

RIL Q4 2021 - 2022

Media & Analyst Call Transcript

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Call Participants:

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- **Sh B. Srinivasan** 00:00:01 – 00:00:29 **(Introduction)**
- **Sh V Srikanth** 00:00:30 – 00:09:34 **(Consolidated Financials)**
- **Sh Kiran Thomas** 00:09:35 – 00:29:11 **(Digital Services)**
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Transcript:

Sh B. Srinivasan 00:00:01 – 00:00:29 **(Introduction)**

Good evening everyone and first of all want to apologise for the slight delay in the start of the fourth quarter FY 22 financial business presentation. As always, we have V. Srikanth to begin with.

Sh V Srikanth 00:00:30 – 00:09:34 **(Consolidated Financials)**

Thanks. Ladies and gentlemen, so let me start off with the FY 22 highlights. Record annual earnings, EBITDA consolidated Rs 1,26,000 crore is up 9% year-on-year and net profit at close to Rs 68,000 crore, a 26% year-on-year growth. And you may also see that the five-year average CAGR for both EBITDA and profits are close to 18%.

Strong growth in earnings, despite the unprecedented volatility and the dislocation that we saw in the energy markets. Consumer business gross revenue now Rs 3,00,000 crore, and the EBITDA crossing Rs 50,000 crore. Highest ever store sales, a lot of momentum on the digital commerce side, subscriber addition and an uplift in ARPU. Oil and gas also did well, seven-year high EBITDA. KG D6 production in excess of 18 MMSCMD.

Our focus on product liability management continues in terms of optimization of finance costs. You look at each of the businesses for FY22, starting with retail EBITDA Rs 12,423 crore. Again, revenues up 27%, EBITDA 26%. We crossed the 15,000-store benchmark. We have been adding about seven stores a day. Our registered user base is now 193 million customers, which is up 24%. And as you have noted, we continue to invest in structuring our brands portfolio offerings and capabilities.

On the digital side revenues of Rs 100,000 crore, and EBITDA of Rs 40,268 crore, revenues up 11% year-on-year, EBITDA up 18% year-on-year, ARPU at Rs 168, which is up 31%. EBITDA margin for JPL 48%, which is a very big expansion of almost 400 basis points. JioFiber is now the largest broadband provider in India, within two years of launch, and both the data traffic and voice traffic continue to grow, growing by 46% and 11%, respectively.

On the O2C side, Rs 5,00,000 crore of revenues and Rs 52,017 crore of EBITDA. This is sort of up 56%, EBITDA up 38%. This year, and if I do need to reread, so high utilisation across sites with volumes of 7.2%, really on the back of strong fuel margins that we have seen because of higher demand gas-oil switching, refinery closures.

For us Feedstock flexibility, which is one of our inherent strengths. Has meant that we were able to maximise our lights, light feed cracking economics. Also, we completed the restructuring of the gasification asset as well as signed the shareholder agreement with TA'ZIZ for EDC and PVC.

On oil and gas side, Rs 7,500 crore revenue and Rs 5,500 crore in EBITDA. This is EBITDA is up 21x, revenues is up 3.5x. As you know, Satellite cluster was commissioned actually ahead of time. Production now as I

mentioned 18 MMSCMD, which is approximately 20% of India's gas production, and we completed the exit of Shale gas in Eagle Ford.

So, if you look at FY22 at a glance, revenue is up 47% and EBITDA 28%. All businesses contributed to both revenues and EBITDA. Also, you would have seen that there has been significant savings and finance cost down 31% and net profits at Rs 67,845 crore up 26% despite higher depreciation and tax. Standalone RIL net profit was Rs 39,084 crore, which is again up 32%.

Just a quick bridge between for FY22 versus FY21. As I was mentioning every business has contributed to the increase and the bulk of it, of course, coming from O2C with Rs 14,552 crore, which is 52 per cent of the incremental EBITDA, on the back of higher fuel cracks, especially mid-distillates and also higher volume.

Oil and gas ramp up in KG-D6 and improving price realisation explains the Rs 5,000 crore. Rs 2,581 crore increase from Retail on the back of expanded footprint and the traction that we have seen in digital commerce and Digital Services contributing Rs 6,233 crore. This is on the back of continuing customer momentum and also the jump in ARPU both of them boosted performance.

So, this is a five-year CAGR. I touched upon it my first slide, but it really highlights the fact that there's been strong growth after the FY20, and then you can see the FY21 being lower but very strong growth that we have seen in aggregate revenues. So effectively 29% EBITDA growth and which is now in excess of Rs 1,25,000 crore.

So, this is the performance for the quarter. Rs 2,32,539 crore Q4 revenue and Rs 33,968 crore of EBITDA, this is 35% and 28% up respectively. And, of course, revenues were led by O2C and Retail. On the overall side, year-on-year all segments contributed to the profitability and net profits also up sharply 27%.

When we see from a quarter-on-quarter point of view, revenues were up by 11% or more because of O2C there because of the strong energy prices. EBITDA has been stable despite the operational challenges and net profit pre-exceptional was up 2%. Lower finance costs partially offset by higher deposition and standalone RIL profitability at Rs 11,094, which is up 9% quarter-on-quarter basis.

So, the bridge on what that is for 4Q 22 v/s 4Q 21. And again, the contribution coming from O2C and oil and gas and Retail you're seeing the ramp up in New Commerce and stores, but it was partially offset by the Omicron variant that we saw. And on digital services we are seeing year-on-year improvement of 31% in ARPU led by customer engagement and the tariff hike that we saw. So overall strong growth again 28% growth year on year with contribution from almost all segments.

This is the QoQ bridge that is the sequential quarter. And you can see that O2C Rs 711 crore firm despite volatility caused by Ukraine conflict on the back of fuel cracks that we saw, and this offset some of the weakness in the downstream that we saw. Oil and gas is lower slightly because of the lower EBITDA because of the exit of Shale gas. Retail we saw some impact of headwinds posed by COVID in January and also lower investment income. Digital Services was strong. We saw strong gross customer addition there and also ARPU on the back of the tariff hike and on the other side, this really reflects lower investment portfolio and the defensive repositioning that the debt portfolio for higher yields. Shows that stable EBITDA with strong performance on the digital side.

And coming to the balance sheet side net debt that is Rs 34,815 crore versus Rs (3,585) crore. On the other side, and as you can see, the net debt reflects the change because of refinancing of high-cost spectrum liabilities of Rs 30,791 crore with cost effective market borrowings. That is really the swing, and you know this position, which will help us advance our existing and new businesses.

Sh Kiran Thomas 00:09:35 – 00:29:11 (Digital Services)

Okay, thank you. So, kicking off, as you know, the strongest portfolio within JPL as we start talking about it. Very well established in the connectivity ecosystem, spanning mobility home and enterprise, of course with a slew of digital services also coming into play in the recent past. Looking at our historical businesses which have been running along as leaders in our country, it has been a phenomenal year of further strengthening our leadership across all of the connectivity segments. If you look at mobility, we are undisputed number one when it comes to revenue and subscriber market share. In terms of the adjusted revenue, market share we have now in excess of 45%. In terms of our mobile subscriber market share, approaching 55%. So, by any token, really good set of numbers. We continue to maintain our leadership when it comes to the quality of mobility broadband service. We continue to be number one as we have been for many years now – number one in the average download speed across the country, as per the TRAI Myspeed data.

Also, home is now picking up although it was a tough couple of years if you look at the COVID situation and all the lockdowns. But through it all, we have emerged as the number one FTTH, or fibre to the home service provider. And this is just within two years of launch in a very tough environment. And today, we have in excess of 5 million homes already connected on our FTTX service. And as we come out of the pandemic, we would look for the pace of growth in this area to further accelerate.

And for the next slide. I think the real secret through the reason why we continue to be the leader and further strengthen our leadership position has always been our customer centric approach. And when we talk about customer centricity, it is obviously not just a word, there are many dimensions to this that we live every day, everything from keeping our offer and our services extremely simple. As you may all know, we entered this space with a very, very simple set of plans and a very simple offer and we continue to keep our products and services extremely simple for our customers to understand. Of course, India being India, we offer our services in a number of very easy to understand user interfaces, which is supporting all of the major languages in India. And of course, the transparency of having no hidden charges in terms and conditions – I think we've been a pioneer in this space, and we believe that has really communicated our proposition to all Indians in the simplest possible manner.

Of course, the trust factor is always there. We are known for a very high degree of service availability, reliability and trust when it comes to our core service. We are reachable through multiple touch points which are convenient to our customers and always available to help our customers as and when they need any assistance from us. When it comes to our value proposition, again, we have established a very clear proposition for providing the best value for money, not just in India but globally. As far as possible, we try to further add value to our clients by offering a number of additional value-added services even within our basic tariffs. And if you look to our investments, all of these are feature-rich. We have a no-legacy network, which is continuing to improve, and we are upgrading towards a pan India 5G rollout. Network is ready for 5G as we speak, and it has been right from the day we launched. All of our solutions are digital first, which means we are well positioned

as people adopt smartphones and digital solutions. We are innovating every day, thanks to the digital capabilities of the group.

And through it all our purpose and our passion right from day one has been to bring about what we call digital life for every Indian. So, all of these put together strengthens our customer centric approach in everything that we do. Again, looking at the entire lifecycle and really understanding the customer pain points, and trying to solve or help our customers accomplish their mission at every stage of their lifecycle with us, everything from discovering our services, whether physically, at home or online, through social media, through all of these, really communicating our proposition and making it really easy for customers to discover what we offer, simplifying the buying experience. Of course, we have one of the largest distribution channels, what we call our digital physical omni-channel approach. We are we are now firing an associate network which we pioneered during the COVID pandemic lockdown. So, we again have these light onboarding journeys that we are pioneering, further expanding our reach to our customers.

And of course, customers today also have the choice of having our SIMs delivered to their home, and of course our connections also very easily provisioned by our agents who visit the home and connect in a very short period of time. The on-boarding experience itself is very simple, again, pioneering the eKYC, dKYC approach, making it very easy for people to understand what services they want, very simple installation experience like I mentioned and a very easy process for happy customers to refer, and onboard other customers into creating that viral effect. When it comes to making payments, we offer, like I said, the highest value for money tariffs anywhere in the world. And to make those payments, we support a whole slew of payment methods. Of course, now including our partner WhatsApp as they introduce payment on their platform as well. And again, an omni-channel approach to care. Of course, we are self-care first through MyJio, as we've been for many years now. But their customers do need a human touch. We have everything from the chat channel to voice and email, and all of those channels which are available to our customers 24/7.

Next slide please. Speaking a little bit about the other pillar of our success for continued leadership in this space, which is our network architecture. Like I said, it has been a no legacy network architecture from day one, a pan-India network which is carrying probably the highest amount of traffic on our mobility network and obviously more traffic coming online through our fixed-line network as well. It is a highly distributed network to begin with, but we believe that as we go into 5G, relatively speaking, we need to go deeper. So, as we speak, we are improving our network infrastructure to take it much closer to the points of consumption, much closer to our customers. So, we are really creating a deep-edge topology that we are now rolling out in preparation for 5G rollout, which we expect to happen very soon. What that means is, we will be much closer to the customer, through these additional points of presence. Obviously, we'll be making our network architecture even more resilient. And because of the proximity of our network to the customer, or the edge fabric to the customer, we can now push compute from our data centers to the edge, and much closer to where the customers need that compute, especially enterprises, for that compute to be placed.

And all of this is made possible through a cloud-first cloud-native approach that we are rolling out, including, the 5G and beyond network functions themselves which are cloud native. And obviously all the applications which will write on top of it would also be cloud native. And we expect that all of this would further enhance our service availability, our ability to provide compute and connectivity much closer to where it is needed, at the edge, and really power a new generation of extremely low latency services, thanks to the to the 5G capabilities of the 5G network, as well as the ability for the compute to be much closer through the edge fabric.

Next slide. If you look at JioFiber, which is now the other pillar after mobility, like I mentioned, JioFiber has very steadily scaled up and today we have connected more than 5 million homes within two short years of launch, despite multiple lockdowns and other constraints because of COVID. But over the past few months, obviously the pace of home connections has accelerated substantially. Obviously, we believe we are pioneering the next generation fixed-line infrastructure in the country, thanks to the deep fiber assets that we are that we are laying across our nation. And if we just look at our performance over the last year, we were contributing to nearly two-thirds of the total industry wide connections that were provided over the last year. Put in other words, we have done twice the number of connections that the rest of the industry put together, when it comes to fiber connections.

Next slide. Also, what you have done is, the early adopters for JioFiber, our relatively premium customers, for whom our initial slew of prepaid tariffs were probably not their preferred way of paying for these services. So, now we have introduced a rich portfolio of postpaid plans, all of which have a slew of add-on content. And along with our fiber connection, we are also providing a Jio set-top box to enable all of that content to be viewable on the large screen have a home for a very attractive price of just 100 rupees that customers have to pay, in addition to their fiber tariffs on a monthly basis. And the Jio set-top itself, we are offering to all of our fiber customers at a zero-entry cost – and by zero we mean literally zero, so obviously no extra outlay from the customer of any kind. As you see on the graphic to the right, customers get high-speed internet as well as hundreds of on-demand channels, more than 14 leading over-the-top content applications, and even communication services like video calling on the TV all bundled for that postpaid tariffs that customers can take from us.

Next slide. Again, the third pillar, this is targeted at enterprises. So obviously Jio's focus since its initial days has been making sure that our communication services are available, first to consumers and then to homes. But the enterprise focus has been steadily increasing over the over the years. And if we look at our readiness to offer a rich set of solutions to enterprises, it subsumes everything from the ICT stack, which includes equipment, gateways, which are now fully software defined, the end-to-end infrastructure that is needed for that communication stack to be delivered. Everything from connectivity to like I said cloud compute, and now increasingly edge compute. And for the Internet of Things that now industries are adopting industries and consumers are adopting, again, both the infrastructure and the NBloT network.

And in addition to that, the solutions that most enterprises require when it comes to communication and collaboration on our own and through partnerships with partners like Microsoft, and a number of other horizontal solutions like security as well as industry specific vertical applications. All of these, we are now well positioned to offer. Very innovative model of how we are offering it, in most cases enterprises have had to outlay a lot of CapEx to set up this stack, irrespective of the partners whom they dealt with. So Jio is stepping up to ensure that we migrate our enterprises from a CapEx to an OPEX model for using as they require, which also means that we take on the responsibility of upgrading most of these technologies for our customers, which means our customers can enjoy a very low technology obsolescence. And where required, we are also able to step in, because we ourselves are a very large operator of a lot of complex technologies. Many of those services, we are able to offer to external customers as well as managed services.

Also, like I said, our approach has been to offer, obviously our own services that we have developed internally, but also through partnerships. And what we are now working on introducing very shortly is a digital marketplace where we can bring a curated set of applications from very select partners. Everything from horizontal applications that enterprises require also to industry specific vertical solutions. And all of these covering almost all the functionalities, which are needed by enterprises, including the functionalities which are needed for

commercial Playstation and e-commerce. So that is really something that we are now working to introduce to our enterprise customers in addition to connectivity.

We also we also continue to enhance our technology ecosystem through a number of partnerships. On this slide, we are just calling out a few of the prominent partnerships that we have entered into recently. The first one is with a company called Glance, who have been a global pioneer to bringing in an AI driven experience to what is considered to be a dead property, which is the lock screen of your phone. So, what Glance has done is to bring in relevant content that people can consume even while their phones are in locked mode. So really converting the last screen of the phone into a very usable and valuable property for end users. We have invested 200 billion US dollars in Glance, because we believe in the potential of this platform, not just for Indian customers but for global customers. And obviously there is a close integration that we are doing with them for all of the devices that we ourselves are building, including the JioPhone next line of smartphones.

The second company we want to highlight is a company called Two Platforms. A very interesting company, which is in the space of Artificial Reality. Which means that they can create AI powered digital humans, whether it in voice or video mode, and also create artificial spaces, all of which have multiple applications everything from communication, to creating human personas, to creating very immersive spaces, including for gaming. Again, we have invested 15 billion US dollars for a 25% stake in this company.

The third one we want to talk about is a company called ACS satellite again. JPL and SCS announced a joint venture. Delivering a constellation of high-performance satellites over India, targeted at providing satellite-based broadband services. This multi-orbit network of satellites will enable us to further deepen, almost create a ubiquitous capability to offer multi-gigabit links, irrespective of where anybody may be in India. Likewise, we also continue to strengthen our undersea cable portfolio. Again, we have joined a new cable system called IAX, which is connecting Maldives directly to India and to Singapore. This is obviously in addition to all of the undersea cable assets that we already have, again, positioning Jio to become not just a strong local player but also a strong regional player in this part of the world.

Finally, some recognitions. Of course, this is just a sampling of all the recognition that we have received globally, which is good to know that in addition to obviously our customers and partners, we are also getting some recognition from the from the industry broadly. If you look at our presence in the TIME 100 most influential companies globally, where Jio Platforms featured. If you look at Brand Finance, where we are number five in the top strongest brands globally and obviously number one in India. If you look at Fast Company, number one in India and again in the top 30 globally. And obviously from a slew of partners like TM forum, Aegis Graham Bell awards and so on. So, all of this obviously is icing on the cake. I think we derive true satisfaction from what we are able to deliver to our customers and obviously adding value to the country with respect to the digital life that we are providing. But also, global recognition is obviously the icing on the cake when it comes to the past year, which has been great. With that, I will hand it over to my colleague Anshuman.

Sh Anshuman Thakur 00:29:13 – 00:35:03 (Digital Services - Financials)

Thanks Kiran.

Coming to the highlights operational and financial performance for the quarter and full year. For the quarter, we had very strong financial performance across the connectivity and the digital platform businesses. Consolidated

revenues for the quarter were 22,261 crores and EBITDA at 10,918 crores. Significant jump in the ARPU over 10% quarter-on-quarter from 151.6 rupees to 167.6, with improving subscriber mix and through the impact of the tariff hike that we saw in December. We had very strong gross additions, over 25 million, and that continues to be healthy. As has been over the last several quarters, we have done over 20 million gross subscriber additions. The customer base at the end of the quarter was at 410 million. Some reduction in the net base mainly on account of the SIM consolidation behaviour that we saw even in the previous quarter after the tariff increase that seems to be abating now, with the total impact of the tariff increase now more or less, we are completing one full cycle of recharge.

Data traffic continues to be very strong, 48% year-on-year increase in the total data being consumed on the network, with overall traffic of 24.6 exabytes for the quarter, over 8 exabytes per month. And this continues to show a very strong healthy growth trend. Kiran spoke about the investments that we made and the partnerships that we have entered into with Glance, Two Platforms and SES. So, sustained scaling of the business across all the verticals.

There's been a very significant increase in ARPU over the last couple of quarters, and even more so in the last quarter – 10.6% quarter-on-quarter increase in ARPU, improving subscriber quality. Also, the wrap up of our FTTH and business and follow through of the tariff hike on the ARPU, all of which have helped in the ARPU increase, but also very heavily increase in per capita data and voice consumption. So, as you can see in the chart at the bottom, the per capita data consumption has now gone to 19.7 GB per month on a base of over 400 million subscribers, and that continues to show very strong growth trend. And this is something which shows that the customer engagement is improving, and the customer activity levels is improving as time goes by.

These are the key operating matrices for RJIL, our connectivity business. As I said, we ended the quarter at 410 million subscribers. The very healthy gross additions of over 35.6 million getting offset by decent consolidation. But that trend seems to be coming to an end now. ARPU 167.6, 21% YOY increase in ARPU, over 10% quarter-on-quarter increase. Data traffic grew by 47.5% year-on-year to 24.6 exabyte during the quarter, and very handy per-capita voice and data consumption. As you can see, data consumption per capita has grown from 13.3 to 19.7 in the last one year, and even voice consumption has shown a very healthy increase from 823 minutes to 968 minutes per user.

Key financials for the connectivity business that is RJIL. Operating revenues of 20,901 crores. That's a healthy 20% year-on-year increase, with partial impact coming on account of the tariff increases. EBITDA at 10,554 crores, EBITDA margin of 50.5% -- the first time RJIL has crossed the 10,000 crore EBITDA mark. If you recollect, JPL had crossed it last quarter and RJIL showed an EBITDA increase of 27% year-on-year. So, growth momentum and also the operating leverage as we see the business growing continuing to get more subscribers and more revenues. The operating leverage should help us in improving our margins further.

Coming to JPL, the key financials operating revenues at the consolidated JPL level that's Jio Platform Limited was 22,261 cores, a 22% year-on-year increase. EBITDA growth of 27.4% year-on-year to 10,918 crores and net profit of 4298 Crores for the quarter.

And moving on to full year numbers. Operating revenue for the full year for Jio Platforms Limited was 81,587 crores, which grew from 73,503 crores the previous year. EBITDA came in at 39,112 crores. The EBITDA margin was 47.9% for the full year, but as shown in the previous slide, it's inching closer to 50%. With every quarter increase, EBITDA margin grew by 3.9% year-on-year with the benefit of the ARPU increase and the operating leverage. Strong net profit growth of 23.6% to 15,487 for the full financial year. So, despite COVID

challenges, or if you're aware that we lost time we went through some hardships, especially during the Q1 of the financial year, and some of that impact in the Q2. A very strong operating and financial performance on the whole for the full financial year and very good momentum as we as we have started the next financial year.

With that, this is the last one Jio Platforms, I'm going to hand over to Gaurav to take you through the Reliance Retail results summary.

Sh Gaurav Jain 00:35:04 – 00:57:52 (Reliance Retail)

Thanks, Anshuman. Good evening to all. Before I can give you a walkthrough of the full year highlights for the year, let me just spend a minute talking through the operating context. This year has been challenging for us, given the spread of two waves, which was the Delta which impacted the quarter 1 performance and also Omicron which impacted the fourth quarter, during which there were several operating restrictions which got imposed, which impacted service delivery, store opening and expansion plans. Despite these adversities, we operated about 87% of our stores and also had about 81% of the footfalls to pre-COVID levels. Despite these adversities we made all attempts and all our employees rose to the occasion to ensure that all our customers are served to their best service expectations. But that said our performance for the year has been very very strong. All time high revenues and profits over delivered this year. Revenue base of close to about two lakh crores with a milestone EBITDA profit of over 12,000 crores was achieved. We crossed a milestone of 15,000 stores during this year with over 2500 stores launched this year. This operates to about 7 stores per day kind of store opening rate. What is also worth noting is that we have expanded close to about 8 million square foot of operating space which is our highest level in any given year. We now have about 42 million square foot of operating retail space.

Our efforts in scaling up digital commerce and new commerce businesses are on track, and we continue to make new highs quarter after quarter. Digital orders are up 2.5x, merchant base is up 3x over the course of the year. Our share of business through all these new emerging channels is at about 17%. While we continue to invest in expanding our reach through stores and platforms, we also are investing in our supply chain capabilities. During this year we have expanded the warehousing space to 22.7 million square ft which is double that what we started with before the start of the year. The with our customers continued to grow and our loyalty customer base stands now at 193 million customers which is up 24% year on year. We continue to bolster our capabilities through acquisitions and partnerships and that's not just building portfolio brands but it's also about service capabilities, it's also about unique products that we are able to bring to our customers and we have spent close to about 9200 crores during the course of the year in bolstering these capabilities. One of the ethos of Reliance Retail is all about inclusive growth and the cornerstone of inclusive growth is about jobs and reskilling of people. It has been an unprecedented period with 150,000 new jobs being added. It is the highest by any company this year given the impact of COVID especially. Our employees base is well over 361,000 people. So, all in all it has been a period where we have resumed our growth momentum as the impact of COVID has subsided with the end of the year.

Looking at the financial performance – so our gross revenues at 1,99,704 crores. At this level of nearly two lakh crore revenues, we see ourselves among the top 10 Asia retailers, which is a feat not achieved by any retailer in the country. EBITDA growth at 26% at 12381 crores. Our EBITDA excluding investment income grew at 29%. Our EBITDA margins grew by 10 basis points delivered at 7.1% and profit after tax at 7055 crore against 5481 crore last year.

While we are improving our service capabilities, expanding our engagement with the customers, all our efforts are also getting noticed by various industry forums. So, some of the key recognitions are shown below. Some of them are very heartening to see. So, we ranked 56th in the Global Powers of Retailing by Deloitte list of the world's largest retailers. We continue to rank second fastest growing retail company in the world. We are also ranked third in the list of Fast Company's Most Innovative Companies for Asia Pacific for JioMart platform. Some of the other recognitions were with regard to great places to work certification. Association of Talent Development award one of the most coveted awards in the industry and most admired retail group from Images, MAPIC and others. So, some key recognitions that we received during the course of the year.

Talking about the fourth quarter highlights and again, just giving the context of where we operated. Normal store operations were impacted in January because of disruption brought by Omicron strain, which actually impacted normal operations of stores and footfall really dropped during the month.

So, I think I was talking about the operating environment. It was challenging environment at the beginning of Omicron strain, but at the end of the quarter, there was a return to normalcy. And that's what we see on the right side of the curve shown there. And we see footfalls gaining beyond the pre-COVID period at 104%.

With cases subsided and also the restrictions being relaxed, we saw consumer sentiments also improve.

Gradually at the end discretionary spend, came back. All through the period, not only just in this quarter, but also through the entire COVID period, we have seen the resilience of small towns and over two thirds of our stores and digital commerce platforms actually get businesses from small towns and that has really led to our business recovery even in this quarter.

So, some of the key call outs for this quarter. So, our revenues have been all time high for this quarter. The base of this growth has been well rounded with double digit growth across all the consumption baskets, year on year. Our EBITDA performance has been strong. Operating EBITDA has been even better than the festive quarter, which is a very strong period and mindful that last quarter was also our best quarter performance. Momentum on new store opening continues. We opened 793 stores during the quarter additional 1.6 bn square feet and digital orders as well as merchant partnerships continue to scale further.

So, the growth momentum has sustained through the quarter for us. Looking at the growth, again broad-based growth across all the consumption baskets at 58,017 crores for the quarter against 47064 crores for last year, same period. Record revenue performance it's a growth of 23% led by consumer electronics and fashion lifestyle, but it's really grocery which is the most resilient business. That business recorded all time high revenues. And that has been across all the channels not just our stores, but also digital commerce channel led by JioMart as well as our new commerce merchant partners. So digital and new commerce as a channel now contributes 19% of sales. So very broad-based growth across the business. On the profit side, resilient delivery for us. EBITDA performance is 2% up year on year at 3705 crores against 3617 crores last year, EBITDA from operations is 16% up year on year.

Growth has been brought by again grocery and fashion lifestyle revenue as the business rebounded and also the continuous emphasis on ensuring that the costs are within the control. So, our operating EBITDA is at a new high for this quarter.

Our focus on our infrastructure expansion is on track. So, we want to announce 2566 new stores during the course of this year, 793 stores for this quarter, additional 1.6 million square foot of space with about 42 million square foot total operational.

So, while we are focusing on additional stores and strengthening our reach to our customers, it's really our investment which is also in the backend. So, we have added 71 New warehouses and fulfilment centres with an area of 3.1 million square feet of space during this period.

Talked about job creation, which is really the cornerstone of our initiatives of inclusive growth. So, 75,000 new jobs created in this quarter alone and our employee base is well over 3,61,000.

We have also been focusing on strengthening our brand portfolio and we announced a series of partnerships and acquisitions during the course of the quarter. The focus has been strengthening our portfolio of Indian fashion brands. So, the transactions with Sandeep Khosla, Abu Jani, Abraham Thakore, Rahul Mishra, AK-OK were really towards building that strong portfolio. The investment in Clovia further strengthens our position in the intimate wear segment. So, with Clovia, Zivame, amante, Marks and Spencer and Hunkemoller, pretty much we now have presence across various income segments and customer choice segments.

Looking at the financial summary for the period, gross selling at 58,017 crores up 23% year on year EBITDA at 3,705 crores 2% up year on year, profit after tax at 2139 crores against 2247 crore. So very strong revenue and profit performance delivered for the period.

Looking at some of the key initiatives that went through our businesses to start with consumer electronics. So, business has sustained the growth momentum and the double digit really came to stores, which is led by mall recovery. So just reminding last year was the period when there was still widespread restrictions in the mall operations. This year we've seen the restrictions have been relaxed and we've seen customer footfalls build up in mall stores.

Digital which is our big box all and over big format. We offer over 200 brands in a very experiential buying experience for our customers, that as a chain has now crossed a milestone of 500 stores. Talking about the 26th Jan event I think we continuously strive to make these special days more interesting and better for our customers and despite the presence of Omicron during the January period we strived hard with some BEST OFFERS and best products.

And during this period, we saw the 26th January to be our best ever period with 20% growth year on year. Our conversions also grew by 150 basis points during this period. And the growth for the quarter not just came across some of the categories like laptops, TVs and mobiles but it was quite widespread. But the star performer for really the categories has been AC sales and that's also led by early summer and also harsh summers. We have ensured that we are well stocked, and we ensure that we are able to deliver the products to our customers across the country.

On the JioMart side, we launched the category, consumer electronics category on JioMart. Some very impactful campaigns to engage with our customers. We launched new products across to the course of the quarter to remain relevant with our customers. On the own and the licenced brand side, which is driven by LYF, Reconnect and the portfolio of licenced brands like Kelvinator and BPL. That segment has grown 70% quarter on quarter through local activations and also launch of several variants of new products and SKUs. On the JioMart digital which is our new commerce business that business is gaining strength and the entire value proposition is now

getting well accepted by merchant partner base. We have seen a 50% growth in Merchant partner base sequentially and we continue to engage with them further.

Talking about the fashion lifestyle. It's really a resilient performance, which has come from small towns, which ensure that the customers came back to stores during the quarter soon after January Omicron Period. So, we've seen footfalls surpass pre COVID period and also build-up of average bill values by 27%. So, it has been a robust growth over the last year for our apparel and footwear business. We ensured that there is a freshness of range in our stores and our platforms. So, we also did an early inward on spring summer range.

But what we also saw is that, with cases subsiding and normalcy returning, so offices reopening, schools reopening there was a sudden rush of wardrobe refreshing by families and we saw some of the categories like menswear, especially formal wear bottoms and top, casual wear, office wear kids wear, open footwear are doing particularly well during this period.

On the small towns, which is our big focus area, Trends Small Town is a format that crossed 600 stores and we announced last quarter that we had crossed over 500 stores as a milestone. So, we continuously are upgrading and ensuring our reach is further with more stores. So, we added 100 stores this quarter alone. On AJIO our performance is all time high. So, we are making records with every passing quarter. Our growth is driven by catalogue expansion and also impactful campaigns. So, the campaign like All Star Sale campaign is one of the big properties that now AJIO is driving that is helping increase conversions. It also helped making March as the best ever month for the platform. And all of this is also helping us to really democratise fashion. So, we are now taking fashion into really the small towns and really connecting that Bharat with the fashion pyramid of what India as well as the world has to offer. So over two-third of our orders really come from small towns. And it just ensures that you know the most and the best of the fashion is really made available to all customers across the country.

On the new commerce side, revenues up 3.5x over last year; our catalogue continues to be strong; 55% growth year on year and we continuously adding more labels, brands we also launched four of our own brands in the value segment.

It's really the promotional events, which is building more traction with our merchants and our average value per merchant has doubled year on year. So, there is a lot of value which our customers especially these small merchants are seeing through the broad range and also the promotion that we are bringing to them.

The strong traction from small town merchants remains on track; so two thirds of our business or even a little bit more or 70% of our business really comes from tier 3 towns and below. So, it's really our reach into the small towns which is really giving us that growth platform.

Talking about jewellery, so jewellery has been a volatile business during this quarter that's largely driven by volatility in gold value, but what we have seen is very resilient performance through this period which is led by small town growth but also the wedding season which continued in the quarter.

One of the focus areas for our business is to drive diamond jewellery and that actually gives us a much broader palette for building designs for our collections. So, the diamond share has improved by 230 basis points year on year.

On the partner brand business which is really our premium brand play. We are the partners of choice with over 45 global brands in our portfolio. That part of the business demonstrated strong double-digit growth led by the mall recovery as well as continued business coming from digital commerce platform.

We also strengthened our portfolio through the strategic partnerships that I talked about. That is strongly led by the focus on strengthening the Indian fashion designer as an offering. Zivame which is the leader in intimate wear, that as a business has been on a double-digit growth year on year.

The platform has been focusing on strengthening the product portfolio and that is also being guided by the marketplace model. With more and more brands and categories introduced. The Grand Laundry Festival is also one of the big properties which is an annual property, and that property did 3x growth in traffic and orders as compared to the rest of the period for the year, so it is become more and more meaningful and getting more and more traction with our customers.

Yes, grocery has been a very resilient business for us throughout the period but also visually see that as the stores have opened up the customer force and back to people with levels in our stores.

But what is heartening to see is that customers have been using Omni channel capabilities for they have been getting the benefit of the convergence of technology and physical stores. Those customers are shopping on both channels and are buying about 35% more when customers were shopping at single channel. So really the play of omni-channel is really come to life through our offline and online conversions.

One of the milestones for us has been that we have been able to operationalize over 2000 grocery stores across the country. On JioMart we continue to scale high with the addition of new categories, electronics and beauty got added.

We invested in Milk Basket and the subscription business has now doubled year on year since the time we integrated that business. We have expanded that business into newer cities like Jaipur Chennai and that expansion is also well tested and is now ready to scale up.

Talking about the new commerce business or merchant basis of forex, year on year, older merchants have been buying significantly more. Also ordering more and also ordering a wider set of product lines. So, it is a fantastic story to really talk about how our Merchant partners, small kiranas are really finding tremendous value in associating the Reliance platforms.

We have been looking at adding more specific, region-specific assortment, also augmenting our supply chain capabilities to ensure that our delivery times are shorter and more dependable.

Talking about Pharma – store productivity and online orders have really doubled during this period, which is led by better offers also wider range and also deliveries. One of the main reasons has also been our focus on integrating with the hyperlocal capability. So, 30% of our orders are now being delivered through our stores across 8000 PIN codes. Our focus on expanding our range of products is really taking shape. Our catalogue is 40% up year on year and outside of the prescription drugs that that we offer, we are looking at adding a wide range of products on the OTC, beauty, ayush and homeopathy side as well.

New commerce efforts are now expanded to 1900 cities and our Merchant bases doubled on quarter-on-quarter basis.

On the Urban Ladder side, our business has been strong over the last year with improved walk-ins, also higher conversions. But one of the things that we have been really pushing for is expanding our base of products and ensuring that we become a destination. So, the presence of third-party brands is really helping us scale up that part, our product portfolio has grown 5x year on year during this period.

So, as we look ahead, into the new year for our business, the priorities are very clearly charted out. So, we are looking at delivering a very strong and uncompetitive growth in revenue and profits. Some of these initiatives would be centred around accelerated expansion. So, we will take all our formats into new geographies. We would look at continuing to strengthen digital commerce as well as our omni-channel capabilities across businesses. We would be onboarding new merchants across the categories and geographies and also ensuring that we also improve on the wallet share of all our partner merchants. We would look at augmenting our product design and sourcing capabilities which is really one of our big competitive strengths. And we would look at growing our own brand portfolio. And of course, looking at how to scale up all the new businesses that we have acquired and also started over the course of recent times. So that's really what I want to talk about On Reliance Retail.

Over to you.

Sh Sanjay Roy 00:57:53 – 01:02:48 (Hydrocarbons - Exploration & Production)

So, in Oil and Gas segment, just to recap the performance for the year, with the commissioning of the R-cluster field in December of 20, and subsequently the satellite field in April of 21, a couple of months ahead of schedule, we have seen a production rise from KG-D6. Consequently, we are seeing the production increase considerably from the earlier year. In fact, we have also seen prices rise, as we know the gas markets are quite tight and prices have been elevated, and that effect we are seeing now in the revenues as well as improved EBITDA margins.

Now, going forward, we expect ceiling prices to increase to \$9.92 in the first half - that has been notified. And further we expect increases going from there onwards in the second half of the year.

Next slide, please.

So just to recap the quarter gone by, gas production was steady. The EBITDA was lower simply because of the US shale divestment. There were certain tests that we had to carry out to validate our understanding of the reservoirs and some of the well intervention jobs. So consequently, we saw a slightly lower EBITDA, but we expect this to increase in this year, particularly as we bring on stream MJ fields.

So currently, we are producing around 20% of India's domestic production. We expect to increase that to 30% with the commissioning of the MJ field in the next 15 to 18 months.

Next slide please.

So, the MJ field is very much on track. We have now drilled all the wells and we expect to undertake the lower and upper completions over the next few months. The FPSO is on track. It is coming together, and we expect that to converge with the completion of the wells towards the end of this year.

In fact, the final offshore installation campaign is also – although we had a little slightly challenging circumstances because the weather window was not as kind as in the construction window within December and mid-April. But nevertheless, you know, we are tiding over the challenges, and we expect to bring this field on stream by the end of year.

And meanwhile in the block KG-DW1, which is contiguous to this KG-D6 we will be carrying out exploration activities with the perspective that we can monetize any resources by leveraging the existing infrastructure. So, we are very much on track with our plans right now. And we expect to commission the field by the end of the year.

So just to give a perspective on the gas market and its outlook, as you can see, you know, the tightness continues. Again, it has been exacerbated by the conflict. Now in Europe as they try to diversify their source from Russian supplies, there seems to be quite a bit of competition with the Asian consumption. Europe itself consumes about 85 million tons per annum, which is 1% of global supplies. So, you know, a bit them moving away from Russian supplies there's going to be tightness particularly because there's no additional capacity coming on stream until at least 26 or so.

So, we expect this tightness to continue, prices to be elevated. And in India. We have seen a slight pullback because of the high prices. But KG-D6, which has the price ceiling, will be quite attractive because of the lower prices compared to the market prices.

That is an outlook that we believe it will meet. So, in terms of demand remain quite strong. That is the overview, essentially, forward outlook is the sustained production and increased production based on KG-D6 field as well as prices will drive value for the business. We are currently producing about 20% of India's total domestic production and we are working on increasing this to up to 30%. Thank you.

Sh V Srikanth 01:02:49 – 01:17:44 (O2C Business, Summary and Closure)

Thank you, Sanjay. Let's start the last presentation of the evening. The overall year-on-year demand was up at 4.7 million barrels a day. With easing of restrictions, vaccination drive, the demand increased. However, on a quarter-and-quarter basis we did see a falling demand by almost 2 million barrels. With rising oil prices on the back of the Russia-Ukrainian conflict as well as surge in COVID cases due to the Omicron variant coming has impacted polymer and polyester demand on a year-on-year basis, but in India polymer and polyester demand improved marginally with opening of economy, constrained by volatile price environment. The overall domestic oil demand increased 3.1% year-on-year on the back of road travel and passenger traffic that we saw and operating rates on the cracker.

Global cracker operating rates were down due to volatility in the international energy prices and due to the winter Olympics and fresh lockdown in China. So overall, I would say a more moderate recovery in demand with the opening up of the economy, which was constrained by price volatility.

Let us move to global environment, price and margin trends. The feedstock prices increased sharply to 10 years high on the back of the conflict. Also, European bid for incremental LNG supplies pushed the energy prices significantly higher. When you look at Naphtha prices \$871 a tonne, gained 19% And this kind of move had an impact on cracking economics.

The transportation fuel product margins saw very strong growth. Among the transportation fuels, the margins for Gasoline were up 17%, Gasoil by 71% and ATF was 10% higher on the quarter-on-quarter basis. And as I have mentioned, the higher Naphtha prices impacted downstream margins, with Polymer margins coming off anywhere between 21% to 27% while Polyester chain margins were lower by about 11%.

The margins for the transportation fuel, which saw a two to three year high, has been strong as demand continued to be good with lower inventories, impact of sanctions on Russia and a limited Chinese exports supported the margins. The benchmark polymer and polyester margin declined quarter on quarter with high feedstock prices.

When you look at the domestic demand for oil the fourth quarter of FY22 on a year-on-year basis was up 3.1%. Diesel and Gasoline remained flat on the back of subdued manufacturing activity and due to the impact of Omicron. ATF saw six and a half percent year-on-year increase on the back of 37% increase in passenger traffic March '22.

When you look at FY22 v/s FY21, overall oil demand increased by 4% to about 203 million tonnes. The domestic growth has been constrained by high prices and as well as due to some restrictions.

Look at polymer demand. The demand increased 3% quarter-on-quarter basis for and on year-on-year basis demand remained stable despite higher feedstock and polymer prices. And we didn't see growth in essential sectors, especially health and hygiene, food and packaging. PVC demand fell by 2% and remained subdued because of multiyear high prices and unseasonal rains.

But when you look at FY22, polymer demand was up 8% on the back of the improved activity with reopening of the economy. The broad-based demand was driven by packaging, agriculture infrastructure and hygiene products. On polyester side PET saw robust delta on quarter-on-quarter basis. While PFY deltas were in negative.

In FY22 polyester demand was up 24% YoY from a low base. The demand in FY21 was down 14%. The demand was supported by strong revival seen in the textile and the garments sectors. Higher cotton-polyester deltas also supported the sentiment. The polymer deltas on quarter-on-quarter basis were down between 21% to 27% on the back of unfavourable Naphtha cracking economics which has impacted the margins. We think Ethane cracking was very advantageous in such a high oil price environment. Of-course on the other side, the logistics constraints and higher ocean freight supported the India prices.

When you look at polymer deltas for FY 22, again it was down between 3 and 17%. You know the product price increase that we saw were anywhere between 21 and 41% which significantly lagged the Naphtha prices which were up 82% to the back of higher oil. Furthermore, in the case of Polymer the markets remained well supplied with commissioning of the new capacities.

Players in the industry with integrated operations and feedstock flexibility were relatively resilient.

On the polyester chain margins, fourth quarter saw 11% drop as MEG and PTA margins were weak due to higher feedstock prices. The weakness was partially offset by rebound in PX margins, which increased by 46% quarter on quarter on low base. Slow recovery in global polyester market impacted POY and PSF deltas. I would say that in FY22 polyester chain delta was up 17% reflecting sharp recovery in the polyester markets however, on a low base.

Improvement in PX and PTA deltas supported the recovery, which partially offset by weak polyester and MEG deltas.

Coming back to the transportation fuel, the global gasoil demand was lower by 0.9 million barrels per day to 28.4 million barrels per day. The gasoil cracks surged in Q4 due to disruption of Russian exports in Europe. The high gas process, which resulting in demand for gasoil. And the global diesel inventory levels were down to 508 million barrels. So lower inventories and limited Chinese exports caused the big jump in the gasoil prices and we have seen this trend to continue in April.

The Global Jet/kero demand remained flat quarter-on-quarter basis at 5.9 million barrel per day but it improved by 0.2 million barrel per day quarter-on-quarter basis in Asia-Pacific region.

ATF cracks jumped by \$16 in fourth quarter about \$10 in before that and \$3 a year back. Cracks improved sharply on quarter-on-quarter basis due to Gasoil strength prompting refiners to shift from jet to gasoil, Improvement in regional aviation demand in Asia and regional winter heating demand.

Global gasoline demand declined 0.6 million barrels per day quarter-on-quarter to 25.6 million barrels per day. The Gasoline cracks were at up \$15 versus \$13 in previous quarter. The gasoline prices strengthened due to demand recovery in Asia, unplanned outages in Vietnam and Thailand and lower supplies from China. However, increased in regional inventories weighed on the cracks.

You can see there has been an increase in inventories that that weighed in on the margins and, of course sanctions on Russia that resulted in cutting feedstock supply to the us refineries also had its impact.

The overall jump that you're seeing in gasoil cracks of \$12 or \$11 for gasoline and \$9.1 for ATF these are significant compared to FY 21 which was six, three and one dollars respectively. Demand recovery, lower inventories and refinery closures led to improved cracks

If you see our O2C performance for the whole year, the revenues were up 56% year-on-year at Rs 5,93,000 crore. The EBITDA, which was higher by 38% was at Rs 52,722 crore. The full year EBITDA was at pre-COVID level which was aided by higher operating rates across sites – production meant for sale up 7.2% YoY, strong improvement in the transportation fuels margins due to demand revival and refinery closures. The margins were also supported by higher domestic sales with opening of economy. The performance was aided by the strength in PX, PTA and PP margins and feedstock flexibility. Our margins were lower due to base effect. However, we have seen higher operating rates and recovery in product cracks led to strong performance for the entire year.

When you look at for the quarter numbers our revenues have increased by 44.2% year-on-year to Rs1,45,786 crore which was up 11% sequentially. The EBITDA for Q4 has increased by around 25% to Rs14,241 crore which is up by 5% on quarter-on-quarter basis.

And this performance is despite the volatility that that we saw. We have benefited from the higher distillate cracks and as we maximised MD pool with maximising Gasoline production versus ATF because of better economics. And as I mentioned earlier, the downstream chemical profitability was impacted by weak naphtha cracking economics as well as slower demand growth. The Light feed cracking benefit and superior product placement provided partial offset in the profitability.

We have deferred planned turnaround that have helped us in margins improvement. We had the operating performance with throughput of 19.3 million tonnes. We had deferred planned turnaround that helped improve margins. We have minimized feedstock cost by sourcing arbitrage barrels. Higher sour crude mix coupled with capturing benefit of wider Brent-Dubai differential supported the margins. We Maximized MD pool and maximised Diesel over ATF for better economics. We have rationalised aromatics production to maximize reformat for gasoline blending. Also, we maximised naphtha exports with naphtha cracks and took advantage of historic high premiums by optimising cracker feed mix. We have also maximized biomass co-firing at Hazira and Dahej which are the steps towards production of more sustainable fuel mix. We able to exploit O2C operational flexibilities in volatile market for maximizing value.

Now coming on to the last slide on the business dynamics, we are expecting Oil demand to average 99.4 million barrel per day in 2022, which is up by 1.9 million barrel per day Year-on-year.

Lowering of global GDP and oil demand growth forecast due to Russia-Ukraine conflict will have its impact on the business environment and supplies. We think that low Chinese exports and maintenance season will help support product margins.

Also reduced Diesel imports by Europe from Russia and low global inventories to support the margins. PX, PTA and MEG margins are expected to be range bound on the back of the capacity overhang that we have.

Overall demand drivers are very promising as resilient industrial demand that we are seeing now will be further boosted by the opening of economies and seasonal rise in agriculture demand. The demand for gasoline will be boosted by higher driving activity in summer. polyester / polymer demand expected to improve with opening of economy and return of normalcy.

There are a few challenges, as you know, resurgence of virus in China may impact the demand and unprecedented oil prices and supply chain disruptions and logistics bottlenecks could impact. The possibility of further sanctions on Russia, impacting supplies from the country could have an impact on the world.

With this, I'm bringing this presentation to the end, and I thank you all for being on the call.