new businesses to the next level by providing them the right ecosystem support from Reliance Retail infrastructure and also continue to strengthen and sharpen our supply chain capabilities, product design and ecosystem in line with the business expansion. So multiple initiatives will be underway as we continue to focus on serving our customers worldwide.

Sh Sanjay Roy 00:58:14 – 01:00:47 **(Hydrocarbons - Exploration & Production)**

Thank you, Gaurav, and a very good evening to everyone on this call. As you can see, we have had a strong quarter. Quarter-on-quarter EBITDA growth has gone up around 90%. And we have seen stable production at KG-D6 and marginally higher quarter-on-quarter. Overall, we are at about 18 million standard cubic meters (MMSCMD) of gas production. What is important is that 95% of the production is from KG-D6, which means the benefit of the prices are seen clearly. As you are all aware, the price ceiling has gone up by ~70% to $6.13 from $3.62 per million British thermal unit, and consequently, we can see the EBITDA margin improved.

We expect this trend to continue with energy prices remaining high. We expect that we will get higher realizations, particularly in the next fiscal where we expect the same prices to be closer to $10.

Next slide please. So, now the focus is on the KG-D6 field. The MJ field, which is a gas condensate field, as the first phase of drilling wells was completed, and the second phase of drilling of wells will commence in first quarter of FY23. This is right after the installation campaign is completed, which is currently underway. The installation campaign started as per schedule and we are on course for commissioning of the field in the 3Q of FY23.

The FPSO, which is an integral part of this field, is under construction in South Korea, and things are moving very well there. The construction is nearing completion and the packages are under pre-commissioning.

So, we expect for the field to all come together by the later part of this year, which means we are on track now to achieving 30 million standard cubic meters in 2023. Given the higher gas prices, as well as the production upsides, this bodes well for the earnings outlook as well as the margins outlook. Thank you. I will hand it over to Srikanth.

Sh V Srikanth 01:00:48 – 01:16:13 **(O2C Business, Summary and Closure)**

Okay so starting with the O2C presentation and starting with the demand environment you can see there is a continuing recovery in global oil demand. For the quarter it was up 1.1 million barrels per day and for the whole year is up about 4.8 million barrels per day on the back of higher vaccination and entire reopening of the economies.

When you look at India, demand volume is actually lower by 4% year-on-year primarily because of weaker diesel consumption. We also saw a slight weakness in demand for Polymer and Polyester, which is down four to five per cent on the back of price volatility and in the case of Polyester the same time last year was a normally strong demand environment coming out of the back of wave one.

So, we saw that on the operating rates, you know, 140 basis points increase in refinery operating rates on the back of rising demand and also, China operating rates have been impacted by their dual control policy and power shortage, their cracker operating rates have been fairly stable at about 86%.

On the Feedstock prices, as you can see quarter-on-quarter, Brent, Naphtha, Ethane, all of them, up between 9% and 12%, Asian LNG up to 87% and the interesting thing here is that on a year-on-year basis, Brent Naphtha Ethane prices were up anywhere between 80 to 90%. and also, Asian energy prices, up four-and-a-half times versus what it was so, so it's a QoQ growth as well as year-on-year growth.

This is on the back of a significant OPEC discipline. But with that kind of price hike, we are seeing impact in the feedstock cost of Petrochemicals. On the margin side, when you look at it, the big jump in margins really came on transportation fuels, ranging between 38% and 89% – a 33% jump in delta on Gasoline, 89% was on ATF and somewhere 55% increase was in Diesel. and again, that was on the back of increased manufacturing, increased mobility, and also very limited Chinese exports and with winter heating demand.

On the Polymer and Polyester side, we saw about zero to four per cent quarter-on-quarter growth and Polyester about six per cent. This was supported by some of the logistic constraints as well as higher ocean freight.

The next few slides are on domestic environment starting with oil demand, and as you can see that at an aggregate oil demand is at 97% of Pre-COVID. When you see 53.3 million tons of oil now, it is down four per cent on year-on-year basis and primarily coming because of diesel and where incessant rain falls and floods in southern and eastern states had an impact.

ATF demand is up 32% year-on-year and passenger traffic has come back to 91% of Pre-COVID and gasoline demand an improvement about two per cent led by preference for personal mobility for all.

When you look at it quarter-on-quarter, oil demand up 12%. This is really seasonal factors at play and also the reduction in state taxes did support demand.

Moving to the polymer side – overall polymer now 10% above Pre-COVID. But as I mentioned, on year and as well as QoQ basis it is about four per cent lower and this is clearly the back of the 80 to 90% increase in feedstock prices. So that impact is very much there. Products like PVC, for example, at an all-time high of almost $1,600 a ton. When you look at the broader demand side, it remains subdued despite the fiscal season, it is pretty stable in the products, which are relevant for health and hygiene and food packaging. But there is slow demand for infrastructure and agricultural sectors because of the extended monsoon.

On the polyester side, demand is up 13% above Pre-COVID and similar to polymer is about four to five per cent down on a year-on-year, as well as quarter-on-quarter basis. Again, here volatility in raw material prices affected polyester demand and also 3Q of FY21 was unusually high because it was the demand post recovery of the first initial pandemic impact. Also, there were uncertainty about changes in GST rates for fabrics apparels and that also led to cautious downstream buying.

When you look at the business environment for polymer and polyester, you can see that margin wise PE, PVC PP, were fairly stable on a QoQ basis, despite the higher feedstock prices, but on a year-on-year you can see the sharp impact because of prices of Naphtha, Ethane and EDC. The logistic constraints and higher ocean freights did their best to support Indian prices.

And when you look at it on the polyester side, chain delta is up six per cent on a QoQ basis and actually 35% higher on a year-on-year basis. And for the quarter it was led by PTA, Yarn and PET at an aggregate. PX margin was sharply lower by 41% because of the new capacity adds, and on a more broader basis, higher cotton versus polyester enquires supporting Polyester prices. So, if you are an integrated producer one can look at the chain margins come out very close to the five-year average.

Looking at transportation fuel, third consecutive quarter of demand growth for Gasoil. A million barrels per day increased to 29 million barrels per day. You can see the crack - the deltas were a year back at $4, in second quarter $8 and third quarter $13. So, this is all cracks, gasoline cracks are really eight quarters high, primarily coming from oil switching because it's the prices of LNG, a significant rebound and transportation demand and also lower inventory and tax in China help gas cracks.

On the ATF side a slight improvement, adding up to a total demand of 5.7 million barrels per day. Prices $2.5 last year, previous quarter $5.4 now $10.2, so eight quarter high and again benefiting from all the relaxation in air travel.

Also, we did see demand for heating in Japan. But all of the cracks started to soften by the end of the quarter because of the Omicron variant scare and finally on gasoline broadly flat in terms of demand 26 million barrels per day. But price movement, gasoline is now 17 quarter high, $3 last year about $10 last quarter now $13. So, it is coming on the back of, removal of restrictions and the China factor. In terms of supplies galore, supplies coming in from China because of the disruptions there. And as I mentioned even in the case of the other cacks, gasoline cracks also moderated in the quarter because of sharp jump in gasoline yields from Asian refiners, especially large exports from Japan, India, and South Korea, as well as return of refineries after the maintenance season.

So, bringing all this together, you can see that the overall revenue Rs 131,000 crore up 9% on a QoQ basis as well as 57% higher than on a year-on-year basis, translating into an EBITDA of Rs 13,530 crores. It is six and a half percent on a QoQ basis, 39% higher on a year on year.

EBITDA margin at 10.3% is 30 basis point lower on a QoQ basis. So, as I was clearly highlighting the big improvement in EBITDA is on the back of transportation fuels and within that, if you zoom in, it is really the middle distillate. We maximized gasoline production given the very strong cracks and the weak Aromatics economics.

The downstream chemical margins were stable and demand, as a displayed in the previous slide, was weighed on the segment performance.

The overall EBITDA margin is lower because of higher energy cost and also the fact the denominator effect of such high prices means that for the same level of profits, your EBITDA margins do end up coming lower.

On the operating performance, you can see the jump that I talked about close to five per cent increase in throughput. We maximized refinery throughput as well as the secondary units given the sharp improvements in transportation fuel margins. For us the availability of domestic gas as well as internal fuels meant that we could eliminate our dependence on high-cost LNG.

We maximized again domestic placement. We commissioned and stabilized the Petroleum Naphtha quality upgrade that got done so helped us capture some of the higher premium. We won the LLDPE 'Innovator of the Year Award' for RELCAT A, which is a catalyst that is something that's our proprietary catalyst, on the Innovator of the Year award in that category.

Coming to the overall macro, we do expect next year oil demand to average about close to 100 million barrels per day, which is another 3.3 million barrels year-on-year. The only oil supply growth that can really meaningfully come from incremental production from OPEC. Plus, we also think that the China's push on self-sufficiency of Petrochemicals will alter the regional trade flow on the margin side, lowering of the fuel export quotas in China will support margins and colder winter and the gas crisis in Europe will mean a continuing demand for middle distillate Cracks.

However, we think PX, PTA and emerging margins to be really range-bound due to the kind of capacity constraints that we have. On the demand side, at least from an Indian context the broader economic revival and government policies across textile parks, export incentives, PLIs to boost petrochemical domestic demand. Also, the deferment of GST on textile industry and high cotton prices does aid polyester.

Overall, when you think of it from our challenges point of view, continuing high crude prices, and more so in the context of the spare capacities of OPEC+ being sharply lower, could have an impact on feedstock prices as well as margins. Of course, anything which happens with COVID is something that is something that you have to look out for.

With this, I would like to come to the summary of the group as a whole. We now have multiple growth engines driving exponential value. If you look at O2C, it is a world class integrated platform. With Jio, we have the best-in-class technology platform to catalyze digital opportunities and in Retail, as Gaurav has been emphasizing about, the whole focus on Omni-channel retail to maximize our reach across the Indian consumer. And we are building one of the most advanced and, and integrated New Energy Ecosystem, when you look at our acquisitions that we announced.

REC Solar, which is a Norway, Singapore headquartered company, which is present across the solar value chain. When you look at Sterling and Wilson acquisition, you know, which is really the Indian solar EPC player. Stiesdal, which is a Danish electrolyzer company. NexWafe, which is the German next generation wafer technology company. If you look at Faradion, which we just recently announced, is a UK based sodium-ion battery company. And Ambri, which we announced in the first quarter, if I recollect correctly, is a US-based company, for battery using liquid metal technology.

I mentioned this point to say that they are all coming in together, and it is part of the overall New Energy Ecosystem that we are talking about and integrates very well with our plans on four Giga factories that we talked about.

Our performance continues to be strong, you have seen the numbers, it is financial, it is operating performance, and it is across all our business segments. So, when you think about it cash flows remain strong and balance sheet is strong, so it can support growth initiatives across our businesses. Finally, all this technology and all this innovation means that it also helps us achieve our 2035 net carbon zero goal.

With this, I conclude my presentation. Many thanks and deeply appreciate all of you being on the call. Thank you.