Lockdowns enforced to contain the global pandemic led to severe demand destruction, testing the resilience of our operating models and flexibility.

Despite the challenges, we operated O2C facilities at near-normal levels and delivered industry-leading results. Robust growth in the Digital Services business and steady revival in the O2C and Retail segments helped us deliver strong operational results for the year. We leveraged our strengths at a time when the Indian economy was poised for a confident recovery. We demonstrated both resilience and agility in adjusting to changing market conditions. The robustness and scalability of our businesses, particularly the consumer businesses, attracted marquee partners and investors which strengthened our balance sheet.

We remain focused on delivering value for our stakeholders and achieving our longstanding financial priorities. Our stronger-than-ever balance sheet gives us the opportunity to invest for sustainable long-term value creation across businesses.

Financial Performance and Review

Revenue
Reliance achieved consolidated revenue of ₹5,39,238 crore (US$73.8 billion), a decrease of 18.3%, as compared to ₹6,59,997 crore in the previous year. The decrease in revenue was primarily due to lower volumes and realisation across key products in the O2C segment. Revenue in the Retail segment was impacted by store closures, operational disruptions, and significantly lower footfalls in view of the pandemic situation. This was partially offset by higher revenue from the Digital Services segment on account of continued subscriber traction and higher ARPU.

Profit
Consolidated EBITDA for the year decreased by 4.6% on a y-o-y basis to ₹97,580 crore as compared to ₹1,02,280 crore in the previous year, primarily due to lower contribution from O2C businesses, which were impacted by pandemic-related demand destruction in 1H FY 2021. The Retail and Digital Services businesses achieved all-time high EBITDA levels during the year.

Cash Profit increased by 18.8% to ₹79,828 crore as compared to ₹67,179 crore in the previous year. Profit After Tax (after exceptional items) was higher by 34.8% at ₹53,739 crore.

Financial Performance Summary (Consolidated and Standalone)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Consolidated FY 2020-21</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>₹ in crore</td>
<td>US$ in billion</td>
<td>₹ in crore</td>
<td>US$ in billion</td>
</tr>
<tr>
<td>Value of Sales and Services</td>
<td>5,39,238</td>
<td>73.8</td>
<td>6,59,997</td>
<td>97,940</td>
</tr>
<tr>
<td>EBITDA</td>
<td>97,580</td>
<td>13.3</td>
<td>1,02,280</td>
<td>14,376</td>
</tr>
<tr>
<td>Cash Profit</td>
<td>79,828</td>
<td>10.9</td>
<td>67,179</td>
<td>9,411</td>
</tr>
<tr>
<td>Segment EBIT</td>
<td>62,460</td>
<td>8.5</td>
<td>70,192</td>
<td>10,048</td>
</tr>
<tr>
<td>Net Profit</td>
<td>53,739</td>
<td>7.4</td>
<td>39,880</td>
<td>5,944</td>
</tr>
<tr>
<td>Cash and Marketable Securities</td>
<td>2,54,019</td>
<td>34.7</td>
<td>1,75,259</td>
<td>24,98</td>
</tr>
<tr>
<td>Tangible and Intangible Assets (Excluding Goodwill)</td>
<td>6,56,999</td>
<td>89.9</td>
<td>6,31,505</td>
<td>46.5</td>
</tr>
<tr>
<td>Gross Debt</td>
<td>2,51,811</td>
<td>34.4</td>
<td>2,11,698</td>
<td>30.3</td>
</tr>
</tbody>
</table>

Gross Debt
Reliance’s Gross Debt was at ₹2,51,811 crore (US$34.4 billion). This includes stand-alone gross debt of ₹2,21,698 crore and balance in key subsidiaries, including Reliance Jio (₹1,196 crore), Reliance Retail (₹1,030 crore), Shale Gas Operations (₹1,931 crore), Reliance Sibur Elastomers (₹2,339 crore) and Independent Media Trust Group (₹2,414 crore).

Finance Cost
Finance Cost was at ₹2,18,199 crore (US$2.9 billion) as against ₹2,02,077 crore in the previous year. Large capital raise through Asset Monetisation and Rights Issue were primarily utilised to deleverage the balance sheet. The benefits of deleveraging were partially offset by lower capitalisation of interest with commissioning of projects across businesses.

Other Income
Other Income was at ₹16,327 crore (US$2.2 billion) as against ₹13,164 crore in the previous year, primarily on account of gain on sale of investments and interest income.

Basic EPS
Basic Earnings Per Share (EPS) for the year ended March 31, 2021 (after exceptional items) was at ₹76.37 as against ₹63.07 in the previous year. Basic Earnings Per Share for the year ended March 31, 2021 (before exceptional items) was at ₹70.19 as against ₹70.19 in the previous year.

Capital Expenditure
Capital Expenditure for the year ended March 31, 2021 was ₹79,667 crore (US$10.9 billion), including exchange rate difference. Capital Expenditure was principally on account of the Digital Services business, projects in the O2C business and in the Retail business.
Management Discussion and Analysis

RIL Standalone

RIL’s standalone revenue for FY 2020-21 was ₹1,53,818 crore (US$21.8 billion), a decrease of 23.4% on y-o-y basis. Profit after tax was at ₹31,944 crore (US$4.4 billion) an increase of 3.4% against ₹30,903 crore in the previous year. Basic EPS on standalone basis (after exceptional items) for the year was ₹49.66 as against ₹48.42 in the previous year. Basic EPS on standalone basis (before exceptional items) for the year was ₹55.07 as against ₹52.97 as against ₹55.07 in the previous year.

Movement in key financial ratios

• The debtors turnover ratio improved to 479 in FY 2020-21 as against 374 in the previous year primarily due to effective collection of receivables, conservative credit policy and high-quality customer base.
• The interest coverage ratio declined to 2.4 in FY 2020-21 as against 4.7 in the previous year with lower EBIT and increase in finance cost with lower interest capitalisation due to commissioning of projects.
• The current ratio improved to 1.0 in FY 2020-21 as against 0.5 in the previous year due to higher current assets with accounting of call money receivable towards rights issue and payment of other current liabilities.
• The net profit margin (after exceptional items) improved to 11.5% in FY 2020-21 as against 8.4% in the previous year due to gains on sale of investments, lower tax provision and lower turnover base with sharp fall in average price realisation for the year.
• The return on net worth fell to 6.8% in FY 2020-21 as against 10.4% in FY 2019-20 as net worth increased primarily on account of rights issue and retained earnings for the year.

Financial Performance and Review

Segment review

Retail
Reliance Retail delivered a resilient performance against the backdrop of an unprecedented and challenging operating environment, arising from the COVID-19 pandemic situation that emerged at the start of the year. The business delivered Gross Revenue of ₹1,53,818 crore. The revenue were impacted on account of store closures (90% stores operational), significantly lower footfalls (65% of last year) and operational disruptions through the year. At an EBITDA of ₹9,642 crore for FY 2020-21, the business posted its all-time high profit, driven by the gradual rebound of revenue streams, judicious cost management initiatives and boosted by higher investment income.

Digital Services
The business recorded revenue of ₹90,287 crore, as against ₹69,605 crore in the previous year, with year-end subscribers base at 426.2 million. Reliance Jio reported strong financial performance for the year. Segment EBITDA was at ₹34,035 crore for the year, as against ₹2,348 crore in the previous year.

Oil to Chemicals
Revenue for the O2C business declined by 29.1% to ₹3,20,008 crore on account of lower volumes and price realisation across key products. Sharp demand contraction in the first half of the year impacted growth for the year. The price realisation was lower due to decline in average crude and feedstock prices. Brent crude price for the year averaged at US$44.3/bbl versus US$61.1/bbl in the previous year, a decline of 27.5%. EBITDA for the year was lower with weak demand environment in 1H FY 2021. Gradual easing of lockdowns and improvement in economic activities during 2H FY 2021 supported demand and margin recovery for transportation fuels and downstream chemicals.

Oil and Gas E&P
Revenue for the Oil and Gas business declined by 33.4% y-o-y to ₹2,140 crore, primarily due to lower volumes from conventional fields and overall lower commodity price realised. EBITDA for the year declined by 26.9% to ₹258 crore. Price realisation for Coal Bed Methane (CBM) gas for the year was lower by 40% at US$4.27/mmbtu (GCV). Realisations in the US Shale business also declined by 27% to US$2.07/Mcf. Lower conventional volumes due to expiry of Panne Mukta Production Sharing Contract in December 2019 and cessation of production from D1D3 (KG D6) field in February 2020.

Media and Entertainment
Consolidated EBITDA of the business rose 29% y-o-y to ₹1,796 crore despite the pandemic impact dragging revenue down by 12% y-o-y. EBITDA margin rose to a highest ever ~17%, having improved y-o-y for three years continuously. Broad-based cost controls across businesses, growth in annuity-style revenue streams and content cost renegotiations have boosted profitability. PAT jumped by ~9x y-o-y to ₹447 crore.

Integration

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