



October 22, 2022

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051

Scrip Code: **500325**

Trading Symbol: **RELIANCE**

Dear Sirs,

**Sub: Audio / Video Recording and Transcript of Presentation on Unaudited Financial Results (Consolidated and Standalone) for the quarter and half-year ended September 30, 2022**

In continuation of our letter dated October 14, 2022 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the audio / video recording and transcript of the presentation made on October 21, 2022, on Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and half-year ended September 30, 2022, is available on the Company's website at <https://www.ril.com/InvestorRelations/FinancialReporting.aspx>. The said transcript is also attached.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Reliance Industries Limited**

Savithri Parekh  
Company Secretary and  
Compliance Officer

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# RIL Q2 2022 - 2023

## Media & Analyst Call Transcript

21 October 2022 20:03 IST

### Call Participants:

- Sh V Srikanth, Jt. CFO, Reliance Industries Limited
- 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

**Duration:** 01:01:07 minutes

### Presentation Link:

<https://www.ril.com/getattachment/2740aa2d-41d0-40bd-984d-10b2dd3e8b8d/Financial%20Presentation%20-%20Q2%20Results.aspx>

### Meeting Video:

<https://www.ril.com/InvestorRelations/FinancialReporting.aspx>

- **Sh V Srikanth** 00:00:04 – 00:08:13 (**Consolidated Financials**)
- **Sh Kiran Thomas** 00:08:14 – 00:17:57 (**Digital Services**)
- **Sh Anshuman Thakur** 00:17:58 – 00:21:03 (**Digital Services - Financials**)
- **Sh Gaurav Jain** 00:21:06 – 00:40:26 (**Reliance Retail**)
- **Sh Sanjay Roy** 00:40:27 – 00:46:03 (**Hydrocarbons - Exploration & Production**)
- **Sh V Srikanth** 00:46:04 – 01:01:02 (**O2C Business, Summary and Closure**)

## Transcript:

### Sh V Srikanth 00:00:04 – 00:08:13 (Consolidated Financials)

Good evening, everyone. I am welcoming you to the second quarter FY 23 financial results. Like always, we will start with consolidated financial, and I will hand it over to Kiran and Anshuman for Digital Services part of it and then Gaurav for Reliance Retail and Sanjay for E&P upstream business and I will take it back you to complete O2C and final comments.

So, starting with results for this quarter, consolidated EBITDA is close to Rs. 35,000 crore up 14% Year-on-Year led by consumer businesses and upstream. Net profit was at ₹15,512 crore, up marginally on year-on-year basis. Earnings were impacted by lower O2C contribution on year-on-year basis and the impact was sharper in quarter-on-quarter basis. The O2C performance was impacted by volatility in product margins, the fact that economy was subdued and subdued downstream demand, and introduction of Special Additional Excise Duty (SAED).

The consumer part of the businesses has performed exceptionally well, with robust Retail revenues and EBITDA also remained strong with growth across consumption baskets. We saw increased rebound in footfalls and benefited from the strengthening of digital channel.

On the Digital Services side, the customers have increased to around 428 million and strong growth in ARPU was witnessed on year-on-year basis.

The Oil & Gas business benefited from sustained production through operational excellence and better realization with increase in ceiling price for the domestic gas.

So, overall, diversified earnings streams did cushion the impact of volatile energy markets.

When you look at each of the segment performance, Retail posted around Rs. 65,000 crore of revenue and EBITDA of Rs. 4,414 crore. On the year-on-year basis the growth rate for revenue was 43% and for EBITDA 51%. The total store count was well above 16,000 mark – 16,600 to be precise. We have added 795 new stores in second quarter of FY23, this is over and above 792 stores we have added in the previous quarter. The number of transactions across Retail channels were up 45% on year-on-year basis. Record 180 million footfalls across all formats were 23% above pre-COVID period.

What is really heartening is the launch of JioMart on WhatsApp and the important point is it has garnered 37% of orders from the customers who are new to the JioMart.

Moving to Digital Services side, the business has reported close to Rs. 30,000 crore of revenue and EBITDA close to Rs. 12,300 crore. The growth rates for revenue were 21% and EBITDA up 29%. ARPU was at Rs. 177.2 with improving subscriber mix. Strong growth, healthy customer traction with net addition of 7.7 million subscribers in this quarter. The engagement statistics has reflected in many parameters including the fact that of data consumption has crossed 22 GB per user.

On O2C side, revenue was up 33% and EBITDA was down 6% on year-on-year basis. So, strong middle distillate cracks with tight supply in Europe with demand coming from gas to oil switching. However, we did see weak polymer margins amid volatile feedstock prices lower demand. Polyester was kind of stable, but the earnings were impacted because of high crude costs, OSPs were significantly higher, freight costs were higher, insurance costs were higher. Importantly, we did have the introduction of SAED on transportation fuel that worked out to Rs 4039 crore as far as EBITDA is concerned, and we have lower volumes due to planned turnarounds that we had. On quarter-on-quarter EBITDA was impacted by 40% because of sequential decline in margins as well as SAED.

Oil and gas strong story, EBITDA was up 3X compared to what it was a year ago. We had realisations of \$9.9 MMBTU against the 2.75 what we saw in the same quarter last year. Production remained stable at 19 MMSCMD, contributing 20% to India's gas production. We are on track to commission MJ field by year-end. Sanjay will talk more about it in his section.

In consolidated numbers, year-on-year revenues were up 32%, oil prices being higher, EBITDA saw strong growth led by retail, Digital Services and Oil & Gas segment, but there was subdued O2C contribution. Net profit was flat on year-on-year basis, we did see increase in finance costs on the back of tightening of monetary policy actions globally. Also, we did see increased depreciation on the back of expanded asset base, higher network utilisation as well as upstream production. Overall, that really explains why net profit was flat and just want to emphasise that SAED was also increased, contributing to flat net profit, impacting even on quarter-on-quarter basis.

So, with this range, Rs 30,000 crore EBITDA in Q2FY22 moved up to close to Rs 35,000 crore due to strong performance of Oil & Gas, Retail and Digital Services. O2C EBITDA was lower by Rs. 752 crore, essentially due to crude, weaker polymers and aromatics margins and introduction of SAED. The Oil & Gas, Retail and Digital Services we already talked about. All-in-all very impressive growth and on Q-on-Q basis the big impact was on O2C side and overall, some amount of contribution coming from other businesses, but we did see a strong fall in O2C side.

This is the slide on gross debt and net debt. Gross debt as on September 2022 was Rs 294,859 crore and net debt was at Rs. 93,253 crore. Just to highlight that in the first half of FY23 capex was completely funded by cash profits, it is well funded. This capex is really in line with what we have been talking about in terms of growth across all our sectors including O2C, New Energy, Jio as well as Retail. This is a part of our planed strategy to capture growth opportunity. The capex is funded by our cash profits.

The increase in debt was, what you are seeing, is attributed to higher working capital due to significant dislocation in energy markets. There is an impact of translation of foreign currency liabilities with rupee depreciation the debt needs to be restated in today's rupee terms. And also, while we bought this spectrum that is spread over 20 years, the first instalment has to be paid, so that is also contributing to overall increase in debt.

This where I will hand it over to Kiran and Anshuman to take you through Digital Services.

## Sh Kiran Thomas 00:08:14 – 00:17:57 (Digital Services)

Another great quarter with very strong performance. If you look at all these metrics, which we report regularly, we are still number one in AGR market share at 45%. In terms of the subscriber market, 36% of the total market, or 428 million customers. More than 28 billion gigabytes of data was delivered in this quarter, with a daily run rate of more than 13 billion minutes of voice. And as was alluded to earlier in the presentation, now exceeding 22 gigabytes of data consumption per user per month. And of course, on the big screen proposition that we offer, which is our Jio set-top box, I think the engagement continues to grow and now it has exceeded about six hours per day.

Customer engagement continues to grow and if you look at the chart, today, it is obviously 22 GB. But if you just compare it to like-to-like basis from two years back, these numbers have nearly doubled over this period. ARPU has also grown, as a consequence, and today our ARPU of ₹177 on like-to-like basis, is an industry leading performance. Of course, the 5G rollout that is now underway, will substantially improve both consumption as well as the subscriber mix, and this is expected to improve both the per capita usage as well as ARPU going ahead.

I'm talking a bit about the 5G proposition that we are bringing to market. We believe it is quite differentiated from everybody else in the market. We call it the True 5G advantage, and there are effectively four components of what we count as a True 5G advantage. Number one is what we call the Standalone Architecture. Which is the most cutting-edge architecture of 5G that is being deployed anywhere in the world. Number two is the unique spectrum holdings that we have, to launch 5G services. Number three is a unique technical capability that we call Carrier Aggregation, which allows us to combine all the spectrum holdings across the multiple bands that we have into a single unified data highway. And number four is the rich tech partner ecosystem that we have built, which is enabling us to deliver solutions which are quite unparalleled in the country.

Now picking one each of these elements in turn. What is Standalone Architecture (SA). Just to mention it, conceptually, it is a completely standalone version of 5G which unlocks the full potential of 5G asset technology. To contrast it with what everybody else in the market, other competitors in the market are looking to launch, which is called non-standalone (NSA), which still leverages the 4G network, in terms of the core signalling capabilities. So, what does SA have over and above the NSA capability? Obviously, being a completely standalone 5G network, we are able to deliver absolute lowest latency end-to-end latency that 5G enables, which means that things like cloud gaming, augmented reality and a number of real-time enterprise use cases can only be supported on SA. Of course, being the completely undiluted version of 5G, we get better speeds. And looking to enterprises, advanced capabilities like network slicing, which is creating a virtual network dedicated to a certain enterprise or a segment is only possible with standalone architecture. And as we start rolling out the Internet of Things, being connected in large numbers, the 5G capability to deliver as your machine-to-machine type communication is also only possible with SA. And of course, SA delivers superior power efficiency and therefore it's greener and more sustainable.

Number two, we spoke about the unique 5G spectrum footprint. If you look at the 5G spectrum holdings across all the operators, we are, today if you look at our holding cities, nearly equal to the combined holdings of the other two major players in the market. And more than the quantity itself, in terms of the quality, we have the sub gigahertz spectrum in the 700-megahertz band. We have the mid band, which is the sweet spot for 5G services in the 3.5 gigahertz band, and obviously millimeter wave, which is where we have phenomenal capacity for variety of use cases in the 26 gigahertz band. So, this combination of holdings means that through the sub-

gigahertz and obviously the mid band, we get deep indoor coverage. And obviously as you get into the millimeter wave you have near fiber like speeds that we can deliver over wireless spectrum.

Talking about Carrier Aggregation. This is a technology which allows us to combine all these three spectrum bands and treat it as you can see in the graphic to the right. You can treat it almost like a single unified data highway. And what that means is when it comes to uplink, which is where most of the constraints are from the low-power devices coming back to our network, we can leverage the 700 MHz there because that gives you deep indoor coverage and, on the downlink, for example, we can now combine the mid band as well as the millimeter wave combination. So, really mixing and matching spectrum holdings with what they're good at and treating them as a single, logical and virtual unified data highway is what Carrier Aggregation is all about.

Talking about the deep partnerships, pretty much the who's who in this industry, everybody that matters, has partnered with Jio. If you take Qualcomm, they have deep intellectual property assets. And we are working very closely with them to create the next generation 5G infrastructure, especially focused on the millimeter wave and the sub gigahertz frequency bands. And since they have intellectual property that is used by a number of players in the 5G ecosystem, they're also a strong partner with us to really go and develop and shape that ecosystem, and to make sure that we have the richest possible ecosystem in India. Meta, who is now working on the next wave of immersive technologies, are an investor and a strong partner working very closely with us to really use 5G to bring those next set of immersive experiences to India. Google, again we are working very closely with them, especially on Google Cloud, to offer everything from private 5G stack that is basically taking the technology that we have developed and posting it as a private stack for enterprises. They can do that on GCP today. And of course, a number of other 5G-enabled solutions, which ride on top of our network. Again, a deep partnership with GCP to be able to bring some of the cloud native solutions. Intel, another investor, and a strong tech player globally. Using their technology and expertise to build the next generation cloud and edge data centers, which will obviously be required to unlock the next wave of applications that take advantage of 5G. From the network perspective, pretty much everybody, every leading vendor, is today working with us, Nokia, Ericsson, Samsung, Cisco, just to name the most prominent of them.

Looking at the True 5G strategy, there is a strong story that we can tell for pretty much every segment. If you look at homes, really accelerating the rollout of near fiber-like broadband to homes. Really looking at not just bringing broadband but also streaming television consumption. If you look forward, which is really what's happening globally, interactive television experiences really is the first wave of things that Indian homes can expect, thanks to True 5G bringing home broadband connectivity. On the mobility side, obviously accelerating that consumption that we saw – the near doubling of consumption on the mobile network over the last two years – we see that trend growing and 5G is a core foundation to support that growth, and of course bringing the next wave of high-quality customers onto Jio.

Small and medium businesses. These are under-served segments, pretty much like homes. Again, not just delivering broadband but also working with a number of ecosystem partners to deliver cloud-native and edge-enabled solutions for businesses. And of course, Enterprises, again, using the power of True 5G to support a number of use cases, things like smart factories and so on, which is again using a combination of True 5G and Edge computing. So, if you look at it, really transformative set of solutions and capabilities that we're delivering to pretty much every segment in India.

And with that, I'll hand it over to Anshuman, who will talk about operations and financial aspects.

## **Sh Anshuman Thakur 00:17:58 – 00:21:03 (Digital Services - Financials)**

Thank you, Kiran.

I'll cover the operational and financial results for the quarter now.

We have a good strong financial performance for the quarter. In Jio Platforms Ltd, consolidated revenues came in at ₹24,275 crore. That was a growth of 22.7% year on year. And the consolidated EBITDA came in at ₹12,011 crore, which was a higher growth 29.2% year on year. Really reflecting the operating leverage more than anything else. SUC impact has started. There was an element of SUC impact in the last quarter, but the data traffic growth was very healthy. During the quarter, the total data carried on the network was 28.2 exabytes. That's another 22.6% growth year on year. Per capita data consumption was 22 GB per user.

The subscriber base at the end of the quarter was 427.6 million. ARPU increased to ₹177.2 through increased usage and subscriber quality of subscriber base. And as Kiran mentioned, we are gearing up for our 5G rollout. Pan-India rollout by the end of next year. A lot of progress has already been made on that front. The operating matrices all look quite good. Customer base 427.6 million where we have leadership both in the customer subscriber market share and revenue market share. We are continuing to grow every quarter. ARPU came in at ₹177.2 Rupees. The data traffic increased 23% year on year and the per capita data usage 22.2 GB. The voice consumption reduced slightly from the previous quarter, which could be due to a combination of reasons, including people becoming more mobile in the post-COVID world. So that ease of consumption may have gone down and also the impact of OTT communication apps.

The key financials for RJIL, the connectivity business, which continues to show very strong healthy and consistent growth. This quarter, the operating revenues were at ₹22,521 crore and EBITDA at ₹11,601 crore. The EBITDA margin increased 51.5% for this quarter and EBITDA growth of 29% year on year is fairly healthy. And the consolidated JPL financials now, where the quarter operating revenues for the quarter was at ₹24,075 crore, EBITDA at ₹12,000 crore and net profit at ₹4,729 crore. So, all of these growing were anywhere between 20-30% on a year-on-year basis.

With that, we come to the end of the operating and financial summary for this quarter for Jio. I'm going to hand over to Gaurav for the update on the retail business.

## **Sh Gaurav Jain 00:21:06 – 00:40:26 (Reliance Retail)**

Let me start the presentation by spending a minute on the operating context. The impact of pandemic has been waning quarter after quarter progressively. And it can also be seen from the boost in footfall that we see is pre-COVID period, a 23% growth over the same period is a strong number for us. In absolute terms, it was a period for highest footfalls at 118 million customers who visited our stores across geographies. This was also the period where we saw growth across all town classes. We also saw continued growth in demand in the digital commerce channels. And when looking at the consumer side, the sentiments remained upbeat. The spend on discretionary category continues to grow. That is also visible to us through the growth in all our discretionary categories as well.

Talking about the key highlights for the quarter, the business delivered all-time high revenues led by a broad-based growth across the consumption baskets. It was a very well-rounded growth for our businesses. We also delivered our highest EBITDA for this period, operating leverage efficiencies, and also favourable mix really drove margin improvement. We continue to operate at scale. Transactions grew over a healthy 45% year on year to cross 250 million transactions, that results to over 2.5 million transactions on a daily basis, which is a very large-scale operations across geographies and formats. We opened 795 new stores during the period, but more notably, we added 9.2 million square foot of space, which is a 20% growth for last quarter, and possibly one of the largest expansions of retail space by any retailer around the world in a short period. Digital and New Commerce businesses continued to drive strong performance. Daily orders were up 53% year-on-year, and our merchant base continues to scale up and doubled over last year.

We continue to also strengthen our capabilities through partnerships and acquisitions. In August, we unveiled the JioMart-WhatsApp integration initiative. We also made investments into Insight Cosmetics to further bolster our game into the beauty business. We also saw strong growth coming from consumer electronics and lifestyle businesses, which grew by over 40%. Digital and New Commerce channels grew over 60% year-on-year, and they also had a very steady contribution at 18% of the overall revenues for us. While the revenue growth continues strong, our profit delivery was at its best. EBITDA was at a new high of 4,404 crores. EBITDA margin saw a 30-basis point improvement at 7.6%. EBITDA margins from operations was 130 basis points margin expansion year on year at 7.4%. And that was led by a very favourable mix of revenues across the consumption baskets and also operating leverage in efficiencies.

In particular, EBITA in grocery, fashion & lifestyle, and consumers all of these consumption baskets we saw doubling year on year. Our efforts in expansion are on track, we opened 795 stores during this period to end the total store count at 16,617 stores at the end of September. Notably, I said 9 million square feet of space added when we compare it to previous periods, that's more than twice that we saw in the previous quarter, and over three times that we saw last year. So, while we continue to add more space through geographies for better touchpoints with our consumers, we also continue to strengthen our capabilities on the back-end supply chain side.

During this period, we added nearly 5.5 million square feet of warehouse space, taking our total supply chain area to about 31.4 million square feet. This is also quarter where we crossed over total employees to four lakh employees. We added 35,000 people on to the rolls, taking our total employee base to 4.14 lakh. Looking at the financial summary for the business, gross revenue 43% up at 64,920 crores. EBITDA from operations to 76% to 4286 crores. EBITDA margin saw 130 basis point growth at 7.4%, total EBITDA 51% up at 4404 crores and profit after tax to 2,305 crores, which is a 36% growth. Also, a very strong growth on a sequential basis across all the parameters.

Just looking at all our businesses more closely on consumer electronics. It had a very strong quarter. Our stores delivered strong performance led by high footfall conversion remains very steady with high average values. This will also period where our resQ, which is our after sales and installation business that business also registered its festival quarterly sales. 15th August period is also becoming increasingly a big shopping period, where customers look for major shopping. And for consumer electronics, we saw that period to be our best our Independence Day Sale period with 60% growth Y-o-Y. And some of the factors like instant discounts, affordability schemes, cross promotions, all of that and it took more colour for consumers to buy and purchase

Reliance Retail formats, because we operate across over cities and delivered to thousands of locations across the country, so increasingly more and more national and international brands, they see Reliance to be a partner



for launching and we have seen a large, wide number of launches of new products. iPhone 14, One Plus 10, Samsung flip phones, HP Victus Laptops, etc these are some of the launches we have seen in this period, but I think from broader perspective, there are a tremendous number of launches which are helping customers to just widen their choice base and they continue to come and shop at our stores. The period also saw a broad base growth across categories, like phones, TVs and washers, they grew 30% year on year. Our own brands business has doubled on year-on-year basis. We saw the merchant base through which we sell our products as well as licensed brands like Kelvinator that merchant base grew 10% on a sequential basis. JioMart Digital, which is the e-commerce part of the business, also grew 25% on a quarter on quarter, as well as merchant base continued to get ramped up, we added over 25% merchants on sequential basis.

Looking into the fashion lifestyle part of the business, apparel and footwear which is largely driven by Trends, Trends extension formats, Trends Footwear. So, offline business really posted their best ever quarter. I think the entire festive shopping, change of season, I think all of these factors really combined help deliver a very strong double digit like for like growth for our stores. We also launched multiple new formats in the mid-premium to mass categories. So Azorte, which is a tech enabled format, Centro which is a fashion lifestyle department store format and Fashion Factory which is a brand for less format. These three new formats were launched, so focus on innovation and serving customers to what they are looking for; I think those categories really helped us to launch new formats. Our growth across categories like men formals, women western wear was the strong as customers continued to refresh their wardrobe as normalisation has set in. We also saw a big pickup in categories like Sarees and in Indian ethnic wear on the back of festive shopping.

On the Ajo side, Ajo continues to grow strength to strength. Every quarter has been for the growth, so this quarter also it had its best ever quarter performance. All the matrices had a very healthy growth. The catalogue continues to be a very strong reason for customers to keep coming back and see that to be a destination for their choice of fashion. We now operate over a million options on the site. On the new commerce side, where we work with external merchants as partners, we added over 42% merchants on a year-on-year basis and also extended our coverage into new geographies, ensured that we also bring fresh fashion and better brands, especially regional brands of their choice. We added over 60,000 new SKUs and 427 brands to the ramp.

On the partner brand, which is a more premium and luxury brand, that business saw 80% growth year on year because of better footfalls, expansion into newer formats which got launched, new geographies and so on. Ajo Luxe which is really a destination for luxury and premium brands; that business grew three and a half times year on year. We have over 42,000 options live on that destination format. We also launched Rowan, which is a new format from Reliance as a toy store, which is a small format, typically around 500 - 1000 sq ft in size, selling more affordable toys. So that format also got launched during this quarter and we'll also see it further ramp up as we go along. We also launched Starter through its apparel line and also extended GAS brand into kidswear as some of the big initiatives in the partner part of the business.

On jewellery business, the festive sales started to really bring back growth in this quarter. The network expansion also grew and combined; the business grew 16% on a year-on-year basis. The business has been leaning on to its capabilities for product designs, and through all the in-house design lab that has created for jewellery. It has launched several collections during this quarter alone and getting tremendous level of response from our customers.

Lingerie, we had a very broad-based growth across all the brands that we operate now – Zivame, Amante and Clovia. The grand lingerie festival, which is a very large event from Zivame, continues to do well. It also drove double digit volume growth for the brand and had a very positive reaction from the customers as well from the

choice perspective. This is also a category where there's a lot of product innovation happening. We continue to expand into new product lines in shapewear, we also launched product lines using sustainable products from the bamboo-based fabrics. So, a lot happening on the lingerie part of the business as well.

Moving on to grocery, grocery delivered its best ever quarter. Overall, for grocery, we doubled our business on a year-on-year basis. High double digits, like for like growth, led by high footfalls and average bill values. Two key events, Full Paisa Vasool as well as Tyohaar Ready Sale, these are two flagship events and both the events saw 65% and 96% respective growth on a year-on-year basis. So, a lot of traction from the consumers to come and shop on our format. Our focus on making our stores more engaging for the customers has been done through premiumization and also localization, a lot of assortment from a customer's perspective. So, launch of a range of local rice as staple options, launch of low-calorie potatoes, branded coconuts...these are some of the examples of how we have been really driving premiumization into the stores.

From category, because this is also an early buying season from festivities point of view, was driven by sweets and confectionaries as well as staples, f&b and dairy. We continue to strengthen our own brand play as well; we launched several products and brands in this period.

We continue to strengthen our own brand play as well. We launched several products and brands during this period. Some of the notable ones include packaged water into the brand called Sure and some of the other brands like Masti and Meister Deo. I think these are the brands that also launched a large number of new products.

On the new commerce side. The merchant base continues to scale up the 4X Y-o-Y. On the merchant side, revenue all-time high for the business in this segment as well.

Continue to strengthen fulfilment and supply chain capabilities to ensure that all the fill rates for our supply chain are delivered on time. We commissioned 57 new facilities and we continue to add more and more infrastructure to ensure that our customers are able to serve better. And that is also visible from the cohort where we see that customers who are now well over a year into the platform their buying is now well over four times than customers who have just joined the platform.

Taking through the JioMart, JioMart is a horizontal play across all white categories, and we continue to add and bolster its capabilities through expansion of catalogue and also seller base, which grew multi-fold.

We talked about launch of WhatsApp to JioMart initiative, although it's still early, and that initiative is gaining momentum week after week. What is happening to see is that it has really democratized the Access to Online shopping, and we have seen 37% of the customers who have come from WhatsApp are customers were actually shopped first time on JioMart. So, it has really taken us to a new set of customers.

And we continue to see that growth as we go along. Some of the other initiatives like Tyohaar Ready Sale, which also grew in our storage that registered 2.5 times growth in traffic, as well as 3x installations in app.

With my Pharma, Pharma business also grew two and a half times Y-o-Y and that had been very stable across all the channels. So, we saw digital commerce orders of 95%. And also, nearly 85% of the stores are now hyperlocal enabled. So, the delivery to the customers can be service to the nearest store which ensures better delivery time and happier customers because they get access to the products on time.

Our new commerce business has a very steady growth path. Our operations are now expanded to over 2500 cities.

In furniture décor business, which is led by Urban Ladder, that business also saw a very strong revenue growth over last year led by footfalls. Our flagship event drove revenues for the business with 30% growth Y-o-Y. And that happened through broad basic categories, including the bed, dining room living room, seating and essentials.

So, as we look into the second half of the year, which is also marked by winter, which is very strong buying for north-east, west part of the country, also festivities in wedding season coming in we will ensure that the growth momentum for the business continues with a focus on number one to be looking at expansion of stores as well as digital commerce channels. We will be looking at continuing to onboard more and more merchants through a new commerce initiatives across the categories. Including increasing the share of wallet for all the onboarded merchants.

Also, to continue to invest in supply chain capability which has been really a big enabler for all our stores and channels. And drive efficiencies. Also strengthen our capabilities in product development, which is really one of the big corner stone for our formats and strengthen applicability, which will be also supplemented by a lot of training efforts what we wish to undertake.

## **Sh Sanjay Roy 00:40:27 – 00:46:03 (Hydrocarbons - Exploration & Production)**

Good evening to everyone.

Now, it was a solid quarter for the oil and gas business. As you can see, the QoQ EBIDTA is up by nearly 16% and the margins were up by 82.3% mainly on the back of higher gas price realisations and sustained production levels.

The field performance has been very much in line with our expectations, which is a big positive. And, also in terms of higher exchange rates. So overall, we saw good growth in EBIDTA this quarter.

With respect to the MJ gas condensate field project being pretty much on track, for the first gas production by the end of the year. The offshore installation campaign has been completed. So, the subsea production system has been installed. The Phase-II drilling and completion campaign is currently underway, and we've completed one well, then we are on track for completion on seven wells.

Further, the FPSO has sailed from South Korea. It has been at the Kakinada outer anchorage. And, we have just finished sea-trials on that FPSO and now it's ready to sail in a few days towards the location.

The next set of activities will include the hook-ups, the offshore testing, the pre-commissioning and commissioning, and thereafter the introduction of hydrocarbon for first gas production which is expected by the year end.

So, just to give you a perspective on the gas market, and the LNG outlook. So, LNG markets remain quite tight despite supply of LNG being at the peak level. The shortfall in supplies due to the conflict still remains.

Consequently, we had seen prices go up to almost \$98 per MMBTU, although, more or less, it has now settled at \$45 per MMBTU and less.

The EU continues to refuse sourcing of gas from Russia and it may look at the European joint bids so that they do not have imbalance in pricing. Meanwhile, they are also looking at “Saving the gas for Safe Winter” and that policy is currently underway.

Overall, Asian LNG continues to track the EU prices and as we don't expect any major capacities of LNG coming in before the 2026, we expect the markets to remain tight for LNG.

In India, the gas market remains quite resilient. We have seen consumption of about 163 million cubic meters per day, during the quarter, which is slightly less, but then again, this may be due to the elevated costs and prices, particularly of LNG.

Now, the LNG demand came down largely because of the production particularly from KG-D6 gas.

In terms of prices, two things: one is the government announced the revised price for the second half of the year and revised it from \$9.92 from the first half to \$12.46 per million British thermal units for the second half. So, that implies that we should expect better realizations in the upcoming quarter.

Meanwhile, there has been a committee formed under Dr. Kirit Parekh. And this committee is looking at natural gas pricing. It is represented by the upstream industry through AOGO. There is also a representation from the consumers and buyers.

Potentially, the upstream producers, are saying that there should be marketing and pricing freedom, pursuant to the policies and the contracts. The counter to elevated prices is increment to production, as we have seen in the case of KG-D6, and these investments will have to happen in frontier areas where there seems to be larger potential for such investments. You will need a huge scale of investments, billions of dollars, and for that to sustain, marketing and pricing freedom will be very important, particularly as costs are market driven. So, prices need to be similar.

But as we are also seeing representation from the consumers who have been projecting that there needs to be some kind of cap, particularly in gas.

So, we are still awaiting the recommendations. This is expected to come out in the next few weeks. Overall, the outlook for the gas, LNG looks quite tight in the near future, so we expect that the price realizations will remain firm. And with the augmentation of production from MJ field, we expect the earnings to go upwards.

Thank you and very happy Diwali to all of you.

## Sh V Srikanth 00:46:04 – 01:01:02 (O2C Business, Summary and Closure)

Last section on O2C.

Just two slides on how the energy markets were. You know, a lot of volatility. We have seen crude prices from \$ 85-\$ 125/bbl. LNG prices anywhere from \$ 35 to \$ 71/MMBtu.

Crude prices this quarter eased due to record SPR releases from the US and increased output from Saudi Arabia and we saw that Russian supplies were fairly resilient.

The LNG prices were very strong on the back of uncertainty over supply and strong demand.

Ethane prices were actually lower; they were actually tracking the US gas, and weak petrochemicals demand. And also, US gas exports impacted due to extended outage at Freeport LNG terminal.

Interestingly, from the refining side we saw everything, we saw historic rise in June to briefly negative territory this quarter.

So overall it was about macro uncertainty, geopolitical uncertainty which was underpinning the energy markets.

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Just the pictorial...and you can see the graph to the right of the dotted line is really tells you about the markets. You can see the fall in the prices of oil starting from \$ 125 to much lower. Of course, on gas you see the other way around, but volatile, went up and you know, average much higher than previous quarter. Ethane prices sharp fall during the quarter.

On the light distillate side again interesting, you saw \$ 40 cracks and then almost zero. Mid distillates touching \$ 75-plus, and then you know, trading around \$ 40. Singapore refining complex \$ 35 at one time, almost zero. So, this is the kind of environment in which the O2C business was operating in.

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And in that context, when you see revenues, and EBITDA about close to 12,000 crores it was on a year-on-year basis lower by 6% and a quarter-on-quarter by 40%. But when you look at EBITDA on a year-on-year basis, there was strength in mid-distillate cracks. It was however, offset by significant weakness in petrochemical margins. Of course, the fact that SAED related costs was very much there. It was about 4039 to this quarter. Had it not been for that the EBITDA would have been 11,968 plus 4039 crore.

We also now look at petrochemical side, The margins declined anywhere between 15 to 30%. And on the back of subdued demand in both China and India, MEG was particularly weak.

Also of course, in this quarter we also have the production meant for sale was lowered by 3.6% on a year-on-year basis, given the planned turnarounds in the refinery unit. on the Q-o-Q, the explanation for Q-o-Q is all about margins, lower fuel margins, lower downstream margins, and of course SAED remains a common factor for explanation for both year-on-year as well as quarter on quarter.

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So, in this context, when you look at, these are the relevant demand parameters. You can see that oil demand strongly 1.2 million barrels per day and this is on the back of opening up, removing of all the curbs, and importantly, gas to oil switching and, because gas prices were so high, demand was strong.

On the polymer and polyester side, you can see the percentages between 1% to 2% - stable I would say. You know we saw stable demand in almost every use within agriculture, health, and consumer durables, we saw it everywhere. Growth rates were small, but demand was stable.

Operating rates both for cracker as well as refining, did see a pickup, on the strength on the basis that the middle distillate cracks was strong, and so people are using production to the maximum extent possible.

So, in this backdrop here supply was possible because of the increased utilization. Specifically, an oil demand, you know, 10% growth on a year-on-year basis, gasoline demand up 9% on the back of automobile sales, tourism you're seeing that. On high-speed diesel that was also up 11% because, economic activity was normalized. We saw farm demand also as one of the reasons we also saw commercial vehicle sale increase, all of them explaining the HSD's demand.

ATF was the percentage terms sharply up 64%, however, as you know, it was coming off a lower base. Load factors definitely in September was 84% was well about the 73% in '21. So yeah, that is the demand side.

And when you look at demand in Polymer and Polyester, you know I talked about the 1% growth in Polymer. This was more led by PVC we saw strong growth 10% up. However, both PP, PE was impacted by low demand in EU and US, and some of the applications of PP. Also, there were outages in one Indian producer and therefore that did impact demand.

Polyester side 2% up. We saw good growth in PET up 11%, and also staple fibre, but the PFY was low. So, there was stable domestic consumption.

This is where you can see a very sharp fall and you know some of the explanation for why earnings were weak in growth that much even on our quarter-on-quarter basis as well as on year-on-year basis. So, you look at polymer deltas anywhere down on a quarter-on-quarter basis between 12% and 26% - PP, PE, PVC all of them. And the point being that Polymer prices were lower between 17% and 30%. And that prices on an absolute price softness were way beyond the input price, which is naphtha, which was down 19% on a Q-o-Q that's essentially affecting margins.

Also, some of the improvement in the in the debottlenecking of logistics and freight etc also meant that it resulted in lower realization

On the polyester delta side chain that has been broadly flat as you can see \$ 600 per ton and their waste saw margins on downstream was up 25%-30% but really offset by weak PTA and MEG margins. So that's something that, you know, we saw that for overall didn't change.

PX margins firmed as integrated players like us optimized PX production to capture higher gasoline margin. So, we did that. So overall, that's a lot of impact on deltas, and its implication therefore on the overall EBITDA.

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On the transportation fuel side as you can see demand for gasoil was up for this quarter. Now these explanations are you can see on a quarter-on-quarter basis. Overall, we did see a fall in cracks from \$ 52 to \$ 42. But it still it has remained broadly elevated because of the gas to oil switching that I talked about. Fact that even inventories, while it is gone up, it is significantly below the five-year averages and also China export quota also eased some of the supply constraints. So that's what we see.

Year-on-year you can see that \$ 8 for gasoil became \$ 41. So that also explains why the overall fall in margins, rather the EBITDA earnings is much more muted on a year-on-year basis.

Similarly, on ATF / Kero, we didn't see a sharp growth, almost 1 million barrels per day, and primarily I would say it is in Asia Pacific. Cracks remained elevated but declined on a quarter-on-quarter basis. So, most of these margins have remained strong but on sequential basis is lower. So that is to explain why Q-o-Q was also low.

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On gasoline side as you can see demand strong, almost 2 million barrels of which half of them was here in Asia Pacific, but again cracks if you will see \$ 30 becoming almost \$ 9. And that is because US demand was not up to the expectations on the back of a petrol price at the pump level and lower discretionary spending.

We also saw that the fact that because gasoline was much in demand, refinery utilization rates that we saw earlier on meant higher gasoline supply. So that put pressure on gasoline. And the fact that tanker rates continue to be high had an impact on the inventory levels that were being held and therefore it pressurized cracks.

On the operating rates I mentioned about low throughputs that is on the back of both planned turnarounds in both the primary and secondary units of SEZ for maintenance and inspection. We did increase naphtha sourcing to capture reforming margins, because as we saw gasoline was good at the earlier part of this quarter. And we focused on maximizing gasoil exports given the demand.

Aromatic production again, we rationalized that in favour of gasoline given the economics. Thanks to the fact that the gasifiers performed very well meant that we didn't have to import any kind of LNG, therefore keep a control on the costs.

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The last slide on the O2C business. So, we do expect demand to continue to be strong this year, which is almost 2 million barrels increase on a year-on-year basis. And the all the sanctions and all that will mean that in as far as some of the products are concerned Asian and Middle East refiners could benefit a bit there.

Margin environment middle distillate definitely given that gas prices will continue to be in demand and the polymer margins we are looking forward to it improving. You know as and when China opens, because the feedstock prices are being pretty attractive or for conversion.

On the demand side. Again, opening up means fuel demand is good. Gas to oil switching continues to be a factor everywhere and more so as winter setting and festive season, which we are seeing now in this quarter should benefit.

On the challenges side, as you know, overall GDP growth weakness, inflation, monetary policy, interest costs all of them you know are definitely areas of concern and rates continue to remain higher and the Chinese export quota means that it keeps the market supplied in as far as margins are concerned.

Really to summarize, given this backdrop and the whole set of slides, which I talked about, including what Sanjay talked about on LNG environment, the kind of volatility, in that context, I think the performance, it's a strong performance, it's a resilient performance, given the kind of volatility, macro as well as energy.

And, you know, I had mentioned that consolidated EBITDA for quarter 2 to an aggregate was 34,663 crore means a growth of 14.5%. Had it not been for SAED related cost, which is Rs 4039 crores, the growth in EBITDA would have been almost 28% Higher. And this would have also translated to a healthy net profit growth on a year-on-year basis.

However, I would say that given that equal mix now that we have between consumer business and energy, we have been able to weather this volatility pretty well. You saw in the Gaurav's presentation on Retail, the store expansion that we saw the omni-channel retail strategy, you know, the footfalls, the digital channels that are, all of them are kicking in very well.

Similarly, on the on Jio side customer addition, almost 7.7 million customers in this quarter. The improvement in the customer engagement metrics remained very good. And Kiran talked about the 5G services and why the standalone provides us with a lot of opportunity to grow.

And Sanjay talked about the KGD6, the MJ field commissioning by year-end mean that currently we are at 20% of production, we can be at 30% of India's gas production. And also, the fact that prices will be higher.

Let me take this opportunity to thank you all and wish you all a very very Happy Deepawali. Thank you so much.