

# Management Discussion and Analysis

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## Forward-looking Statement

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

## Business Overview

Analysis and description of all major business segments of Reliance covering brands, strategic advantages and competitive strengths. The discussion structure covers the market environment the business operates in and how Reliance's business model and operational excellence helped achieve a strong performance.

### Retail



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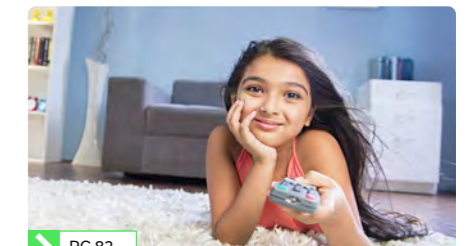
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### Overview

#### Global

The global economy contracted by 3.3% in CY 2020, as all major economies barring China slipped into recession with COVID-induced lockdowns. Advanced Economies' (AE) decline of 4.7% was steeper than Emerging Markets (EM) decline of 2.2%. Within the AE complex, the decline in Euro Area (-6.6%) was much sharper than that in the US (-3.5%). Within the EMs, China's GDP grew 2.3%. Despite the steep global decline in CY 2020, global GDP decline was lower than initially feared primarily due to unprecedented monetary policy support from global central banks and fiscal stimulus from governments. Global fiscal stimulus reached ~US\$18.6 trillion by March 2021 (23% of GDP) while monetary stimulus by global central banks reached US\$16.6 trillion (21% of GDP).

Global trade volume (goods and services) contracted by 9.6% in CY 2020 after a modest 1% increase in CY 2019. Global trade also started recovering in 4Q FY 2021 as merchandise trade volume turned positive on y-o-y basis from November 2020. Global trade is forecast to grow 8% in CY 2021 with merchandise volumes recovering faster than services volumes.

Oil prices averaged US\$43/bbl in 2020 vs US\$64/bbl in 2019 as COVID-19 led to an unprecedented erosion in global oil demand. Global demand averaged ~90.5 mb/d in 2020 (down 9.5 mb/d y-o-y). Large production cuts by OPEC+ 9.7 mb/d in May-July and 7.7 mb/d thereafter helped with a price floor in the face of the unprecedented demand shock. Global crude oil prices have recovered in 2021 as economies begin reopening amidst vaccine

roll out. The US fiscal stimulus has further improved global oil demand outlook. Global demand is expected to grow 5.9 mb/d y-o-y in 2021 to average ~96.4 mb/d.

The global economy is expected to see a rebound in 2021 with the International Monetary Fund (IMF) expecting 6% growth, with US stimulus and vaccine optimism leading to further opening up of the economies. The growth recovery is likely to be led by the US and China – the US is estimated to grow 6.4% in 2021 and China by 8.4%. Governments and Central Banks are expected to maintain supportive policies until the recovery is firmly underway. The strength of recovery will depend on vaccine roll-out.

#### India

The Indian economy is estimated to decline by 8% in FY 2020-21, the first year of contraction since 1980. India's economic decline was sharper than other key economies due to strict and early lockdowns to control the spread of COVID-19. However, growth has continued to recover and was back in positive territory (+0.4%) in 3Q FY 2021 after a decline of 24.4% and 7.3% respectively in 1Q FY 2021 and 2Q FY 2021. India saw a V-shaped recovery as most consumption and industrial indicators were back in positive growth territory in the September-December quarter after being in deep negative in the June quarter. Auto sales rebounded from August 2020 onwards and both two-wheeler and passenger vehicle sales growth has been positive since then. Travel indicators have remained weak – air traffic still at -37% y-o-y in

March 2021 and rail traffic also weak at -28% y-o-y. Among other industrial indicators, electricity demand growth is now positive and GST collections have remained robust at above ₹1 trillion mark. Digital adoption saw acceleration during the crisis, particularly in the usage of digital payments. UPI payments grew more than 100% y-o-y in 2021 as monthly transaction volumes crossed ₹4 trillion or nearly 25% of GDP on that run rate.

The external sector exhibited resilience as current account turned surplus for the first time since 2004, on weaker domestic demand, falling oil prices and strength in India's services exports. FDI and equity FII flows were strong, driving India's forex reserves to an all-time high of ~US\$580 billion by the end of FY 2020-21, against ~US\$475 billion by the end of FY 2019-20.

The Reserve Bank of India (RBI), and the central and state governments provided critical support to the economy during the crisis. The RBI maintained loose monetary policy, cutting repo rates by 115 bps during early CY 2020. To keep funding markets easy, the RBI maintained liquidity surplus through various monetary measures.

India's oil demand was down 9.1% y-o-y due to the unprecedented demand shock during 1H FY 2021. While gasoline and diesel consumption declined 6.8% y-o-y and 12% y-o-y respectively, LPG registered positive growth (+4.8% y-o-y) due to stay-at-home restrictions. With airlines remaining shut for most of the year, and yet to resume full-scale operations, jet fuel (ATF) consumption was down 53.7% y-o-y.



### Highlights and Key Events

During FY 2020-21, Reliance forged defining strategic partnerships with leading technology firms and marquee investors across businesses. Through the Rights Issue and asset monetisation, Reliance executed the largest ever capital raise in India of ₹2,60,074 crore. The fund raises along with capital commitments exceeded Net Debt levels, helping Reliance achieve a Net Debt Free Balance sheet ahead of the stated timeline of March 2021.

RIL successfully completed India's largest ever Rights Issue of ₹53,124 crore (oversubscribed by 1.59 times) - the world's largest by a Non-Financing Institution in the last ten years

Jio Platforms and Reliance Retail, raised ₹152,056 crore and ₹47,265 crore respectively, from marquee global investors including Facebook, Google, Silver Lake, Vista Equity Partners, General Atlantic, KKR, Mubadala, ADIA, TPG, L Catterton, PIF, Intel Capital and Qualcomm Ventures.

bp invested ₹7,629 crore for a 49% stake in the fuel retailing business. The arrangement between RIL and bp will build on RIL's current fuel retailing network of 1,400 sites across India. The joint venture will aim to be a leader in mobility and low-carbon solutions, bringing cleaner and affordable options for Indian consumers with digital and technology being key enablers.

**CAPITAL RAISED**  
**₹2,60,074 crore**



## Highlights and Key Events

### Retail

During the course of the year, the Retail business omni-enabled its store network, strengthened digital commerce platforms across the business and built capacities for home deliveries.

Alongside, the business expanded its partnerships with merchants across the country under its inclusive New Commerce model. By the end of the year, the digital commerce and merchant partnerships business accounted for about 10% of revenues, significantly stepped up from near zero in the preceding year. Reliance Retail invested behind a range of acquisitions to strengthen its capabilities in the supply chain, technology, and product portfolio.

These include the acquisition of leading digital marketplace, Netmeds, furniture and home decor retailer, Urban Ladder and the lingerie and intimate wear brand, Zivame. Reliance Retail also entered into an agreement to acquire the retail and wholesale business and the logistics and warehousing business of the Future Group for a consideration of ₹24,713 crore. This acquisition is awaiting requisite approvals.

### Digital Services

In Digital Services, Reliance Jio became the first operator outside China to achieve 400 million subscribers in a single country market. Reliance Jio continues to revolutionise digitalisation in India with data consumption in excess of 5 Exabyte per month on its network.

Strategic initiatives along with Facebook and Google will enhance consumer service offerings and facilitate greater digital inclusion in India. Reliance is working with Microsoft to enhance adoption of leading technologies like data analytics, Artificial Intelligence (AI), cognitive services, blockchain, Internet of Things (IoT), and edge computing among small and medium enterprises.

Qualcomm Technologies, Inc. and Jio, along with its wholly owned subsidiary Radisys Corporation, announced expanded efforts to develop open and interoperable interface compliant architecture-based 5G solutions with a virtualised RAN. This work is intended to fast-track the development and roll-out of indigenous 5G network infrastructure and services in India.

**1,732 MHz**  
Reliance Jio total spectrum footprint



Reliance Jio successfully acquired the right to use spectrum in all 22 circles across India in the recently concluded spectrum auctions conducted by the Government of India. Through this acquisition, Reliance Jio's total spectrum footprint has increased significantly, by 56%, to 1,732 MHz. The acquired spectrum can be utilised for transition to 5G services at the appropriate time, where Jio has developed its own 5G stack.

### Oil to Chemicals

Reliance has initiated the proceedings of carving out its O2C businesses into a separate subsidiary and the process is expected to be completed in CY 2021. O2C reorganisation creates an independent, global-scale growth engine for RIL, with a strong cash flow generation potential while facilitating value creation through strategic partnerships and attracting a dedicated pool of investor capital.

Through the COVID-19 crisis, Reliance operated its O2C facilities at near 100% by shifting products to export markets to sustain operating rates. Scale economics along with strong competitive cost positions across the chain helped Reliance sustain positive contribution through this unprecedented phase. Diversified customer base, global product placement and feedstock flexibility supported performance.

**~100%**  
Utilisation of O2C assets even during the COVID-19



### Oil and Gas E&P

During the year, Reliance successfully commissioned Asia's deepest gas field and India's first ultra-deepwater gas field - R Cluster in KG D6 Block. This will help Reliance work towards India's transition to a cleaner and greener gas-based economy.

The year was also marked by the COVID-19 crisis, which resulted in a huge loss to mankind. During these tough times, Reliance leveraged all its resources - human as well as material - to assist India in its fight against the COVID-19 pandemic.

Apart from ensuring the safety and well-being of employees through the pandemic, Reliance significantly stepped up its support to the community. The COVID-19 response included use of facilities for production of grades and equipment used in medical applications, steps to support state medical infrastructure and contributions to social efforts in helping marginalised communities and migrant workers. Reliance is geared to provide products and services needed by Indian consumers as the economy emerges from the lockdown.



To combat climate change, Reliance has set itself a target to become Net Carbon Zero by 2035. This is based on RIL's vision of clean and green development which will provide the Company with an opportunity to accelerate and develop a New Energy and New Materials business.

# Financial Performance and Review



Alok Agarwal



Srikanth Venkatachari



Anshuman Thakur



Dinesh Thapar



Saurabh Sancheti



C. S. Borar



Raj Mullick



## 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 Summary (Consolidated and Standalone)

Particulars	Consolidated		Standalone			
	FY 2020-21		FY 2019-20	FY 2020-21		FY 2019-20
	₹ in crore	US\$ in billion	₹ in crore	₹ in crore	US\$ in billion	₹ in crore
Value of Sales and Services (Revenue)	5,39,238	73.8	6,59,997	2,78,940	38.2	3,66,177
EBITDA	97,580	13.3	1,02,280	48,318	6.6	66,394
Cash Profit	79,828	10.9	67,179	36,411	5.0	42,844
Segment EBIT	62,460	8.5	70,192	30,048	4.1	46,817
Net Profit	53,739	7.4	39,880	31,944	4.4	30,903
Cash and Marketable Securities	2,54,019	34.7	1,75,259	1,82,225	24.9	1,45,577
Tangible and Intangible Assets (Excluding Goodwill)	6,56,999	89.9	6,31,505	3,39,668	46.5	3,34,443
Gross Debt	2,51,811	34.4	3,36,294	2,21,698	30.3	2,98,599

US\$1=₹73.11 (Exchange rate as on 31.03.21)

### 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 were 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.

### Gross Debt

Reliance's Gross Debt was at ₹2,51,811 crore (US\$34.4 billion). This includes standalone gross debt of ₹2,21,698 crore and balance in key subsidiaries, including Reliance Jio (₹11,196 crore), Reliance Retail (₹9,030 crore), Shale Gas Operations (₹3,931 crore), Reliance Sibur Elastomers (₹2,339 crore) and Independent Media Trust Group (₹2,414 crore).

### Cash and Marketable Securities

Cash and Marketable Securities were at ₹2,54,019 crore (US\$34.7 billion). The Company's cash and cash equivalents were higher than the outstanding debt as on March 31, 2021.

### Tangible and Intangible Assets

Reliance's fixed assets (excluding goodwill) stood at ₹6,56,999 crore (US\$89.9 billion) as on March 31, 2021. This includes RIL's standalone fixed assets of ₹3,39,668 crore and balance of ₹3,17,331 crore in its subsidiaries, mainly Reliance Jio and Reliance Retail.

**34.8%**  
PAT growth y-o-y  
(after exceptional items)

### Finance Cost

Finance Cost was at ₹21,189 crore (US\$2.9 billion) as against ₹22,027 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 ₹67.60 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.

### RIL Standalone

RIL's standalone revenue for FY 2020-21 was ₹2,78,940 crore (US\$38.2 billion), a decrease of 23.8% 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 ₹42.97 as against ₹55.07 in the previous year.

### Movement in key financial ratios

- The debtors turnover ratio improved to 47.9 in FY 2020-21 as against 37.4 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 8.8% 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.

### 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 (80% stores operational), significantly lower footfalls (65% of last year) and operational disruptions through the year. At an EBITDA of ₹9,842 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.

**₹1,53,818 crore**  
Retail revenue

PG 50



#### 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 ₹23,348 crore in the previous year.

**₹90,287 crore**  
Digital Services revenue

PG 68

#### 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.

**₹3,20,008 crore**  
O2C revenue

PG 94

#### Media and Entertainment

Consolidated EBITDA of the business rose 29% y-o-y to ₹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 ₹547 crore.

**₹5,459 crore**  
Media and Entertainment revenue

PG 82

#### 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 realisation. 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/MCFe. Lower conventional volumes due to expiry of Panna Mukta Production Sharing Contract in December 2019 and cessation of production from D1D3 (KG D6) field in February 2020.

**₹2,140 crore**  
Oil and Gas revenue

PG 112

# Retail



Subramaniam V.



Isha Ambani



Akash Ambani



Anant Ambani



Ashwin Khasgiwala



Akhilesh Prasad



Darshan Mehta



Damodar Mall



Brian Bade



Kaushal Nevrekar



Sunil Nayak



Dinesh Thapar



Jayant Bhalariao



Dr. Vinodkumar Dhanuka



Bijay Sahoo



Gulur Venkatesh



“Reliance Retail’s results reflect a certain resilience in a challenging operating environment. Our robust operating model, agility in execution and leading capabilities have withstood the testing times posed by the pandemic, which allowed us to serve our customers far and wide and enabled us to deliver a market leading performance.”

## Highlights FY 2020-21

REVENUE ▼ 5.6%

₹1,53,818 crore

EBITDA ▲ 1.5%

₹9,842 crore

EBITDA MARGIN

7.3%

EBITDA Margin is calculated on revenue from operations

Reliance Retail was founded with a view to revolutionise retail in India. Today, it is the largest, fastest growing and most profitable retail company in India with diversified omni-channel presence through integrated store concepts and digital commerce platforms. It is the only Indian retailer to feature in ‘Global Powers of Retailing’.

As a market leader, Reliance Retail caters to five key consumption baskets

- 1 Consumer Electronics
- 2 Fashion & Lifestyle
- 3 Grocery
- 4 Pharma Retail
- 5 Connectivity

1,00,000+

Customers served every hour and growing fast

### Reach

156 million Registered Loyal Customer Base

7,000+ Cities

640<sup>1</sup> million Footfalls

### Scale

12,711 Retail Stores

33.8 million Sq. ft Retail Space

2,00,000+ Employees

### Infrastructure

263 Warehouses and Distribution Centres

272 million cu. ft. Of warehousing space

1.4 million Route kms moved per day

1. FY 2019-20 number being used in view of FY 2020-21 year being disruptive



### Vision

To be the most admired and successful retail company in India that enhances the quality of life of every Indian.

### Mission

- Provide millions of customers with unlimited choice, outstanding value proposition, superior quality and unmatched experience across the full spectrum of products and services
- Serve the entire spectrum of Indian society i.e. from households, kiranas and merchants, to small and medium enterprises and institutions
- Reach the length and breadth of the country through our physical and digital distribution platforms
- Be the partner of choice and enable win-win opportunities for our ecosystem across producers, small and medium enterprises, brand companies and global suppliers
- Generate direct and indirect employment opportunities with skill transformation and talent development on an unprecedented scale

## Strategic Advantages and Competitive Strengths



India's only true national retailer with the widest coverage



Deep understanding of India and Bharat, serving all consumption baskets



Unmatched retail capabilities: End-to-end value chain, design, merchandising, own brands



Partner to producers, MSMEs, national, regional, local and global brands



Extensive supply chain infrastructure



Deep technologies and data intelligence at the core



Best-in-class and scalable project execution

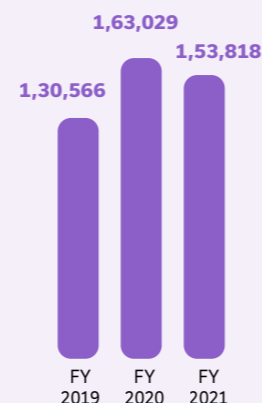


Talent and organisation to power operations

## Performance Summary

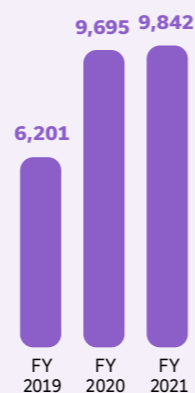
### REVENUE

(₹ in crore)



### EBITDA

(₹ in crore)



### RETAIL STORES

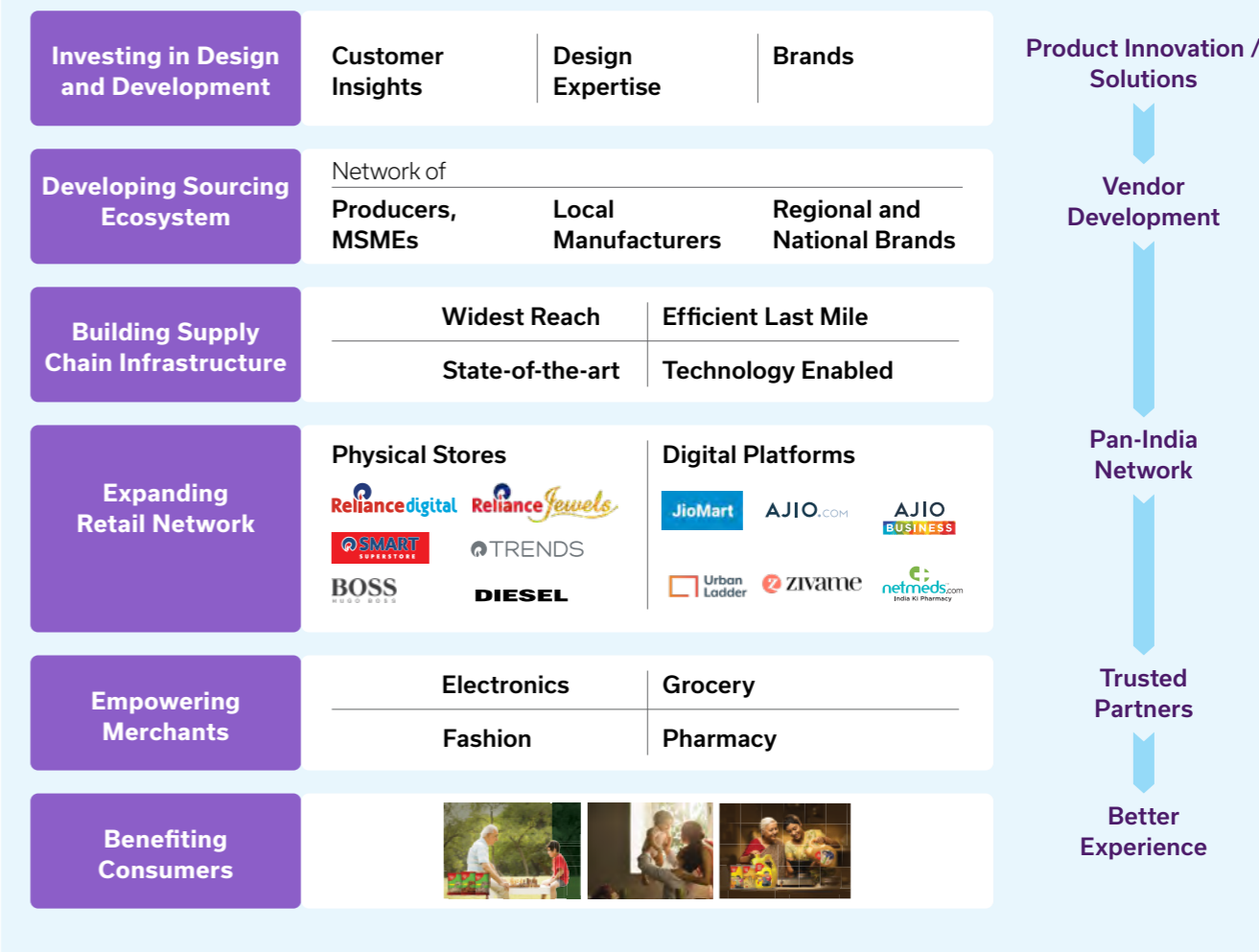
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## Operating Framework

Reliance Retail's guiding philosophy rests on the tenets of inclusive growth and building sustainable societal value for millions of Indians.

An inclusive approach to retailing



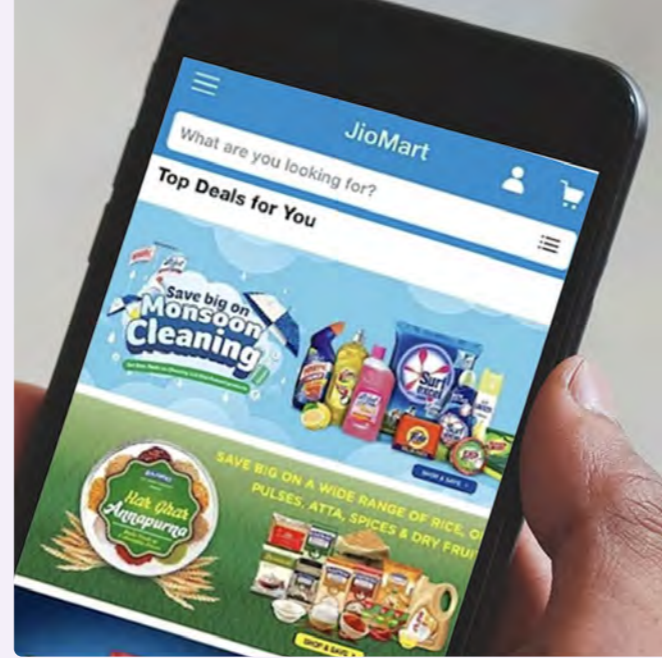
- Reliance Retail has set up and continues to invest in building design and product development centres to offer relevant, contemporary and high quality products to meet the diverse needs of its customers
- Reliance Retail's sourcing ecosystem works with small producers and manufacturers SMBs, regional, national and international brands. In particular, it supports small producers to modernise their operations, minimise inefficiencies and reduce leakages
- The business is investing in building state-of-the-art supply chain infrastructure in India by linking all major sourcing locations through an automated, modular, reliable and scalable warehousing, logistics and last mile fulfilment ecosystem
- Reliance Retail's selling ecosystem comprises a vast network of stores and digital commerce platforms to serve customers across the length and breadth of the country
- The New Commerce model seeks to partner with millions of unorganised merchants through an inclusive model of growth while digitally enabling and empowering them, and offering them a compelling value proposition to grow their businesses and earnings. Together, it will serve millions of households and customers across the country
- Reliance Retail provides employment to tens of thousands of people, bringing joy and pride to their families while enabling livelihoods for many others

## Highlights FY 2020-21

Reinforced and enhanced safety and hygiene standards across the breadth of Reliance Retail's operations with the emergence of the COVID-19 situation

Delivered revenues at par with last year despite store closures and operational disruptions

EBITDA at an all-time high, driven by business rebound, cost management and investment income



Registered loyal customer base continues to grow, currently at 156 million, up 25% y-o-y

Opened 1,456 new stores, taking the total store count to 12,711 with operated area spanning over 33.8 million sq. ft.

Strengthened digital commerce and omni-channel capabilities across all businesses of Grocery, Consumer Electronics, Fashion & Lifestyle and Pharma

Launched India's largest hyperlocal platform, JioMart, with presence in 200+ cities

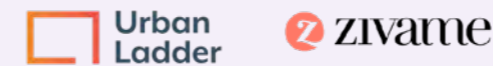


New Commerce partnerships with over a million merchants across consumption baskets

Forayed into pharma retail; acquired online pharmacy, Netmeds



Stepped up Lifestyle play through the acquisition of Urban Ladder and Zivame



Created 65,000+ new jobs since the onset of the pandemic

Executed India's largest fund raise in the consumer / retail sector from marquee global investors, reflecting the conviction in Reliance Retail's track record, operating model and prospects





## Industry Overview

India's retail market is estimated at US\$822 billion in FY 2019-20 and is expected to grow at a CAGR of 10% over the next five years to reach US\$1,315 billion by FY 2024-25. The penetration of organised retail market is estimated at 11% in FY 2019-20 and is expected to grow to 18% by FY 2024-25. The organised retail market is estimated at US\$88 billion in FY 2019-20 and is expected to grow at a CAGR of 19% over the next five years to reach US\$231 billion by FY 2024-25. The unorganised retail market is poised to grow to over US\$1 trillion over this period, making it amongst the most attractive consumer sector opportunities across the world.

## Emerging Trends and Business Response

### Description

#### Growth of Online Channel

Digital commerce gained significant traction in the wake of lockdown/restrictions; likely to remain buoyant

#### Omni-channel as a new normal

Convergence of Physical and Digital retail emerging as the new normal

#### Physical stores remain a growth opportunity

Physical stores remain an opportunity for expansion, particularly in smaller towns

#### Evolving customer preferences and emergence of new categories

Change in consumer behaviour leading to re-curation of product portfolios and boost to select categories

#### Transforming and empowering unorganised retail

Addressing supply side challenges and technology are key to transforming the unorganised retail sector



### How Reliance Retail is geared up?

Launched and accelerated roll-out of JioMart, India's largest hyperlocal solution.

Activated reliancedigital.in for electronics, scaled up AJIO in fashion & lifestyle and created a range of mono-brand sites for premium and luxury brands.

Acquired Netmeds, Zivame, and Urban Ladder to offer a wider portfolio.

Strengthened digital commerce and omni-channel capabilities with all Reliance Digital, fashion & lifestyle and grocery stores being omni-enabled.

Stores are enabled for fulfilment, return, refund (same or different mode), house kiosk for endless aisle experience and better conversions, upsell and cross-sell.

Operates > 2/3<sup>rd</sup> of its stores in Tier II and smaller tier towns.

During the year, over half the expansion was carried out in smaller tier towns.

Over half the orders on digital platforms from Tier II and smaller tier towns.

Partnerships with unorganised retailers across categories and geographies.

Design centres enable development of portfolio in keeping with emerging trends.

Focus on developing own brand portfolio in categories such as health and immunity, boosting foods in grocery, and productivity devices and appliances in consumer electronics.

Re-curation of fashion portfolio with launch of 'Work from Home', 'At Home Essentials' and Athleisure collection.

Creating an integrated state-of-the-art supply chain infrastructure connecting all supply and demand markets.

Investing in technology-driven logistics and last mile fulfilment infrastructure.

Rapid scale up of New Commerce merchant partnerships.

Developing a portfolio of own brands for New Commerce.

Building bonds, digitally enabling and empowering merchant partners.

## Performance Update

### Financial, Non-Financial, Revenue Mix

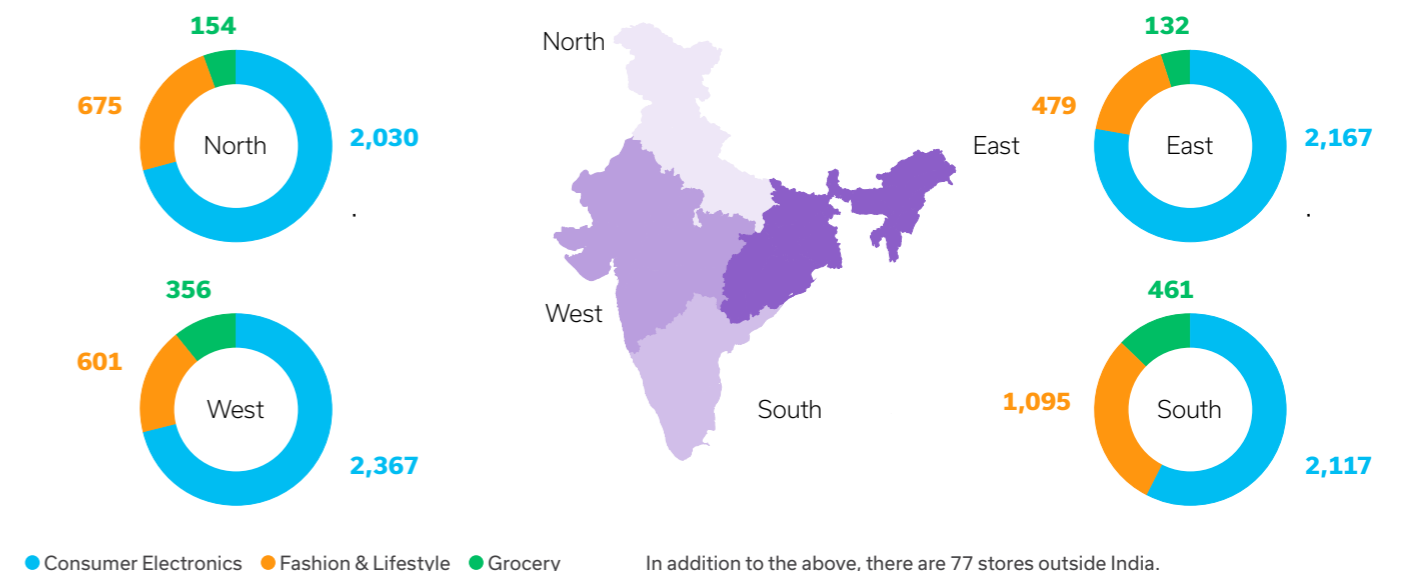
(In ₹ crore)	FY 2020-21	FY 2019-20	% change y-o-y
Value of sales and services	1,53,818	1,63,029	(5.6)
Revenue from operations	1,35,252	1,46,365	(7.6)
EBITDA	9,842	9,695	1.5
EBITDA Margin(%)*	7.3	6.6	+70 bps
Area operational (million sq. ft.)	33.8	28.7	

\* EBITDA Margin is calculated on revenue from operations

- Reliance Retail delivered a resilient performance against the backdrop of an unprecedented and challenging operating environment, arising from the pandemic situation that emerged at the start of the financial year
- Reliance Retail delivered Gross Revenue of ₹1,53,818 crore. The revenues were impacted on account of store closures (80% stores operational), lower footfalls (65% of last year) and operational disruptions through the year
- At an EBITDA of ₹9,842 crore for FY 2020-21, the business posted an all-time high profit, driven by the gradual rebound of revenue streams, judicious cost management initiatives and boosted by higher investment income
- The thrust on expansion and transformation continued particularly on strengthening omni-channel and digital platform capabilities and scaling up New Commerce
- As operating curbs were progressively lifted, new store openings resumed with 1,456 stores being added. This notably would be amongst the highest offline expansions undertaken by any retailer across the world in the COVID constrained context
- The total store count stood at 12,711 covering 33.8 million sq.ft. at the end of the year
- The business continued to attract and serve millions of customers across the country far and wide. The registered loyal customer base now stands at 156 million, a growth of 25% y-o-y
- The business generated >65,000 new jobs even in a year like this, bringing to life its mission to enhance livelihoods, whilst enabling positive societal impact not just for its employees but the broader ecosystem within which it operates
- In what is the largest fund raise in the consumer/retail sector in India, Reliance Retail raised ₹47,265 crore for a 10.09% stake from marquee global investors
- Reliance Retail ranks 53<sup>rd</sup> in the list of Global Powers of Retailing and is among the fastest growing retailer in the world\*
  - \* As per Deloitte Global Powers of Retailing 2021
- Reliance Retail won two awards at TRRAIN Retail Awards 2020-21
  - Guarded Retail Employees Amidst Turbulence (GREAT) Award
  - HR Initiative of the Year Award won by its Consumer Supply Chain Management business

**>65,000**  
Jobs generated

### DISTRIBUTION OF STORES IN INDIA



## Business Performance

### Consumer Electronics

#### Overview

Reliance Retail is India's largest consumer electronics retailer with an extensive network of 8,600+ stores across 7,000+ towns.

Consumer electronic purchase often necessitates a 'touch and feel' of the product and in many cases involves demonstration, installation, maintenance and after sales service. Reliance Retail operates differentiated store concepts that are centred around 'Service', 'Solution' and 'Consumer Experience' personalising technology for consumers.

The stores house buying guides for discerning consumers simplifying product complexities. Guidance extended by expert store staff makes shopping journey easier for consumers.



#### Differentiated Store Concepts for Consumer Electronics



- Destination consumer electronics store
- Product experience zones
- 300+ national, international brands
- Differentiated value proposition



- Smaller stores offering mobility and communication devices
- Store presence in 7,000+ towns
- Extending reach by catalogue and web-sales



- Full-fledged after sales service arm
- India's first multi-product, multi-brand and multi-location service network
- End-to-end product life cycle support
- ISO certified service organisation

#### New Age Digital Platforms

📄 <https://www.reliancedigital.in/>

- Reliance Digital's online shopping website and app with presence across 1,340 cities
- Fully integrated omni-channel experience
- Extending JioMart to consumer electronics for providing a one-stop shopping solution



- Offering Reliance Digital's assortment through hyper-local fulfilment

#### Competitive Strengths



**Personalised selling backed up by intuitive store designs and industry leading service levels**



**Unmatched delivery proposition enabling delivery within 24 hours of purchase**



**ResQ for solutions encompassing end-to-end product life cycle requirements**



**Strong relationships with all the leading national and international brands**



**Exclusive brand licences and own brand products through Reconnect, JioPhone and LYF**

#### Key Developments

- ▶ Steady progress on expansion with 188 new store openings
- ▶ Activated [www.reliancedigital.in](https://www.reliancedigital.in/), full network of Reliance Digital stores omni-enabled with unmatched delivery service across 19,000+ pin codes
- ▶ Range of offerings across categories under the licensed brands of BPL and Kelvinator were launched and rolled out across general trade, including a foray into the electricals category
- ▶ Reliance Digital has been recognised as India's Only Electronics Retailer Superbrand award for the second consecutive year
- ▶ Reliance Digital won:
  - Gold for 'Digital Marketing Excellence in Social Media' at Digixx Awards 2020 by Adgully
  - 'Social Media App Effectiveness' award at Global Customer Engagement Awards 2020 by ACEF
- ▶ Enabled fulfilment from store inventory with over >95% orders delivered within six hours
- ▶ Broad-based growth across categories: laptops and tablets, high-end televisions, air care and appliances
- ▶ Impactful festive activations, successful campaign around affordability and new product launches delivered growth well ahead of the market
- ▶ Growth led by robust performance in Tier II/III towns

#### Key Highlights

**1,100+**  
Laptops sold every day

**4,000+**  
Installations by resQ every day

**1,600+**  
High-end televisions sold per day

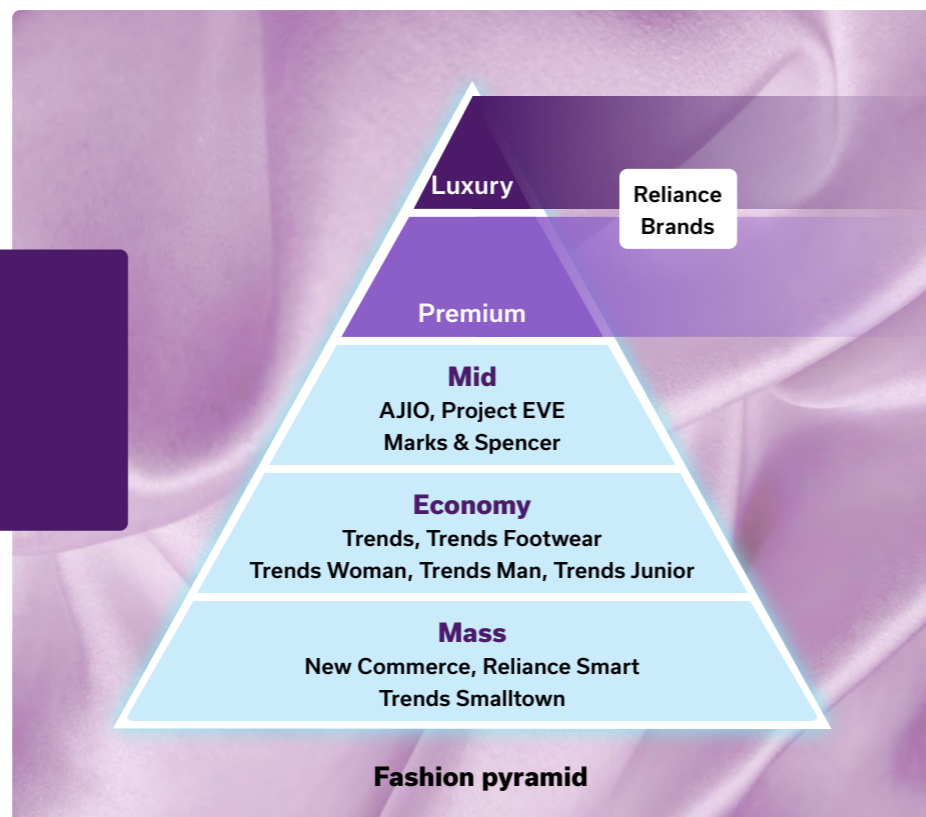
# Business Performance

## Fashion & Lifestyle

### Overview

Reliance Retail is the largest fashion retailer in India with 2,850+ stores across 850+ cities.

It operates multiple specialty store concepts with an extensive portfolio of own and partner brands catering to all consumer segments through value, premium, bridge-to-luxury and luxury. Reliance Retail controls the entire fashion value chain through a vertically integrated operating model which generates fresh fashion across stores on a regular basis.



### Diverse Store Concepts for Fashion & Lifestyle



- India's largest fashion destination
- Strong portfolio of own brands
- Extensions to tap residual market opportunities



- Affordable family footwear store
- Wide range of own brands



- Destination for fine jewellery
- Range of silver, gold, diamond and bridal jewellery
- 100% purity, transparency



- Experiential store with mid to premium positioning
- Caters to entire wardrobe



- Partner to 45+ international brands
- Global experience within India
- Access to affluent consumers



- Global category leader in children's premium toys
- Presence across 17 countries

### Mono brand sites

✔ <https://www.gasjeans.in>

✔ <https://www.hamleys.in>

✔ <https://www.marksandspencer.in>

✔ <https://www.mothercare.in>

✔ <https://www.stevemadden.in/>

✔ <https://www.superdry.in>

✔ <https://www.visionexpress.in/>

### New Age Digital Platforms

#### AJIO

- Online fashion and lifestyle destination
- Nearly 6 lakh options spanning over 2,500 brands
- Curated section AJIO Luxe offers the best of luxury, bridge to luxury and premium brands



- India's most loved furniture brand
- Presence across 20 cities and 11 experience centres



- Offering Trends assortment through hyperlocal fulfilment



- Offers solutions for every stage in a woman's life
- Delivering across 1,900+ cities, 65 stores

### Competitive Strengths



1

#### Robust design and sourcing capabilities

Strong insights of diverse tastes and preferences across regions



2

#### Fastest growing store network

100+ stores launched on an average every year for the last 14 years



3

#### Strong own brand portfolio

Own brands contribute >75% of Trends revenues and >60% of footwear revenues



4

#### Partner of choice for global brands

Portfolio of over 45+ exclusive esteemed international brands



5

#### Unrivalled integrated omni-channel play

1,000+ stores catering to both instore and online orders

### Key Developments

- ▶ Launched 600+ new stores, highest among any fashion & lifestyle retailer globally

#### Apparel and footwear

- ▶ Augmented omnichannel capabilities to 500+ cities under Trends umbrella
- ▶ Buoyant revenue led by higher conversion and bill values
- ▶ Business recovery driven by strong in-store execution, freshness and impactful activation
- ▶ Curating product portfolio relevant to emerging trends drives category performance
- ▶ Further strengthened own brands portfolio with continued launch of brands
- ▶ Trends assortment now live on JioMart with direct from store shipment at >3,000 pin codes

#### AJIO

- ▶ Revenue run rate up 4x over previous period along with improvement across customer and operating metrics

### Key highlights

**180+** million Units of apparel & footwear sold

**2.9** million Kurtas sold per month

#### Fashion & Lifestyle New Commerce

- ▶ Significant scale up in business across merchant base, brands, sellers and product offerings. Geographic coverage extended to 2,265 cities

#### Jewels

- ▶ Competitive performance backed by impactful activations and launch of affordable light weight jewellery
- ▶ Design capability coming to the fore with launch of collections across the year
- ▶ Received the 'Most Admired Emerging Retail Brand of the Year' award at Mapic India Retail Awards 2021
- ▶ Received 'The Retailer of the Year' and 'Marketing Campaign of the Year' awards at the Business Leader of the Year Awards

#### Partner Brands

- ▶ In luxury and premium brands, digital commerce revenues up 3x over last year
- ▶ Engaging customers by pioneering 'Distance Selling' and impactful shopping events

# Business Performance

## Grocery

### Overview

Reliance Retail is India's largest grocery retailer and operates multiple store concepts – from neighbourhood stores to destination supermarkets and JioMart.

These concepts leverage engaging store experience, trained staff and attractive value proposition to address specific shopping needs of consumers.

Reliance Retail has developed own brands that provide a wide range of quality offerings across various categories such as staples, food FMCG, home and personal care (HPC), and general merchandise.

Over the years, Reliance Retail has made significant investments in developing an end-to-end value chain that is backwardly integrated for fresh foods which enables product quality, supply security and sourcing efficiencies. This has resulted in win-win partnerships with producers.

Through its New Commerce initiative, Reliance Retail is linking producers with small merchants and consumers to create a win-win partnership model. The New Commerce footprint is being expanded from 33 cities at present, with investments in supply chain and technology, to make Reliance Retail a trusted partner for millions of merchants across the country.

### Differentiated store concepts for Grocery



- Gourmet retail chain



- Destination supermarket store
- Serves food and non-food needs
- Everyday low-price strategy; savings promise



- Neighbourhood multipurpose store
- Blending physical and digital – endless aisle, e-kiosks and digital services

### New Age Digital Platforms



- India's widest footprint hyperlocal grocery delivery platform
- 200+ cities
- Integrated with stores to offer seamless customer experience



### Competitive Strengths



#### 1 Robust value chain

Pan-India collection, processing and distribution centres



#### 2 Omni-enabled network at scale

Largest network of stores and digital commerce channels



#### 3 Strong own brand portfolio

Wide portfolio of own brands across staples, consumer products and general merchandise



#### 4 Winning partnerships with brands

Preferred retail partner for new brand launches, promotions, exclusive launches and activations



#### 5 Hyperlocal digital strategy

Serving customers and merchant partners through unique fulfilment model

### Key Developments

- ▶ Rapid expansion with 600+ new stores rolled out
- ▶ Business continues to leverage brand partnerships for exclusive launches, events and activations
- ▶ Launched and rapidly scaled JioMart, India's largest hyperlocal platform. It continues to gain traction across regions with Tier II and Tier III cities contributing over half of orders
- ▶ Emerged as a trusted partner for customers and merchants during the lockdown with enhanced safety and hygiene standards
- ▶ Strengthened own brands portfolio with new product launches across staples, processed foods, HPC and general merchandise categories through the year
- ▶ Leveraged own supply chain network and worked closely with vendors and producers to ensure timely availability of products despite pandemic-led disruptions
- ▶ JioMart kirana service now active in 33 cities, launched self-onboarding application, aiding rapid merchant additions
- ▶ Snactac Mixed Fruit Jam and Scrubz were ranked #1 in their respective categories by Consumer Voice magazine in FY 2020-21
- ▶ Market-leading performance, driven by essentials (staples) and processed foods

### Key Highlights

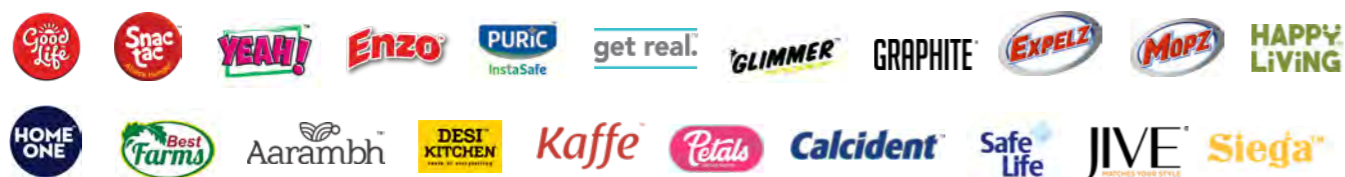
**2.9** million Units of groceries sold per day

**1,800+** MT Fruits, veggies and staples sold per day

**>50%** Share of fruits and veggies in modern trade



### Own Brand Portfolio Across Staples, Processed Foods, Home, Beauty and Personal Care



## Pharmacy

Reliance Retail forayed into pharmacy retail during FY 2020-21.

It aims to lead the category by pioneering an omnichannel pharma strategy encompassing physical stores, digital platform Netmeds.com, and partnerships with connected local pharmacies. This integrated and inclusive offering will enhance accessibility and affordability of medicines for Indian customers.



### Key Developments

- ▶ 114 pharmacies operationalised
- ▶ Strengthened pharmacy digital platform capabilities through acquisition of Netmeds

## Connectivity

Reliance Retail works as the master distributor for Jio connectivity services. The distribution network comprises of 8,200+ Jio stores and a vast network of retailers across the country for new customer acquisitions and recharges.

Jio Stores provide customers best-in-class service of activations, recharges, devices availability and after sales service.

In addition, in order to enhance seamless customer recharge and activation experience, the business has created a unique entrepreneur model by onboarding over 1.6 million Jio Associates who help customers to remain connected at all points in time.

To keep friends and family safe, business is encouraging digitally savvy customers to recharge online on their own and stay home, stay safe and stay connected. Business has also enhanced the technology solution/architecture to improve recharge experience on its online partner platforms.



## CASE STUDY

### Diversity and Gender Equality

**Gender equality is not just about hiring or training women at Reliance Retail, but also a part of its commitment to empower women. Today, women constitute 23% of Reliance Retail's store workforce. However, it has been observed that women representation at managerial levels drop significantly due to life stage events and other factors.**

To develop young women leaders and augment their career path, Reliance Retail launched WE Women Leaders, a focused intervention for high-potential women at managerial levels. The programme instilled greater confidence and understanding of leadership styles among the participants while enhancing their capabilities to take on bigger responsibilities.

Today, women managers run more than 250 Reliance Retail stores, which score higher on several parameters including hygiene standards, discipline and working conditions.



**Aditi Anand**

*"What stood out for me was that the workshop was attended by intelligent women within our organisation and the interactive nature of the session not only highlighted this respect, but also allowed us to get to know each other. The training and tasks helped a lot in self-realisation".*



## CASE STUDY

### Driving Inclusive Development Agenda

**To promote inclusive and sustainable growth, Reliance Retail identified a talent pool from the marginalised sections across rural and urban regions to provide employment at its Fashion & Lifestyle stores.**

It has partnered with 24 NGOs such as Unnathi, Leonard Cheshire, APD, Sarthak and Pankh to provide them vocational training, increase their employability, and also recruit successful candidates post completion of course modules.

The business is recruiting around 600 associates every month through these institutions. The programme has so far provided 7,000 people a career, enabling social and financial freedom.

**600**  
Associates recruited every month through partnerships with NGOs



CASESTUDY

## Empowering Frontline Staff to Serve Consumers During the Pandemic

Reliance Retail's Learning & Development (L&D) team deployed various digital tools to deliver multiple training sessions, including Virtual Instructor Led Training (VILT) workshops, for the frontline staff.

To support JioMart hyperlocal solution, two vital applications – UROVO and GRAB – were implemented. Within a month, 7,500 associates were trained on the UROVO application and 5,000 delivery partners underwent the GRAB training through digital tools like JioMeet/MS Teams.

Reliance Retail also aggressively hired frontline employees. Of the total 65,000+ new hires, 53,000+ were freshers. Training interventions, induction and role-readiness programmes were deployed on a massive scale to make them job-ready in the shortest possible time. It also hired and trained 15,000 delivery partners.

At Reliance resQ, we make sure that each one of our service technicians goes through a 144-hour in-depth training, followed by rigorous assessment and certification process. We have built five fully equipped Regional Training Labs across the country at all major cities and are in the process of building the sixth.



CASESTUDY

## Ensuring Safety and Well-being of Employees and their Families

Reliance Retail understood the impact the pandemic can have on the physical and mental health of its employees and proactively stepped up efforts to ensure their well-being.

### Physical well-being

- Hospital tie-ups to ensure proper medical care for employees and their families
- Physical distancing, staggered shifts, sanitising stations, distribution of PPE suits, face masks, gloves, face shields and sanitisers
- Rigorous awareness drive undertaken, including extensive safety and hygiene training for frontline employees and service partners
- Awareness campaigns for Emergency care – REFERS, Jio Health Hub
- Antibody test administered to over 50,000 frontline employees
- Prophylactic medicines provided to 43,000+ frontline and supply chain staff

### Mental well-being

- Rolled out 'Spring' – a series of workshops on positive thinking habits and wellness
- Organised online yoga sessions, Zumba classes, Drum and Jam, and counselling workshops to reduce stress
- 'Sampark' initiative – calling each employee at least once a month to boost morale

Initiated vaccination drive for employees and their families

**3,50,000+**

Staff and service partners undertook COVID-19 Symptom Checker Survey daily

## COVID-19 response

### Navigating the Situation While Future-Readying the Business

Navigating the Situation

Securing our employees

Securing availability for our customers

Securing our store operations

Securing supplies across the ecosystem

Future Readying

Enhancing safety & hygiene standards

Accelerating roll-out of JioMart New Commerce

Strengthening Digital Commerce and Omnichannel capabilities

Developing Own Brands portfolio in keeping up with emerging trends

Broad-based decisive actions taken to secure and recover business



## Outlook

Reliance Retail has charted out its growth path to become a leading top league global retailer. With a view to serving and delighting its customers far and wide, in the near term the business will focus and drive the following five key strategic thrusts:

- Develop supply side ecosystem and invest in design, product development and sourcing
- Leverage broader India retail opportunity through continued store expansion
- Scale up digital platforms across businesses, led by JioMart
- Onboard merchant partners across categories and geographies
- Build new businesses, segments and own brands

To support this, the business will look to establish an extensive supply chain network, leverage technology backbone and build talent and organisation for a world-class retail enterprise.

# Digital Services



**Jio was conceived to democratise digital services and drive technology revolution in India. Jio is committed to enhance customer experiences and make India a premier digital society.**

## Highlights FY 2020-21

<b>REVENUE</b> ▲ 29.7%	<b>EBITDA</b> ▲ 45.8%	<b>DATA TRAFFIC</b> ▲ 28.9%
<b>₹90,287</b> crore	<b>₹34,035</b> crore	<b>62.5</b> billion GB

Jio has revolutionised the digital landscape of India, fast-tracking the adoption of digital life and furthering the vision of Digital India for 1.3 billion Indians.

In growing its ecosystem to make India the world's premier digital society and economy, Jio is not just enhancing the experience of its existing 426 million customers, but is also accelerating the transition towards digital for the next 300 million mobility users, 50 million homes and 50 million micro, small and medium businesses. Jio's impact on internet usage in India has been termed the 'Jio effect'.

Jio provides best-in-class next-generation network, devices, applications, content, service experience and affordable tariffs for every citizen of the country. A key catalyst in broadband data proliferation, it is ranked the #1 mobile telecom operator in the country by both Adjusted Gross Revenue (AGR) and subscribers. It has been recognised by Brand Finance as the 5<sup>th</sup> strongest brand globally.

Together with the investors in Jio Platforms Limited, partners

across promising Indian start-ups and globally renowned technology companies, Jio is set to drive the next leg of hyper growth for digital businesses. Harnessing the world's best tech capabilities, it is determined to provide world-class fixed-wireless converged connectivity network, complemented with disruptive digital technology platforms for entertainment, commerce, communication, finance, education and health, to improve the life of every citizen of the country.

**426.2** million  
Subscribers

**Over 5** Exabytes  
Data traffic carried by Jio network per month

### Vision

Jio remains committed to connecting everyone and everything, everywhere – always at the highest quality and the most affordable price. Jio also strives to build technology enabled product platforms for a Digital Society – leveraging Indian technical expertise to serve global enterprise markets.

### Mission

- Connectivity for every Indian
- Superior customer experience
- Affordable data
- Best-in-class digital solutions and platforms

## Strategic Advantages and Competitive Strengths

Combining its domain expertise across business verticals with the latest cutting-edge technologies in the platform company, Jio will provide world-class connectivity and digital solutions across business verticals and customer life cycle.



### Coverage

With 99% population coverage, Jio's reach is more extensive than the overall 2G coverage, extending to almost every nook and corner of India. More than 250 million people in the country have Jio as the only provider of broadband services. Jio's network is backed by a pan-India 4G spectrum and the best fiber and tower infrastructure.



### Data

Jio's network carries over 5 exabytes of data per month, among the highest globally with average per capita data usage of over 13 GB in the last quarter.



### Agility

An agile business model has helped Jio reduce time to market, scale efficiently and adapt quickly in an orderly manner.



### Quality

Unmatched network experience, consistently achieving the highest speeds in India since launch. LTE network provides best-in-class customer service, easy app-based customer interaction for recharge and query resolution, and AI-based bots ensure seamless onboarding and service experience.

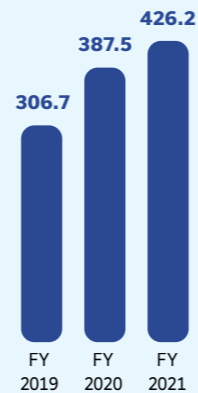


### Affordability

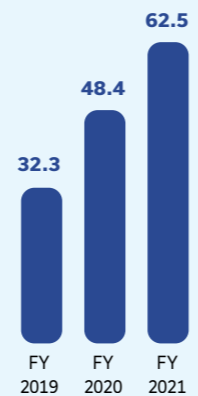
Affordable and simple pricing plans, made possible by superior technology-based operating efficiencies has led to large-scale adoption of Jio services.

## Performance Summary

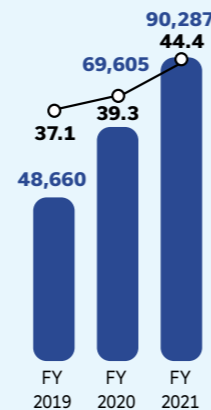
### SUBSCRIBERS EoP (million)



### DATA TRAFFIC (billion GB)



### REVENUE & EBIDTA MARGIN



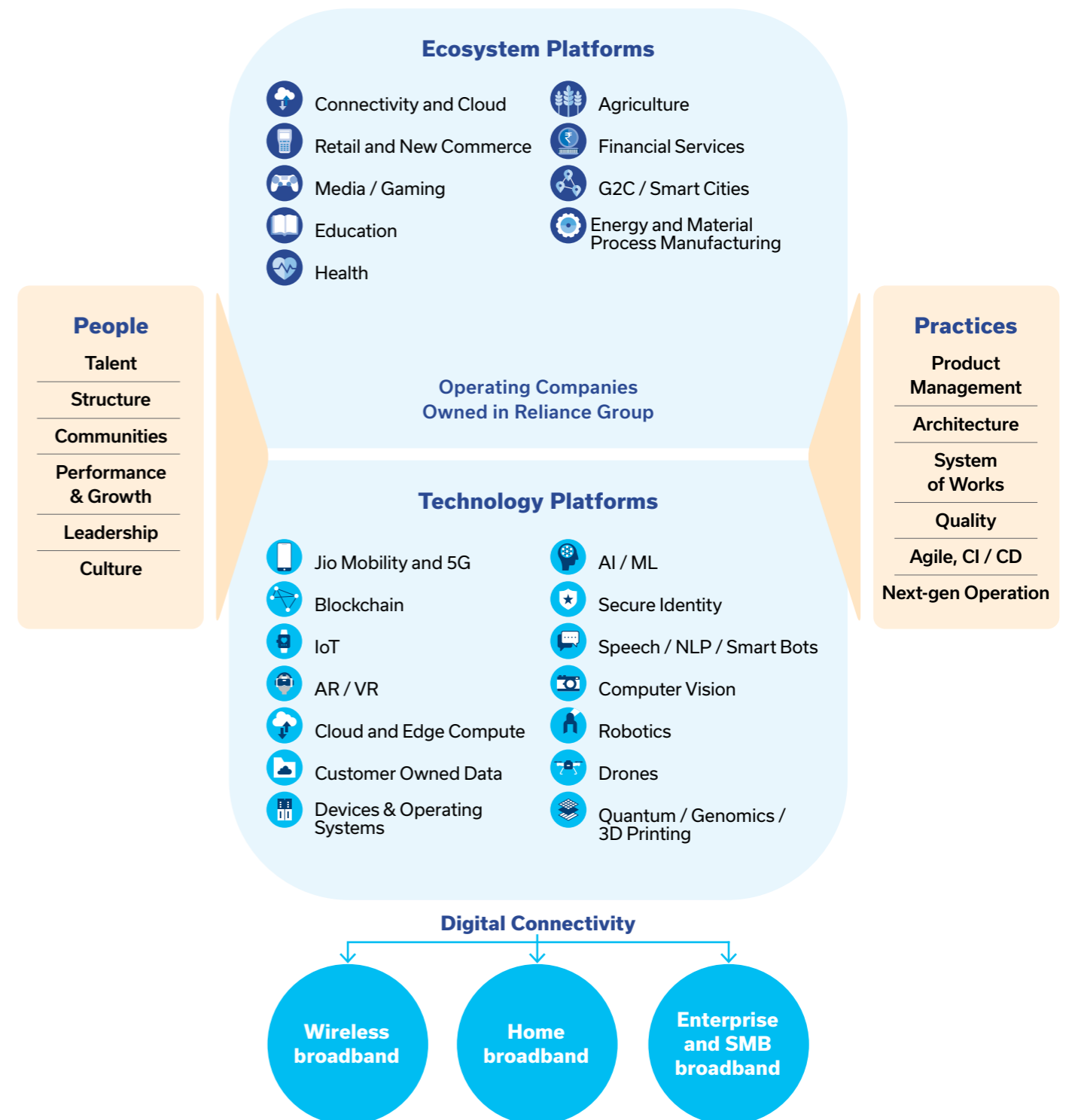
● Revenue (₹ crore)  
● EBITDA Margin (%)

## Operating Framework

### Comprehensive Ecosystem Approach on the World's Leading Technology Platform

Jio has made over US\$50 billion investment since inception to create the largest and the most advanced digital and connectivity ecosystem in India, with a rich bouquet of successful apps and platforms. Jio has built sufficient network capacity for the next 300 million mobile broadband subscribers, over 50 million fiber homes and 50 million micro, small and medium businesses.

Reliance's Digital Society Vision is built on the core thesis of the transformative power of data combining connectivity as an enabler with digital platforms across industry verticals.





## Highlights FY 2020-21

Jio Platforms Limited completed fundraising of ₹1,52,056 crore across 13 global marquee investors



Commercial partnerships with global tech companies, Facebook and Google, to provide 'made for India' solutions for digital commerce and devices

Launch of JioBusiness with a rich suite of services and differentiated bundled offerings combining wireline and wireless connectivity for enterprises

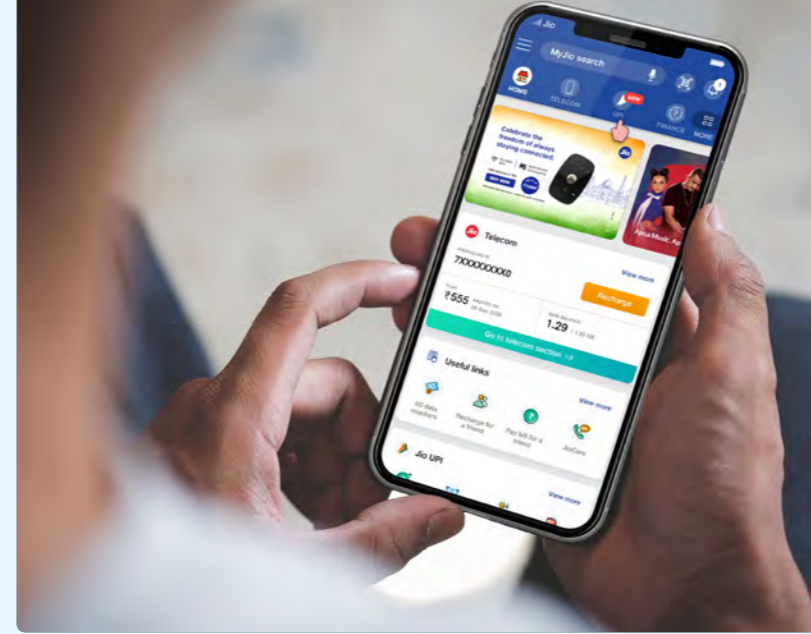
Expansion of addressable market for JioFiber services with the launch of connectivity-only plans for first-time wired internet users



Launch of multiple digital platforms like JioMart, JioMeet, JioHaptik, JioPOS-lite, JioGames, JioUPI and JioHealthHub, which were key enablers of work from home, learn from home, health from home and shop from home during the COVID-19 crisis

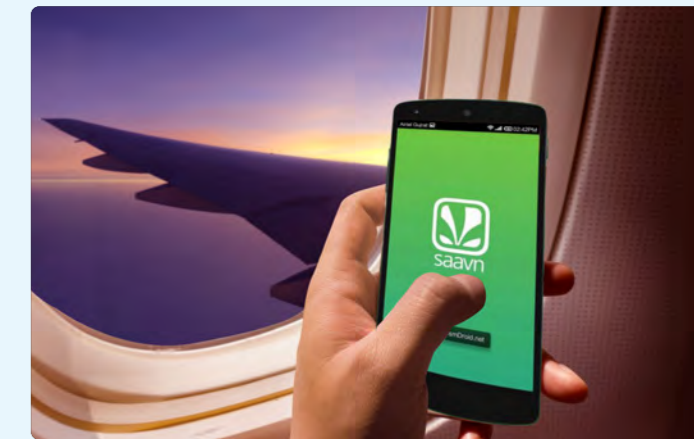
Introduced first-of-a-kind, long-term value JioPhone plans to accelerate the transition from 2G to 4G

Jio enhanced its spectrum portfolio by 56% to 1,732 MHz during the year through acquisition of spectrum via the auction conducted by the Department of Telecom in 2021 and spectrum trading agreement with Bharti Airtel



Jio became the first operator outside China to cross the 400 million subscriber milestone in a single country market; the subscriber base at the end of FY 2020-21 was 426 million

Completed testing of indigenously developed end-to-end Jio 5G Radio and Core Network Solution for a self-sufficient and cost-effective rollout in the near future



Revamped post-paid offerings with the launch of JioPostPaid Plus, providing best-in-class plans across connectivity, international roaming, content bundling and in-flight connectivity

## Industry Overview

### Increasing 4G Penetration

The proliferation of 4G networks in India since Jio's launch across urban and rural India has resulted in over 700 million subscribers for network operators, including Jio. Deeper rollout of 4G-LTE networks has meant increased mobile internet penetration in rural areas to 35% versus 13% at the time of Jio's launch. Increasing network coverage, affordable tariffs, improving device ecosystem and affordability, and new use cases should continue the transition of over 300 million 2G feature phone users to 4G over the next 12-18 months.

### Towards 2G Mukh Bharat (2G Free India)

Since its launch in 2017, JioPhone has upgraded over 100 million users to the digital network, but without a device ecosystem and affordable 4G devices, millions of 2G subscribers are still unable to access the basic features of internet and digital applications. JioPhone (marketed by Reliance Retail) has been instrumental in bridging this digital divide by providing affordable technology in the hands of every Indian. Further, Jio and Google have agreed to jointly develop an entry-level affordable smartphone that will help unlock the true potential of the Digital India movement.

### Exponential Growth of Data Usage

Improving broadband network penetration, device and services affordability, and new use cases for digital have caused a 33% increase in data usage across the country over CY 2020 (99 exabytes of data usage in India during 2020). Mobile data usage in India is expected to quadruple to over 35 exabytes per month by 2026 with 1.2 billion smartphone users (Ericsson Mobility Report 2020) Jio, with its affordable data plans, has been the primary driver of data boom in India over the past three years.

### IUC Regime for Domestic Voice Call Ends

Following the industry's transition from Interconnect Usage Charges (IUC) to Bill and Keep (BAK) regime on January 1, 2021, Jio honoured its commitment to make off-net domestic voice-calls free as soon as IUC charges were abolished. On-net domestic voice calls have always been free on the Jio network. The transition to BAK regime is expected to hasten the adoption of more efficient technologies like VoLTE, which have a negligible cost for carrying and servicing essential voice services.

### Enhancement of Spectrum Footprint

Following the acquisition of the right to use spectrum in all 22 circles across India in the March 2021 auction held by the Department of Telecommunications of India, Reliance Jio Infocomm Limited (RJIL) has completely de-risked its spectrum portfolio. Subsequently, Jio has also signed a definitive agreement with Bharti Airtel Limited, for trading of right-to-use spectrum in the 800 MHz band in Andhra Pradesh, Delhi and Mumbai circles. Post the spectrum auction and the trading agreement with Bharti Airtel Limited, Jio has expanded its spectrum footprint by 56% to 1,732 MHz. It now has the highest amount of sub-GHz spectrum with 2X10 MHz contiguous spectrum in 18 out of the 22 circles. It also has at least 2X10 MHz in 1,800 MHz band and 40 MHz in 2,300 MHz band in each of the 22 circles.

With the enhanced contiguous spectrum footprint and pan-India infrastructure, RJIL has increased network capacity to serve both its existing and potential subscribers. The acquired spectrum, with an average life of 15.5 years, can also be utilised for transition to 5G services at an appropriate time in places where Jio has developed its own 5G stack.

**56%**  
Increase in RJIL's spectrum footprint

**Highest**  
Amount of sub-GHz spectrum



JioFiber has been the lifeline of over 2.5 million homes enabling **work from home, learn from home and health from home.**

### Digital Connectivity for Homes

The sub-optimal wireline infrastructure, which has suffered due to decades of low investments, has resulted in poor wireline penetration across homes (<10%) making India a laggard in fixed broadband services. Fiber penetration is even lower with most fixed broadband running on legacy copper-based infrastructure. Jio looks at Fiber to the Home (FTTH) services as a significant greenfield opportunity to connect 50 million homes across 1,600+ cities in India. Its extensive intracity fiber network, last mile execution, seamless customer experience along with an attractive bundling of digital content and smart home IoT solutions would be key differentiators.

Poor infrastructure is also making it difficult for India's >150 million pay TV homes to transition to nonlinear content consumption. JioFiber

services bundle high-speed internet connectivity, content and fixed line voice in a single affordable plan. The quality of the JioFiber network and Jio Set Top Box allows seamless streaming and consumption of content, creating further use cases for IoT, commerce, education, healthcare and gaming, among others. Today, JioFiber is the lifeline of over 2.5 million homes enabling work from home, learn from home and health from home.

**2.5+** million  
Homes connected by JioFiber services till March 2021

### Next-generation Digital Solutions for Enterprises

Jio has a targeted approach and differentiated offering for large enterprises and Medium, Small and Micro Enterprises (MSMEs) with

the bundling of best-in-class fiber connectivity and digital solutions. Its vertical-specific digital solutions are likely to help expand telecom operators' share in enterprise Information Communication Technology (ICT) spend within the country, with its unique value proposition being augmented by the comprehensive, long-term partnership with Microsoft for its Azure Cloud Services and Productivity Suite (Microsoft 365 with Office Apps, Outlook Email, One Drive and Teams).

MSMEs, considered to be the bedrock of the Indian economy, lack access to integrated digital services and the knowhow to adopt. JioBusiness is bridging this gap by providing enterprise-grade voice and data services, digital solutions and devices to small businesses which would make them efficient, competitive and propel India's march towards a new Atmanirbhar Digital India.

## JioBusiness – Enterprise-grade Bundled Offering

 <b>JioMeet</b> - Video conferencing	 <b>Microsoft 365</b> - Efficient communication and collaboration with Office Apps, Email and Teams	 <b>JioAttendance</b> - Employee attendance, locations and working hours management	 <b>Fixed Mobile Convergence</b> - Simultaneous ringing and seamless swapping between mobile and landline	 <b>Jio Centrex</b> - Communication and calling with multiple voice lines and FMC
 <b>Jio TV Plus</b>	 <b>Toll-free</b>	 <b>High-speed Internet</b>	 <b>Boost360</b> - Digital presence across social media website build and e-commerce	 <b>Devices</b> - Digital Prime Membership including discounts, extended warranty and onsite support



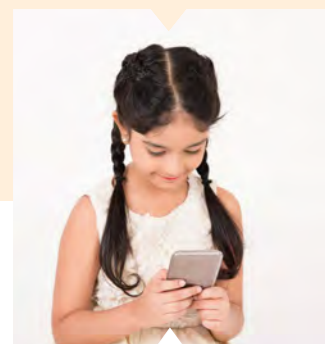
JioPhone has been instrumental in eradicating the digital divide by providing **affordable technology in the hands of every Indian.**

## Emerging Trends and Business Response

### Emerging Trends

#### 2G to 4G transition

Transition of 300 million 2G feature phone users to digital networks



#### Increasing FTTH penetration

Rapidly increasing demand for high-speed fiber backed internet at homes



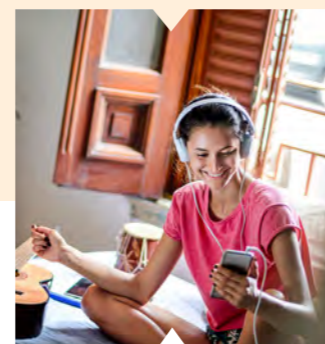
#### Digitisation of MSMBs in India

Integrated fiber connectivity and digital solutions for 50 million MSMBs



#### Growing ecosystem of B2C applications

Proliferation of broadband connectivity drives adoption of digital applications



### How Jio is responding

Jio has been offering a unique bundling of device, connectivity and content for its JioPhone users which has a subscriber base of over 100 million

JioFiber services offer best in class digital connectivity for home with unlimited data, content and smart home solutions

JioBusiness is now offering enterprise grade connectivity and easy to use digital solutions in collaboration with our partners

Jio has built a suite of solutions and services across entertainment, commerce, communication, finance, education, games and health

## Performance Update

Digital Services reported another year of strong revenue and EBITDA growth in FY 2020-21 on the back of continued increase of wireless subscribers and modest growth in wireline services subscriptions. Customer engagement on the Jio network remained healthy across data and voice services, with video accounting for 70% of data usage. Jio led subscriber growth in the country with gross addition of 99 million. Gross revenue of ₹90,287 crore on a year-end subscriber base of 426 million and EBITDA margin of 44.4% attest to the execution capability of the Digital Services team.

### Financial Performance

(In ₹ crore)	FY 2020-21	FY 2019-20	% change y-o-y
Value of services	90,287	69,605	29.7
Revenue from operations	76,642	59,407	29.0
EBITDA	34,035	23,348	45.8
EBITDA margin* (%)	44.4	39.3	
Subscribers EoP (million)	426.2	387.5	
Data traffic (billion GB)	62.5	48.4	

\* EBITDA Margin is calculated on revenue from operations

### Key Performance Indicators for the Quarter Ended March 2021

**₹138.2\***  
Average Revenue Per User (ARPU)

**16.7** billion GB  
Total data consumption

\* Per User Per Month

**13.3\*** GB per user  
Average data consumption

**823\*** VoLTE minutes per user  
Average voice consumption

## Business Performance

### Digital platform suite becomes the lifeline of millions during the pandemic

Jio has been a pioneer in launching media and entertainment applications in the country. Its rich suite of applications and tools encompassing general entertainment, movies, music and news is available to every subscriber of the Jio network. MyJio, an industry first self-care application, has become a gateway for all digital solutions under the Jio umbrella.

**Leveraging its technology investments and customer engagement, Jio has indigenously developed and launched new consumer applications and use cases.**

### JioMart

JioMart is an Indian online grocery delivery service launched in May 2020 across 200 cities and town. Customers can access JioMart through website, native apps on Android and iOS, with full integration into MyJio. The platform has expanded into selling apparels and electronics in some parts of the country. JioMart has scaled up rapidly, with more traffic, active users and orders. Kirana partnerships are being expanded, reaching over 33 cities by the end of March 2021.

**200**

Cities and towns served by JioMart



### JioMeet

JioMeet is a made-in-India multimedia collaboration tool that supports end-to-end encryption (credentials, signaling, voice, video and content flows). The platform allows unlimited participants and session time across all categories of users with a cloud-ready architecture that has been integrated with enterprise domains for secure video/audio conferencing. The robustness of the solution was evident when 3,00,000+ attendees met on JioMeet during the 43<sup>rd</sup> RIL virtual AGM.

**3,00,000+**

Attendees connected through JioMeet at the 43<sup>rd</sup> RIL AGM





Haptik is an AI assistant platform that uses natural language processing technology. It enabled MyGov Corona Helpdesk, India's official WhatsApp chatbot helpline, to address FAQs on COVID-19. Over 30 million citizens used it during the lockdown. MyJio Virtual Assistant, powered by Haptik, handled over 5 million conversations and resolved 1.8 million queries for Jio users during the pandemic.

**30+** million  
Citizens used Haptik during the lockdown

**EasyGov**

Jio's Government to Citizen (G2C) platform has transformed the digital experience for 350 central and state government welfare schemes (PAN card, caste certificate and income certificate). Apart from spreading awareness about the PM Garib Kalyan Yojana (Government of India's coronavirus relief scheme), 14 million eligibility checks for the Atmanirbhar Bharat Abhiyan and other schemes for migrant labourers and farmers were carried out on the platform.

**14** million  
Eligibility checks carried out through EasyGov for government schemes

**JioUPI**

Pan-India rollout of BHIM UPI on MyJio was done during the year. This provides functionalities like hassle-free Payments to Merchants (P2M) – both online and in-store – as well as peer-to-peer (P2P) recharges and bill payments with personalised dashboard for every customer, based on spending patterns and behaviour.

**Hassle-free Payments to Merchants**



**E-learning Solutions**

Jio's ed-tech platform, Embibe, is in advanced stages of development. Meanwhile, Jio has launched over 65 educational channels on JioTV, with national and state-specific content, in collaboration with the MHRD, NCERT and seven state governments. Education-related podcasts across 1,100 titles are being streamed on JioSaavn. The Jio Set Top Box provides access to 21 education-related applications.



This application provides a convenient alternative channel for subscribers to recharge, purchase a new connection or port into the Jio network. This P2P recharging application has had a very healthy traction and minimised the impact of the lockdown on the recharge cycle of Jio subscribers.

**Technology Augments the Next-generation Digital Platform**

**MyJio**

Jio's first-in-the-industry self-care app has been the digital companion to the entire user base and is the most used and downloaded application in its category. This is a highly scalable and resilient platform that is powered by Jio's inhouse AI/ML services. The various unique functionalities of the platform are:

- Unified identity and profiling system across channels, apps and devices, which is enhanced based on usage patterns and behaviour
- Deep widget-based integration of other applications from the Jio ecosystem which can be modified due to a highly configurable and modular design. Single discovery point for various apps, features and modules with no additional downloads
- Contextual and targeted notifications based on customer usage and preferences
- Universal search and cart with text and voice bot, order history and tracking
- Comprehensive payments module including Jio's own Payment Service Provider (PSP) framework for in-app UPI-based payment

**JioSTB**

The hybrid Set Top Box (STB) provided to JioFiber customers is the entertainment hub that uses a self-developed JioOS platform. This provides an unparalleled TV experience to Indian home based on cutting-edge technology that includes:

- Virtual assistant across multiple, native Indian languages with speech recognition and conversational skills
- User analytics-based recommendation engine based on market and promotional trends
- User-selected profile creation with content permissions, watchlists and reminders
- Integrated JioHome App with soft TV remote, soft gaming controller and ability to integrate personal cloud on TV
- Targeted ads based on user analytics across multiple ad formats
- Indian customer focused curated app ecosystem including media and entertainment, education, health and real-time video communication

**Network Management**

Jio network is based on a disaggregated, cloud native data lake platform which uses Machine Learning as a Service (MLaaS). This facilitates network automation with use cases such as:

- Finding anomalous network pattern to create reports and alerts
- Proactive root cause analysis and resolution before a network symptom affects operations
- Operational insights, data binding and correlation without writing a single new line of code
- Auto triggering of workflows and task assignments with AI to automate the workflow

**Call Centre Automation**

During the COVID-19 pandemic and lockdown, Jio seamlessly transitioned its call centre operations to its inhouse developed Call Centre Automation Platform. This is entirely mobile based which allowed 100% migration of the 6,000+ call centre agents to a distributed work from home framework.

**Innovation across Technology Platforms**

Since its inception, Jio has strived to lead innovation in India across network technology, platforms and consumer services. It has a large inhouse R&D team with over 8,000 technical and research professionals working across software and hardware engineering, networks, big data, AI, ML, system integration and performance engineering, information security and product management. The pool of talent also includes domain experts across retail, e-commerce, manufacturing, financial/banking, media, healthcare and technology experts across 5G, mixed reality, blockchain, IoT, vision and speech.

Till date, Jio has been granted 371 patents across multiple jurisdictions for the pioneering initiatives it has undertaken. In FY 2020-21 alone, the Company filed for 38 patents and was granted 40. Among the key technology areas covered by these patents are Quantum Blockchain Network Technology, Quantum SON, Deep Learning Applications in Health & Agriculture and AI Industrial IoT Automation.

**40**  
Patents granted to Jio in FY 2020-21

**37.9** million  
Subscribers added

**13.3** GB  
Average data consumption per user per month during the quarter ended March 2021

**62.5** billion GB  
Total data traffic



CASE STUDY

## Jio 5G – Empowering India’s journey towards self-reliance

**India is at the forefront of the global digital revolution. Jio is accelerating the rollout of digital platforms and indigenously developed next-generation 5G stack, making it affordable and available everywhere.**

Jio and Qualcomm, along with JPL’s wholly owned subsidiary, Radisys Corporation, have developed an open and interoperable interface-compliant architecture-based 5G solution with a virtualised RAN (vRAN), which will accelerate the development and rollout of indigenous 5G network infrastructure and services in India. The 5G RAN Platform has crossed the 1 Gbps milestone on the Jio 5G core network and 5G smartphones. This achievement not only testifies to Jio’s 5G credentials, but also signifies the entry of Jio and India into the gigabit 5G NR product portfolio. Additionally, the in-house development

of Multiple-in Multiple-out (MIMO) and indoor 5G small cell is at advanced stages. Radio frequency capacity and coverage planning are also underway based on 4G data traffic profile. Work is also ongoing on standardising 5G device configurations by collaborating with Original Equipment Manufacturers (OEMs).

With 5G technology, Indian subscribers will experience the benefits of higher data rates, low latency communications and enhanced digital experiences across a wide array of connected devices, from 5G-enabled smartphones, enterprise laptops and AR/VR products to vertical IoT solutions.

**1+ Gbps**  
Milestone achieved by Jio and Qualcomm’s 5G RAN Platform



## COVID-19 Response Seamless connectivity through tough times

- During these tough times of COVID-19, Jio’s world-class broadband connectivity solutions across wireless and wireline continue to enable work from home, learn from home and health at home for all Indians.
- Multiple initiatives have been undertaken with a customer-focused approach to ensure minimum disruption in customer service and business.
- Jio has ensured zero impact on network despite minimum staff and COVID-related restrictions due to high degree of automation and network virtualisation.
- Digital initiatives like Jio Associate Programme undertaken over the past year continue to enhance customer outreach and ensure continuity of recharges/services. Services are being taken to customer doorsteps to help with this critical lifeline for customers.
- All this has been achieved with teams practicing and following all COVID-related safety measures and protocols.

**Zero impact**  
Ensured on network



## Outlook

Jio is committed to creating the world’s best digital ecosystem in India, enabling the country to fully realise its socio-economic potential.

It would also enable Jio to generate adequate shareholder returns over the next several decades.

Key pillars of building this digital society would be:

- Best-in-class wireless and wireline data network for all at the most affordable prices
- Digital platforms for media and entertainment, commerce, education, financial services, health, government services, agriculture and more
- Talent pool to build on next-generation technologies such as 5G, Blockchain, AI, IoT and AR

Over the next few years, Jio will focus on creating a robust wireline network across the country, offering high-speed connectivity and a bouquet of digital services to every home and enterprise. Jio is geared up to touch the lives of over a billion Indians through its digital offerings.

# Media and Entertainment



Rahul Joshi



Jyoti Deshpande



Ramesh Damani



The group has successfully dealt with the challenges posed by the COVID-19 pandemic, and posted much improved profitability across all business lines in a difficult year. The connect of our diverse brands with consumers has only grown during this period. Our plans to invest in digital growth and our resolve to excel in television remain constants amidst a dynamic business environment

## Highlights FY 2020-21

REVENUE ▲ 11.8%

**₹5,459** crore

EBITDA ▲ 29.0%

**₹796** crore

TV VIEWERSHIP SHARE

**12.64%**

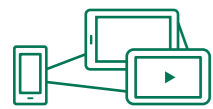
Network18 Media & Investments (Network18) is a pan-India, pipe and screen-agnostic, full-portfolio media and entertainment conglomerate. It has evolved into an ambitious, nimble, digital-first behemoth with consolidated growth engines. Network18 today operates relatively young properties that resonate with media consumers across platforms and socio-economic strata. It has successfully combined corporate sensibilities and processes with start-up-like agility and innovation, intermeshed depth of content and reportage with the breadth of its consumer base, and employed a balanced approach to growth and profitability.

	News	Entertainment
TV		
Digital		

### Vision and Mission

**Network18 aims to be a channel-agnostic provider of top-drawer content across genres, regions and languages. We seek to be India's top media house with unparalleled reach, and touch the lives of Indians across geographies and demographics.**

## Strategic Advantages and Competitive Strengths



### Reach

- 1 in 2 Indians watch Network18 television channels that reach >95% of TV homes in India annually
- 1 in 4 internet users in India access Network18 websites or apps every month, making Network18 group #2 among digital media publishers in India, and among the top 10 globally

**Network 18 is ranked**

# #2

**Among digital media publishers in India**



### Diversity

- 20 domestic TV news channels in 15 languages; digital news in 13 languages
- Full-portfolio entertainment offering that includes 10 regional language TV channels, a film studio renowned for clutter-breaking cinema and a leading OTT platform

**Network18 group offers**

# 56

**Domestic TV channels across more than 15 languages**



### Engagement

- India's largest TV news portfolio, with an 8.9%\* share of viewership; entertainment channels enjoy a 10.2% viewership share
- MoneyControl is the leading Finance app; News18.com is the #2 digital news platform
- Voot is the #2 broadcaster-OTT in the country; with class-leading watchtime/user

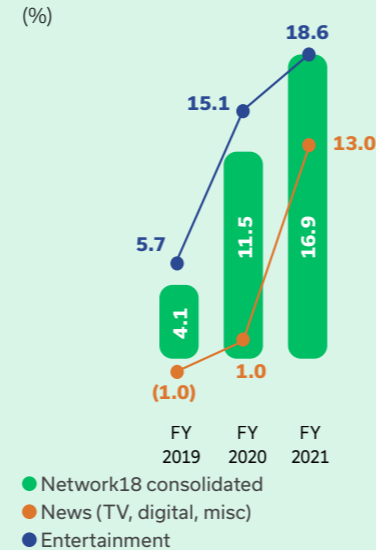
\* for 1H FY 2021 BARC data for News genre was blacked out since November 2020

**Voot garnered**

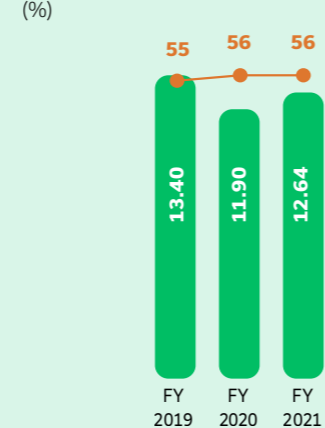
**12 billion minutes Watchtime during FY 2020-21**

## Performance Summary

### OPERATING MARGINS (%)

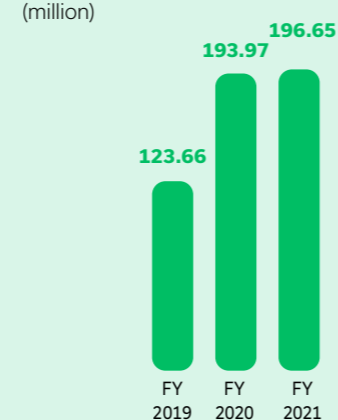


### TV VIEWERSHIP SHARE (%)



● TV viewership share  
● Number of domestic channels  
\* including viewership of associate ETV

### DIGITAL REACH (million)



● Network18 group monthly unique visitors  
Source: Comscore MMX

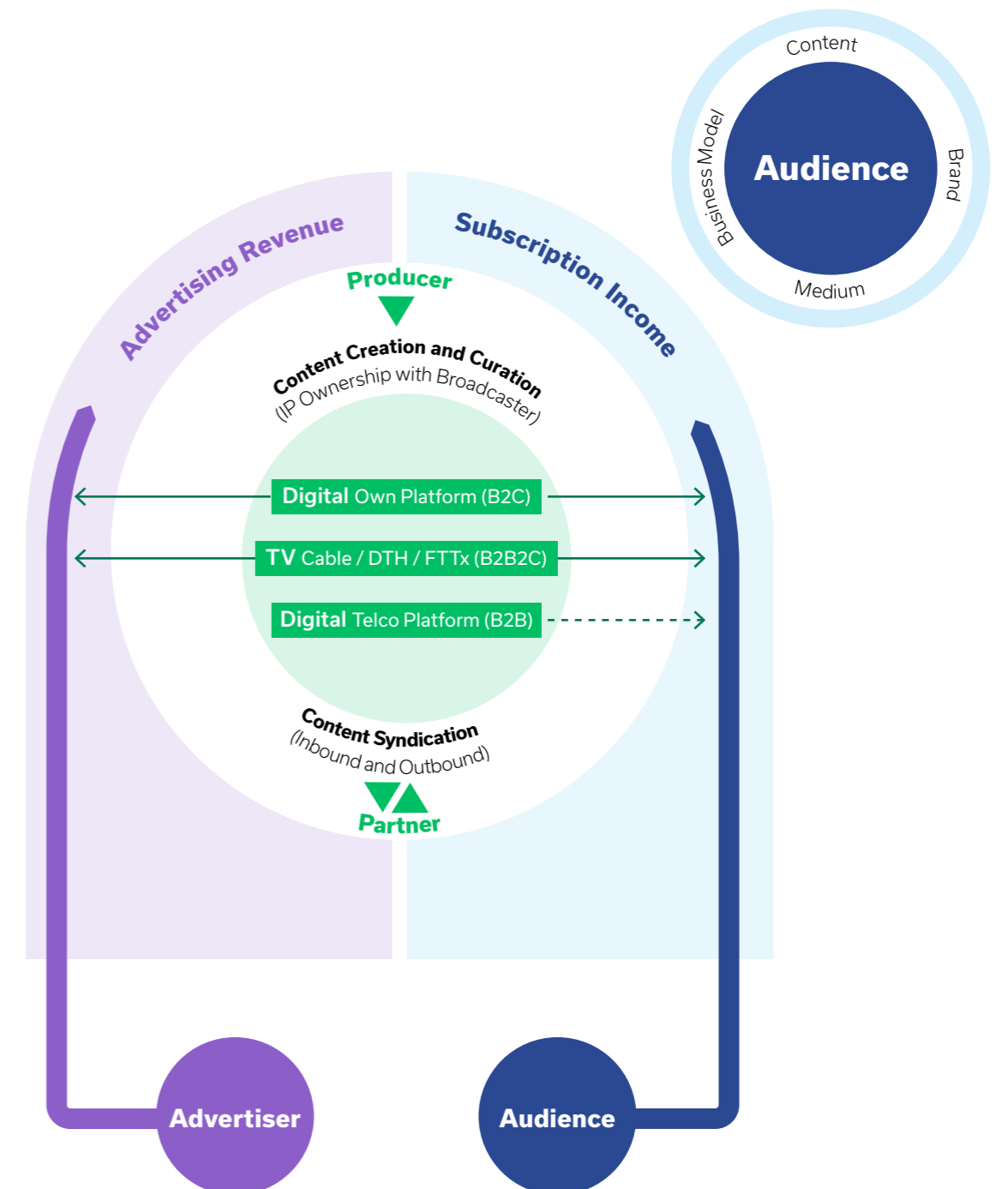
## Operating Framework

Network18's operating model places the audience at its centre and contextualises business models to genres. In the process, it has established a strong connect with viewers through multiple mediums, diverse brands and cutting-edge content.

Network18 has a track record of building successful strategic alliances with international media companies such as ViacomCBS in entertainment, WarnerMedia (CNN) in English general news, NBCU (CNBC) in business news, A+E Networks in factual entertainment and Forbes in business magazines.

### Value Chain

Network18 is spread across content creation and distribution, thereby delivering the best of Indian and global content and brands to discerning audiences across India's vast demographic diversity.



## Highlights FY 2020-21

Achieved best ever profitability in a challenging business environment, as operating margins expanded to ~17% (from 11.5% in FY 2019-20)



Pivoted to a 'Digital first, TV always' strategy

Accelerated cost optimisation initiatives across business lines instituted prior to the onset of the pandemic without compromising on scale, creating a nimbler organisation that surpassed previous year's performance

Ad-led sub-segments of Digital News and Entertainment platforms turned profitable



Delivered ground-breaking innovation in content production with 'The Gone Game' series during the lockdown; the series was shot entirely from a home environment

Scaled up subscription products in Digital News and Entertainment

TV News remains #1 on reach; margins expanded all through the year, despite pandemic-linked logistics constraints and blackout of BARC ratings in 2H FY 2021



TV Entertainment grew viewership share by ~2% to 10.9%; full year margins highest ever

Flagship GEC Colors revived ranking to #2 driven by strong content pipeline and return of marquee shows



Strengthened Movie channel portfolio, with the launch of Colors Bangla Cinema and Rishtey Cineplex on Freedish



## Industry Overview

The onset of the pandemic and consequent lockdowns significantly impacted the economy in general, and the Media & Entertainment (M&E) sector in particular, in the first half of FY 2020-21. This led to a sharp fall in advertising spend even as viewership soared during the lockdown, as weak economic activity and lack of fresh content during the first quarter kept advertisers at bay. The second half fared much better on the back of relaxation in lockdowns and higher advertiser appetite for the festive season.

**17.5%**  
Decline in ad spend in 2020E

The industry expects a much more normal 2021, with advertising recovering close to 2019 levels. Digital is likely to continue growing its share and TV is expected to revive fully, while print and other media are likely to remain under pressure.

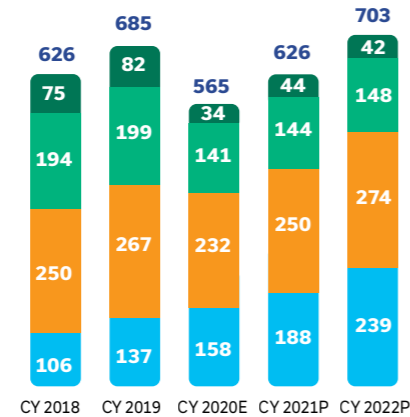
### Summarising FY 2020-21

TV viewership soared up 35-40% during lockdown 1.0. News alone contributed to half the increase, reflected in the recovery of News advertising by the end of 1Q FY 2021. Other genres like Movies and Kids also saw an improvement, driven largely by a captive homebound audience. However, pay-GECs lost their viewership share as fresh content could not be produced and telecast during the initial phase. Entertainment advertising normalised by 3Q FY 2021, with GECs resuming fresh programming around the festive season. The top four broadcasters re-run and movie channels were re-launched on the Free Dish FTA platform in June 2020, driving viewership and monetisation. As the lockdown eased towards the second half of the year, TV viewership settled at slightly above pre-pandemic levels, and genre shares normalised too.

Digital media platforms witnessed an increase in content consumption. Digital advertising gained momentum from

### INDIA AD-INDUSTRY

(₹ billion)



Source: Dentsu Digital report  
E-Estimated  
P-Projected

the platforms' inherent advantages of being able to target audiences, drive personalisation and lower costs.

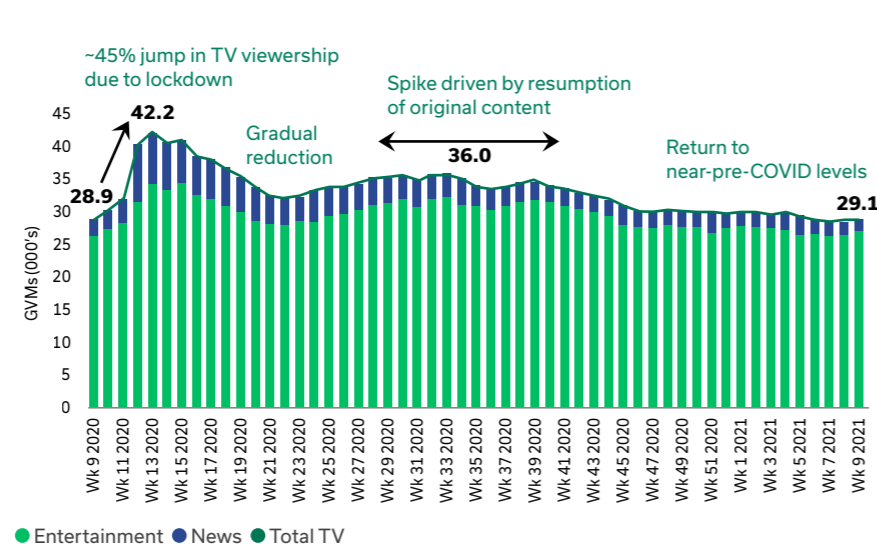
TV penetration in India at ~67% remains well below that in the US (93%) and China (99%), according to a BCG report. The EY FICCI M&E Report states that the pay-TV subscriber base was temporarily impacted by COVID-19 (primarily a ~3% dip in the cable segment), even as Free TV gained by return of top entertainment channels. Overall, time spent on TV rose by 7% y-o-y in 2020 as per BARC, as demographic and COVID-linked tailwinds joined hands. TV pricing remained stable post New Tariff Order (NTO) 1.0, as NTO 2.0 remained sub-judice.

### TV subscriptions in India

million	2020	2019
Cable	73	75
DTH	56	56
HITS	2	2
Free TV	40	38
<b>Total</b>	<b>171</b>	<b>171</b>

Source: EY-FICCI M&E Report

### TV VIEWERSHIP



Source: BARC

Digital engagement continued to grow due to volume of high-quality content and key events. Industry sources indicate a ~10% y-o-y increase in OTT video consumption. Increased propensity to pay has been witnessed, amidst domestic OTTs increasing prices selectively, while global players create India-specific cheaper offerings. Digital subscription revenue continued to rise sharply, albeit off a low base, both from B2C (direct) and B2B (telco-driven) distribution of OTT platforms.

### OTT Video Subscriptions in India

	2020	2019	2018
OTT Video Subscriptions (million)	100-125	78	49
Avg. ARPU per Subscription (₹/ month)	56	55	49
Subscription Revenue (₹ billion)	84	51	29

Source: BCG CII Big Picture Report

## Risks

**TRAI's NTO 2.0** may impact bouquet reach, channel subscription and revenue

**Fragmentation of viewership** across platforms, especially digital

**Digital monetisation** is lagging investments, especially amid strong competition

**Content costs rising** due to spike in demand for content creation/curation

## Emerging Trends and Business Response

### Usage of technology in enhancing News reach, salience and veracity



#### How is Network18 geared up?

Over the last couple of years, Network18 has driven synergies across the Digital business to build its core technology layer across CMS, Ad Tech, audience and personalisation. TV and Digital content ecosystems are integrated and have capabilities for Artificial Intelligence/Machine Learning based content screening, editing and deployment.

### Making content appealing to both India and Bharat



Network18 is aggressively localising its content, rooting its channels through not just local languages but also local subjects and formats. This also allows it more flexibility in conceptualisation, production and monetisation, as well as driving cost efficiency.

## Performance Update

The business has fully offset the pandemic-induced negative impact, especially visible during the first half of FY 2020-21 with the lockdown restricting content production and dampening advertising appetite.

### Advertising

TV News advertising recovered by 2Q FY 2021 and grew across the year. Digital News advertising continued to accelerate, driven by growing salience. Entertainment advertising revived fully by 3Q FY 2021, led by a full content roster. Strong viewership trends for Hindi GECs (both pay and FTA) drove underlying ad growth into high-single digits by 4Q FY 2021.

### Subscription

Domestic subscription revenue remained resilient, offsetting stress in international. Improved distribution tie-ups for TV and Digital continue to be the drivers of subscription growth.

### Costs and Profitability

The improvement in profitability is a result of cost controls and concerted efforts to increase annuity-style revenue streams, including subscription and syndication.

**~17%**  
Highest ever operating margin

- Operating leverage drove entertainment margins to ~19%, despite COVID impact
- TV News operating margin expanded to ~16%, marking four years of continued improvement
- Digital News broke even on a full-year basis, driven by accelerated revenue growth

### Summary of Financials

(In ₹ crore)	FY 2020-21	FY 2019-20	% change y-o-y
Value of Services	5,459	6,186	(11.8)
Revenue from Operations	4,705	5,357	(12.2)
EBITDA	796	617	29.0
EBITDA margin (%)*	16.9	11.5	

\* EBITDA Margin is calculated on revenue from operations

## Jio Studios

Jio Studios is RIL's fully-owned content studio that was set up in 2018 to create platform-agnostic content across 10+ languages to power the triple play ambitions of Jio platforms.

In a short span, Jio Studios has become a leading entertainment industry player by partnering with talent to create blockbuster films such as Stree, Luka Chuppi, Bala and Angrezi Medium, to name a few. In a bid to revive the Indian film industry from its post-COVID aftermath, Jio Studios took the bold step of being the first to release its mainstream film, Roohi, in cinemas. The film not only enjoyed critical and commercial success, but also gave confidence to other film producers to announce release dates, thereby bringing back audiences and the magic of cinemas.

Jio Studios is a prolific storyteller, be it through films or web-series, and constantly explores disruptive models to entertain audiences across platforms. With its unparalleled scale of original and aggregated content, combined with the staggering reach and distribution of Jio mobility and home platforms, Jio Studios offers a unique compelling consumer value proposition for data, broadband and content.

With an exciting line-up of content and alliances, Jio Studios is well poised to become India's #1 Content Studio and power Jio platforms as the destination of choice for consumers to discover and consume content.

**Content created across 10+ languages**



## Business Performance

### Television Business



#### News



#### Business News

The Business News pack maintained its pre-dominant leadership in the genre, as the markets touched new highs amid the pandemic.

#### General News

CNN News18 and News18 India are among the top 3 in their respective genres.

#### Regional News

Most of the 14 channels (including the eight launched over FY 2015-17) are now among the top 4 in their respective geographies.

### Entertainment



#### Hindi General Entertainment

As programming normalised with the easing of lockdowns, Hindi GECs performed strongly on both platforms (pay and FTA). Colors regained its strong #2 ranking as original content resumed fully in 2H FY 2021. Colors Rishtey and Rishtey Cineplex made a return to the DD Free Dish distribution platform after a year's hiatus, driving up monetisation.

**Colors regained its strong #2 ranking within the year**

#### Youth and Music

MTV Beats viewership share rose to 19% and ranks #3 in a crowded category.



#### English Entertainment

In a year that saw some peers exit the niche genre entirely, Viacom18 channels registered a combined viewership share of ~91%.



### Digital Business



#### Digital Content

MoneyControl (leader in the finance category), VOOT (#2 broadcaster-OTT in the country) and News18.com (#2 digital destination for all general news) continued to grow in stature. Pay-product Voot Select was the fastest to 1 million D2C subscribers, boosted by novel digital exclusives, digital-first TV content and digital-only spin-offs. Subscription product MoneyControl Pro



is arguably the most successful such offering, powered by cutting-edge tools and research for investor

Digital Commerce includes



### Television Business

#### Entertainment



#### Kids Entertainment

Nickelodeon has been #1 in the Kids category since August 2014. The Kids portfolio commanded a 32% market share.

**#1**  
In the Kids category since August 2014



#### Regional Entertainment

The regional entertainment bouquet comprises Colors Kannada and Colors Super (Kannada), Colors Bangla, Colors Oriya, Colors Gujarati, Colors Tamil and the recently launched movie channels - Colors Kannada Cinema, Gujarati Cinema and Bangla Cinema.

Infotainment has factual entertainment channel, History TV18.

### Film Business



Film Business includes Viacom18 Studios and Jio Studios.

As the COVID-19 pandemic affected both film production and theatrical exhibition, Jio Studios had 2 theatrical releases and Viacom18 Studios had no major releases during the year.

### Publication Business



Publication Business has a portfolio of highly reputed magazines comprising Forbes India, Overdrive and Better Photography.

### COVID-19 Response

#### Keeping people informed and entertained at home

Braving the pandemic, the News18 network's 1,200-strong journalists continued to report on key issues, including the progress of the pandemic. Leveraging technology, innovative solutions were deployed including seamless integration of physical studios with virtual ones for news anchors working from home, while completely overhauling news gathering systems.

Adhering to all COVID-19 related safety protocols, Network18 was the first network to restart original programming in the GEC category. Non-fiction tentpoles 'Khatron Ke Khiladi' and 'Bigg Boss 14' were executed successfully, overcoming their unique logistical constraints

Voot Select, which was launched in March 2020 to bring original shows on the OTT platform, streamed a 100% conceptualised and shot-from-home web series, 'The Gone Game'. The series was produced at one-tenth the cost of a regular original.

**1,200**  
Journalists of News18 network continued to report on key issues, including the progress of the pandemic

### Business Stewardship

#### Supporting those in need

At Network18, Corporate Social Responsibility (CSR) is embedded in its long-term business strategy. Network18's community initiatives help elevate the quality of life of millions, especially the disadvantaged sections of society.

- P&G's Whisper and Network18 launched a menstrual hygiene awareness initiative, 'Pride of Period: Ek Swachh Soch'. It seeks to open a free-flowing dialogue around menstruation.
- In November 2020, a 5-episode digital-only spin-off, 'MTV Nishedh Alone Together', was launched for creating awareness on the treatment of tuberculosis (TB).
- Viacom18 joined hands with GiveIndia to support NGO Goonj in an endeavour to provide relief to COVID-19-impacted families and also protect the poor from the virus.

**Network18**  
Launched #IndiaGives, a campaign to financially support the country's most vulnerable citizens during the lockdown. As a first step, 6,000+ employees of Network18 contributed a day's salary to the Prime Minister's National Relief Fund.

### Outlook

The Indian media industry has a heavy dependence on advertising revenue, which has largely recovered from the pandemic impact. Subscription is beginning to rise in the revenue mix, as propensity to pay for content increases steadily. Network18 has viewed the crisis as an opportunity to rethink business models and emerge stronger and ready for the post-COVID world. Vernacular content and Digital outreach continue to be the strategic axes of growth (and consequently, investment) across both Entertainment and News.

# Oil to Chemicals



Nikhil R. Meswani



Hital R. Meswani



Anant Ambani



P. K. Kapil



Sanjiv Singh



Srinivas Tuttagunta



Harish Mehta



Vipul Shah



Piyush Bhatt



C. S. Borar



Ashwani Prashara



Seema Nair



The severe demand destruction due to global lockdowns impacted O2C business. Flexibility in operations and agile response to changing market dynamics enabled operations at near-normal levels and deliver industry-leading results. Domestic demand has recovered sharply across the O2C business.

## Highlights FY 2020-21

REVENUE ▼ 29.1%

₹3,20,008 crore

EBITDA ▼ 29.1%

₹38,170 crore

TOTAL THROUGHPUT

71.9 MMT

RIL reorganised its Refinery & Petrochemicals business into Oil to Chemicals (O2C) business in FY 2020-21 to reflect evolving strategy and management matrix. The restructuring is aimed at facilitating faster decision-making while pursuing focused opportunities across the O2C value chain. It will also help attract dedicated pools of capital and create value through strategic partnerships.

The O2C business captures a broad portfolio spanning transportation fuels, polymers, polyesters and elastomers. The deep and unique integration of the O2C business includes world-class assets comprising ROGC, Aromatics, Gasification, multi-feed and gas crackers along with downstream manufacturing facilities, logistics and supply chain infrastructure.

Specifically, Reliance O2C entity includes refining and petrochemicals plants and manufacturing assets located at Jamnagar, Hazira, Dahej, Nagothane, Vadodara, Patalganga, Silvassa, Barabanki and Hoshiarpur. It also includes 51% equity interest in fuel retailing JV with bp – Reliance BP Mobility Limited (RBML) and 74.9% equity interest in Reliance Sibur Elastomers Private Limited.

**1.4** MMBPD  
Crude processing capacity

**63.6** MMT  
Production meant for sale\*  
\*FY 2020-21

**21.1**  
Jamnagar site  
Complexity Index

**13**  
Manufacturing facilities in India (10) and Malaysia (3)

**One of the Largest**  
Integrated polyester players globally

**2<sup>nd</sup>**  
Largest producer of PX globally

### Vision and Mission

Accelerate new energy and materials businesses while ensuring sustainability through circular economy and target to be Net Carbon Zero by 2035.

## Strategic Advantages and Competitive Strengths



#### Deep and unique integration across sites

- World's largest and most integrated O2C complex at Jamnagar
- Flexibility to process variety of feedstocks – crude, condensate, naphtha, refinery off-gases, ethane/propane and straight run fuel oil



#### World-class manufacturing facilities

- Top quartile performance in costs, safety and operations excellence
- One of the lowest cost producers of building blocks – ethylene, propylene and aromatics



#### Robust portfolio catering to growing consumption markets

- Only company globally, with integration from oil to polymers, chemicals, polyesters and elastomers
- Allows margin capture across industry value chains and reduces exposure to cyclicality

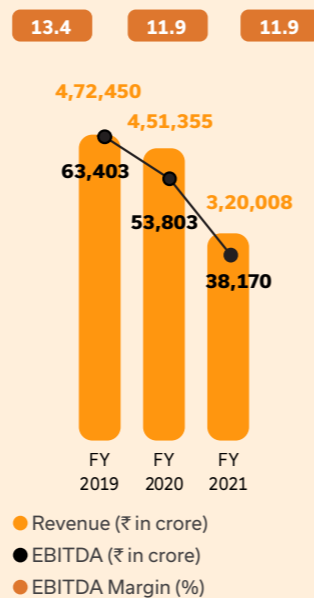


#### Unparalleled logistics and supply chain network

- 5x bigger distribution footprint than nearest competitor in India; unique pan-India reach leveraging multi-modal logistics
- Serving 11,000+ customers for chemicals and materials across India through 16 regional offices and 61 warehouses
- Serving transportation fuels to retail customers everyday at over 1,400 outlets

## Performance Summary

### REVENUE AND EBITDA



### TOTAL THROUGHPUT (MMT)

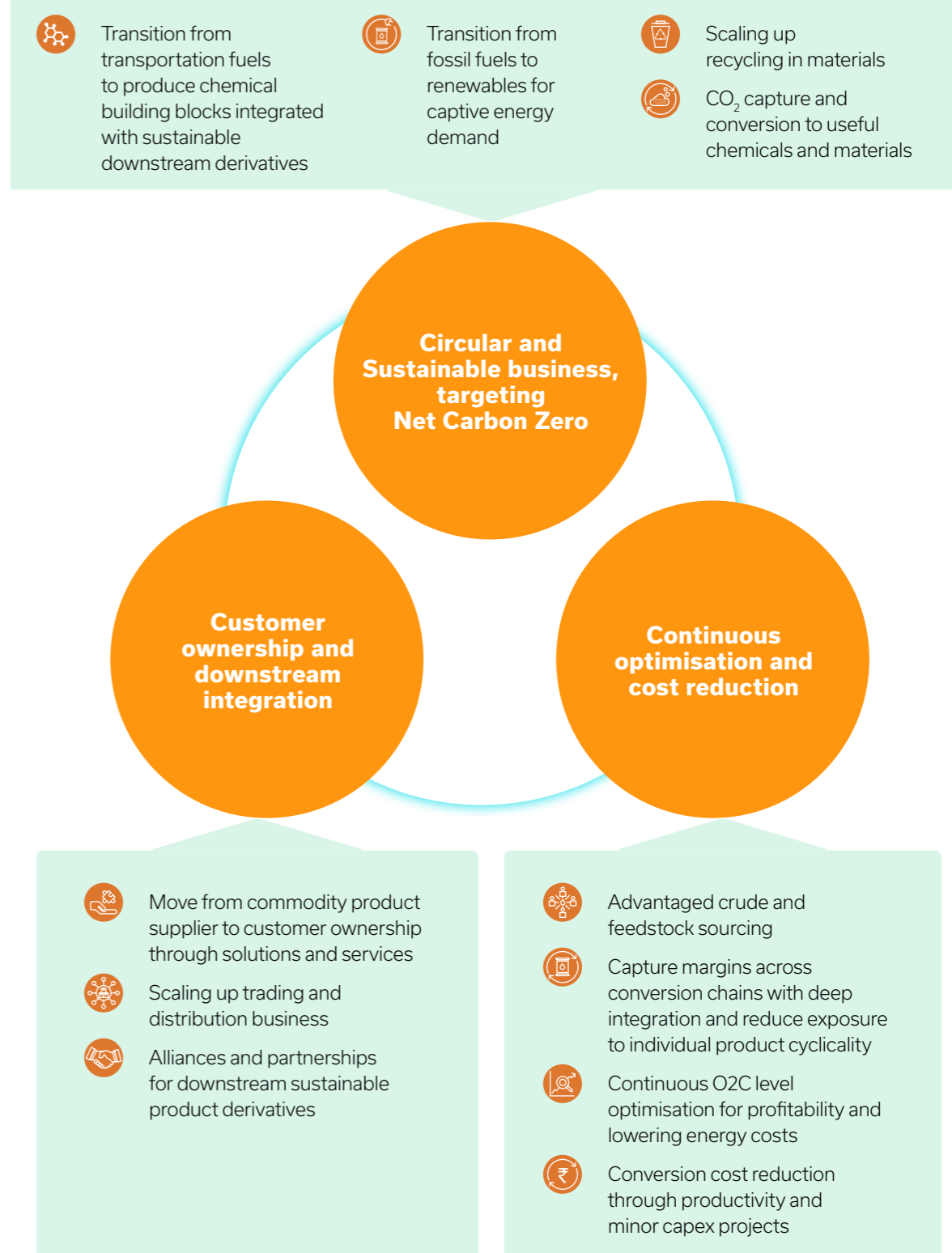


### PRODUCTION MEANT FOR SALE (MMT)



## Operating Framework

The key priorities of the O2C business are as under



## Highlights FY 2020-21

Delivered resilient performance despite unprecedented challenges and macro headwinds



Agile business model (domestic to export and back to domestic as per market demand) leveraging our global customer base and multi-modal distribution capabilities



Operated plants at near-full capacity while ensuring the safety of employees and communities, even as global and domestic peers substantially lowered operating rates and even shut down plants completely during 1Q FY 2021



Ramped up the capacities to produce 1,00,000 personal protective equipment (PPE) per day during the peak of pandemic

Reliance and bp commenced operations of their new Indian fuels and mobility joint venture - operating under the 'Jio-bp' brand – which aims to become a leading player in India's fuels and mobility market



Developed in-house Reliance Olefin Removal Catalytic (REL-ORCAT) Technology

SEZ refinery won the prestigious 'Refinery of the Year' award from Federation of Indian Petroleum Industry (FIPI)



Successfully commissioned the Halobutyl-Rubber Plant in partnership with SIBUR



Petrochemicals business won 'Company of the Year' award from FICCI for our significant value creation in society and contributions towards fight against COVID-19

## Industry Overview

FY 2020-21 was characterised by unprecedented volatility in crude oil and feedstock prices. It was a year of two halves – significant demand contraction in the first half due to pandemic-related lockdowns followed by a sharp recovery in economic activity and demand revival with fiscal stimulus in the second half.

### Crude Oil Demand and Supply

Global oil demand plunged by 16.2% y-o-y in 2Q CY 2020 to 82.9 mb/d. It recovered sharply to 92.6 mb/d in 3Q CY 2020. Overall demand in CY 2020 was at 91.0 mb/d, 8.7% below that in CY 2019. China was the only country to register growth.

OPEC and several other oil exporting countries carried out coordinated supply cuts, which peaked at 9.7 mb/d during May-June 20 and averaged 5.3 mb/d for CY 2020. These cuts helped reduce crude inventories and rebalance supply and demand supporting oil prices.

### Global Refining Operations

Global Refinery Crude Throughput (mb/d)			
	CY 2020	CY 2019	Change 2020 vs. 2019
OECD Americas	16.5	19.1	(2.6)
OECD Europe	10.7	12.2	(1.5)
China	13.4	13.0	0.4
Rest of the World	33.8	37.4	(3.6)
<b>World Total</b>	<b>74.4</b>	<b>81.7</b>	<b>(7.3)</b>

Source: IEA

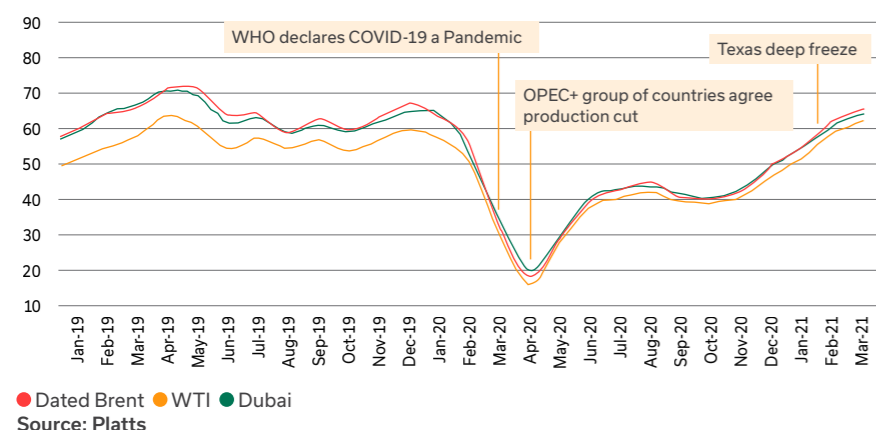
In CY 2020, refining runs were lower by 7.3 mb/d from a year earlier, while demand declined by 8.7 mb/d. This resulted in weaker margins and permanent closure of refineries. Globally, announcements have already been made for the permanent closure of ~3.4 mb/d refining capacity by 2023.

### Crude Oil and LNG Prices

Crude prices plummeted during 1Q FY 2021 with Brent crude oil touching a low of US\$18.5/bbl in April 2020. However, the sharp supply cuts, coupled with disruptions in February 2021 due to Texas freeze, pushed crude prices back to pre-pandemic levels in March 2021.

### OIL PRICES

(US\$/bbl)



● Dated Brent ● WTI ● Dubai  
Source: Platts

LNG prices were highly volatile during the year, with prices in Asia starting at a low level of around US\$2/mmbtu at the beginning of the year due to demand drop before peaking at US\$32.50/mmbtu in January 2021 due to supply disruptions in Nigeria, Panama Canal congestion and colder winter in Far East. Prices have since then cooled with the restoration of supplies.

Cost of shipping crude surged in March 2020 and continued to be high in April 2020 as weak demand for prompt supplies had seen an increasing number of tankers booked for floating storage. In clean freight markets, demand for floating storage caused shipping rates to soar in April 2020. From May 2020, freight rates normalised for both crude as well as products as global crude production fell sharply and reduced interest in floating storage with lower production.

### Transportation Fuels

#### Global Market Environment

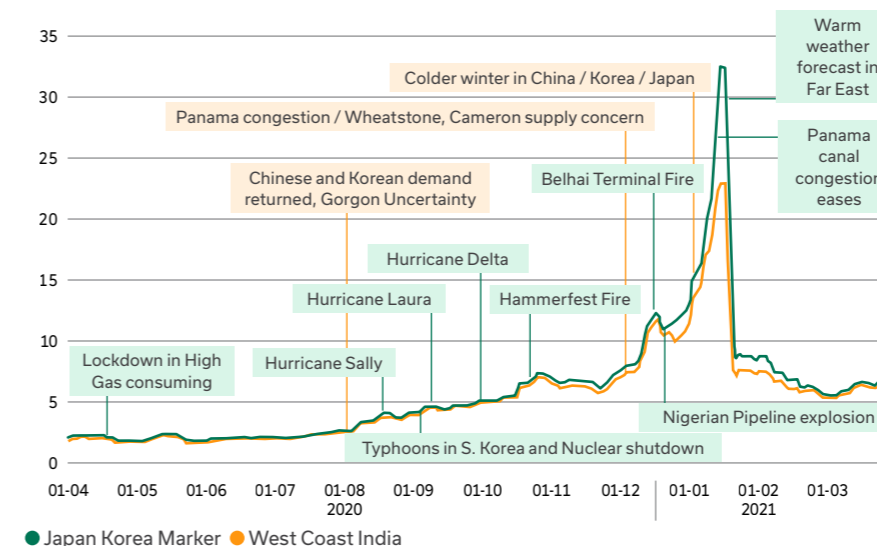
Global gasoline and gasoil demand in CY 2020 was lower by 3.0 mb/d and 1.8 mb/d respectively compared to CY 2019. Gasoline demand recovered quickly from the lows in 2Q CY 2020, as preference for use of personal vehicles for daily commute increased during the pandemic. Diesel demand was also adversely impacted, before recovering in-line with revival in economic activity. Jet fuel demand was the worst hit due to stringent restrictions on air travel, falling 40.6% from the previous year.

#### Domestic Market Environment

India's petroleum products demand contracted by 9.1% to 195 MMT in FY 2020-21; LPG demand maintained an upward growth trajectory. India's demand for gasoline and gasoil rebounded sharply in the second half, but overall demand in FY 2020-21 was still down by 6.7% and 12%, respectively. Gasoline sales returned to pre-pandemic levels in September 2020. The aviation industry was the worst hit. Domestic flights resumed in a calibrated

### LNG PRICE ASSESSMENT

(US\$/mmbtu)



● Japan Korea Marker ● West Coast India

manner from May 2020 and reached 70% of pre-pandemic levels by the end of FY 2020-21. Jet/Kero demand fell sharply by 47% y-o-y.

#### Margins

During FY 2020-21, 10 ppm gasoil and Jet/Kero cracks in the Singapore market were down by 60% and 90% y-o-y respectively. Low jet fuel demand due to disruption in air travel and tourism industry made refiners shift yield towards the gasoil pool, capping gasoil cracks upside.

Gasoline 92R cracks were lower by 55.3% y-o-y, as lockdowns resulted in reduced mobility across the globe. High spare capacity and inventory levels weighed on gasoline cracks.

However, in 1Q CY 2021, gasoline cracks touched pre-pandemic levels while gasoil and jet cracks continued to lag at 49% and 39%, respectively.

#### Asian Cracks for Transportation Fuels

(US\$/bbl)	FY 2020-21	FY 2019-20
Gasoline	3.0	6.7
Jet	1.2	12.6
Gasoil	5.7	14.1

Source: Platts

#### Global Cracker Operations

Global demand for ethylene registered a moderate 1.7% y-o-y growth to 166 MMT in CY 2020 from 163 MMT in CY 2019, while operating rates fell to 86% from 90%. New capacity addition of 11 MMTA during the year significantly outpaced demand growth. The liquidity crunch caused by the pandemic delayed start-ups as well as final investment decisions for new projects.

### Ethane and Naphtha Prices

Average naphtha prices in Asia were down by 21% y-o-y in FY 2020-21 amidst softening of crude price in 1H FY 2021 and slowdown of demand due to low global economic activity. However, prices recovered in 2H FY 2021 with healthy demand from downstream chemicals/products, improving demand of gasoline blending and higher crude prices.

### Polymers and Elastomers

#### Global Market Environment

Demand destruction in certain sectors like automotive, housing and construction and white goods/consumer durables had a negative impact on the downstream business. At the same time, the pandemic resulted in surge in demand for polymers and polyesters from the health & hygiene, packaging and e-commerce sectors.

Global polymer demand [for polyethylene (PE), polypropylene (PP), polyvinyl chloride (PVC)] in CY 2020 was 230 MMT, up by 2% y-o-y. Global PP and PE demand grew by 3% in CY 2020, led by Asia, especially China and India. Demand for PVC remained subdued during the year as a sustained high price environment caused shift to alternative products. Global demand for Polybutadiene Rubber (PBR) and Styrene-Butadiene Rubber (SBR) elastomers contracted by 6% and 7% respectively during CY 2020, on the back of weak automotive sector demand.

#### Domestic Market Environment

PP demand in the country grew at a marginal 2% y-o-y on account of subdued demand from the auto sector and overall lower consumption owing to the pandemic in 1H FY 2021. However, demand from the health & hygiene sector, raffia and Biaxially Oriented Polypropylene (BOPP) packaging remained buoyant. PE demand registered a healthy growth of 7% y-o-y, driven by e-commerce, FMCG and liquid packaging. Policy boost for several water and sewage pipeline projects further pushed polymer demand. The all-time-high prices of PVC caused a slight demand shift to alternative materials for the pipes sector.



Elastomer demand gradually recovered as the operating rate of the auto majors increased gradually from 25% in May to 80% in July, and supply chain hurdles eased with the lifting of the lockdown. Tyre majors registered a good performance in 2H FY 2021 amid strong farm and 2/3-wheeler tyre demand which drove up domestic demand for SBR to 7% y-o-y, while PBR demand remained flat.

**Margin**

Polymer prices weakened at the beginning of 2020, but gradually improved by the second quarter on the back of healthy demand from the essential goods and services sector. Global operating rate for PP and PE averaged 86% and 85% respectively during 2020. Polymer margins strengthened especially in 2H FY 2021 with recovery in demand, reduced availability due to supply chain constraints and polar freeze in USGC. Integrated PP-Naphtha and HDPE-Naphtha margins expanded 22% and 31%, respectively. PVC margins were at multi-year high amidst supply shortages. Elastomer margins remained strong, especially towards the end of the year, due to lower feedstock prices and supply constraints. Margins trended above 5-year average and were up 64% and 77% y-o-y for PBR and SBR, respectively.

Southeast Asia Polymer Margins		
(US\$/MT)	FY 2020-21	FY 2019-20
HDPE-Naphtha	512	390
PP-Propylene	193	166
PVC-EDC-Naphtha	584	462
PBR-BD	727	444
SBR-BD-Styrene	718	405

Source: Platts and ICIS

**Intermediates and Polyesters**

**Global Market Environment**

Global demand for Intermediates (MEG/PX/PTA) fell by 6% to 143 MMT in CY 2020 from 152 MMT in 2019. PX markets improved in the latter part of the year due to new downstream PTA capacity additions. PTA markets remained healthy as downstream



operating rates went up despite rising inventory in the first half of the year. MEG demand strengthened in the latter part of the year due to supply concerns from the US, and this was reflected in declining port inventories.

Overall demand for polyesters was marginally lower by 6% to 77 MMT. The pandemic adversely affected the global demand for textiles and apparels, but demand for PET (face shield), LAB (detergent products) and non-woven staple fibre (PPE kits, face masks, and polyester swabs) witnessed a surge.

**Domestic Market Environment**

Domestic demand for intermediates was impacted due to demand destruction in the textile and polyester industry at the time of the pandemic. Demand for the year contracted by ~14%, reflecting pandemic's impact on downstream sectors.

The downstream polyester industry in the country bore the brunt of the nationwide lockdown and the closure of downstream units due to mass labour exodus. The industry revived with the gradual easing of the lockdown and festive season demand, reaching pre-pandemic levels by the end of FY 2020-21.

**Margins**

With reduced global gasoline blending demand, integrated chemical complexes continued to ramp up PX production. This resulted in a high PX inventory (up to 4 MMTA) in China, which was further impacted by capacity expansions of 1.8 MMTA. Global PX operating rates dropped to 71% in 2020 on the back of unprecedented capacity expansions in China. PX prices dropped

28% while PX-Naphtha margins dipped 41% y-o-y, well below 5-year average levels.

PTA markets in China remained oversupplied given the capacity addition of 9.9 MMTA and large market inventories. Global PTA operating rates dipped to 78% in 2020. Overall, in FY 2020-21, PTA prices dropped by 21% while PTA-PX margins firmed up by 1% y-o-y.

Global MEG markets witnessed capacity addition of ~3.7 MMTA in an already over supplied market. Global MEG operating rates dropped to 66%. However, in the second half of FY 2020-21, MEG markets strengthened as supplies from the US were impacted by hurricanes and the Arctic freeze. High polyester operating rates also kept sentiments healthy. MEG prices dropped by 9% and MEG-Naphtha margins firmed up by 8% y-o-y.

PET markets witnessed a slowdown as consumption of beverages witnessed a dip amid the global pandemic. However, demand in the health sector and packaging improved. PET prices dropped by 16% and margins dipped by 8% y-o-y.

Intermediates and Polyester Margin Trends		
(US\$/MT)	FY 2020-21	FY 2019-20
PX- Naphtha	172	292
PTA-PX	157	155
MEG-Naphtha	232	215
POY-PTA & MEG	203	282
PSF-PTA & MEG	150	163
PET- PTA & MEG	146	158

Source: Platts, ICIS, CCFGroup

**Performance Update**

**Financial and Business Performance**

**Financial Performance**

In ₹ crore	FY 2020-21	FY 2019-20	% change y-o-y
Revenue	3,20,008	4,51,355	(29.1)
EBITDA	38,170	53,803	(29.1)
EBITDA margin (%)	11.9	11.9	-
Total throughput (MMT)	71.9	79.8	(9.9)
Production meant for sale (MMT)	63.6	71.0	(10.4)

The O2C business experienced both price and margin dislocation due to the pandemic and lockdown in many countries in 1H FY 2021. Even in testing times such as this, the business delivered robust performance by leveraging the strong international and domestic supply chain, multi-modal logistics, deep integration and feedstock flexibility.

Revenues for the O2C business declined 29% with lower volumes and lower realisation 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.

EBITDA was also lower with weak demand environment across products in 1H FY 2021. The segment performance was supported by a sharp recovery in downstream demand and deltas in 2H FY 2021.

**11.9%**  
EBITDA margin

**71.9 MMT**  
Total throughput





## Business Performance

### Production Meant for Sale

Particulars	Products	(in MMT)	
		FY 2020-21	FY 2019-20
Transportation Fuels	Gasoil	24.9	26.3
	Gasoline / Alkylate	10.5	12.1
	ATF	2.2	4.9
Polymers and Elastomers	PP	2.9	2.9
	PE	2.3	2.2
	PVC	0.7	0.8
	Elastomers and Feedstock	0.3	0.3
Intermediates and Polyesters	PX	3.4	2.8
	Benzene and Derivatives	0.5	0.5
	PTA	2.0	2.4
	MEG	1.3	1.2
	Filament	1.0	1.2
	Staple	0.7	0.8
	PET	1.1	1.2
Others	Fuels, Solids and Others	9.7	11.5
<b>Total</b>		<b>63.6</b>	<b>71.0</b>

Overall production meant for sale reduced from 71 MMT to 63.6 MMT. Most of the reduction came from transportation fuels due to global demand destruction. However, with an agile business model and the ability to optimise feedstock usage, Reliance was able to run downstream plants at full throughput.

### Transportation Fuels

The strong network presence on the highways and industry-leading fleet programme (Transconnect) helped recover gasoline and gasoil volumes to pre-pandemic levels. Strong Quality and Quantity (Q&Q) assurance also contributed to the volume recovery.

In FY 2020-21, bulk diesel industry volumes shrunk by 22% on y-o-y basis. Despite facing a contraction of 17% y-o-y, RIL did better than the industry and increased its market share to 9.3%, focusing on the infrastructure, construction and mining segments.

Reliance BP Mobility Limited (RBML), a 51:49 joint venture of Reliance Industries Limited (RIL) and bp, went live on July 10, 2020. RBML operates under the 'Jio-bp' brand.

RBML, with its network of 1,419 outlets and fleet programme (Transconnect), fully recovered its pre-pandemic gasoline and gasoil sales volumes.

RBML has become India's largest fuel door delivery network for specified use, with presence at 1,083 sites in 21 states. RBML has launched light-weight and tamper-proof high density PE fuel containers for doorstep delivery which promises operational ease, efficiency, and quantity and quality (Q&Q) assurance.

In August 2020, RBML took over the operations of RIL aviation fuel stations across the country. It aspires to bring industry-leading technology, best-in-class service and innovative customer-centric solutions to aviation fuelling. RBML fuelled medical, repatriation and cargo flights across India at the peak of the lockdown.

**1,419** outlets  
In the RBML network

**5,500** outlets  
Proposed network post expansion



Reflecting the Net Carbon Zero target of RIL, RBML aspires to provide Indian consumers with advanced fuels that have lower emissions, charging infrastructure for electric vehicles and other low carbon solutions.

To support the proposed network expansion of up to 5,500 outlets over five years, RBML kickstarted its franchise onboarding process. It has initiated infrastructure development at all supply locations and started pilot testing of battery swap stations at over 24 select locations. Initial response has been encouraging with strong growth in daily order deliveries.

RBML is committed to create a world class fuelling experience for its customers, with proven customer value proposition, synergies of extended group companies (RIL and bp), company-wide focus on customer centricity and best-in-class technology.

### Polymers and Elastomers

RIL maintained steady polymer production with reliable operations across sites and achieved the highest ever PE production in FY 2020-21. It maintained operating rates higher than its peers due to its keen focus on exports in the first half, and its ability to ride on a buoyant market in the second half. RIL maintained its market leadership in polymers, with a domestic market share of 34%. It exported 1.3 MMT of polymers across the world during the year.

RIL's agile supply chain helped place 80% polymer products in the export market within 10 days during the challenging 1Q FY 2021, as against 20% during the pre-COVID period. This helped in operating plants at near full capacity of 98% during 1Q FY 2021 while the rest of the domestic industry operated at 60% levels.

### Intermediates and Polyesters

A total of 2.1 MMT was exported in FY 2020-21 across the entire polyester chain. RIL also maintained its market share in the domestic polyester market. Significant PX and Benzene exports in 1H FY 2021 helped maintain the operating rate of aromatics plants. PTA exports during 1H FY 2021 were impacted, curtailing PTA production. Demand destruction in MEG was countered by diverting the surplus volume into exports market.

RIL continued to explore new products and market segments with the introduction of biodegradable polyester and R3S in the paint segment. At the same time, given the unique circumstances, RIL focused on developing essential products like PPE suits, polyester swabs and other medical applications to cater to the needs of critical segments like health and hygiene.

## Leadership in adopting circular economy in India

**RIL is committed to supporting and leading the industry on circular economy and sustainability. The Company constantly endeavours to imbibe the concept of circularity in its operations and processes. Cognisant of the fact that achieving this objective requires long-term commitment and collaboration amongst various stakeholders, it supports like-minded organisations, NGOs and individuals in waste recycling and diverting post-consumer waste away from landfill while creating awareness about the environment among consumers.**



RIL has identified short, medium and long term strategies to support a circular economy for plastics. In the short term, the focus is on increasing the Company's PET recycling footprint and usage of Multi-layered Plastics (MLP) for road construction. In the medium term, it is focusing on polyolefin recycling and 'waste to oil' strategy. In the long term, the Company is looking at chemical recycling, plastic waste composites and design for circularity. Various initiatives are on the go.



### R|ELAN™ — Circular Design Challenge

During FY 2020-21, R|Elan™ initiated the third season of Circular Design Challenge (CDC) in partnership with the United Nations Environment Programme (UNEP) at the Lakme Fashion Week (LFW) in March 2021. In partnership with IMG and UNEP, R|Elan™ unveiled the collection 'Malai', winner from the second edition of LFW. The collection uses a bio-composite material made from the agricultural waste of South India's coconut industry. With circularity at the core of all six designers' portfolio, CDC 3.0 showcased stunning collections made from materials like discarded tarpaulin, post-consumer clothing, handwoven and upcycled textiles, waste denim and recycled PET bottles.



### Collaboration with Pankaj and Nidhi at LFW

R|Elan™ has been consistently supporting circularity in the fashion industry. During the year, the brand collaborated with the famous designer duo, Pankaj and Nidhi, for the second time to showcase its latest collection at the first-ever digital edition of LFW.



The new collection showcased R|Elan™ GreenGold, made from 100% recycled PET bottles, R|Elan™ FeelFresh, which has anti-microbial properties, and R|Elan™ Kooltex, which keeps the wearer cool and comfortable for a longer time.



### Launch of waste reduction programme

R|Elan™ collaborated with Forest Essentials™, the Ayurveda-based skincare and perfume brand, in September 2020 to encourage recycling of used plastic packaging. As part of the collaboration, Forest Essentials™ created a collection facility in each of its major stores across the country. Customers are being encouraged to drop empty jars and bottles into these facilities through a reward programme. The waste collection is to be processed and repurposed to make GreenGold™ fibres and fabrics for apparel, bags and other applications.

### Anti-microbial mask from R|Elan™

#### #FeelSafeFeelFresh Campaign

R|Elan™ tied up with India's leading brand, Proline® to create a range of attractive, high performance masks using R|Elan™ FeelFresh™ fabric with anti-microbial attributes. The Proline® Reusable Protection Mask has a three-layer triple particle filtration system and offers the superior fabric qualities of R|Elan™ FeelFresh™, which is embedded with silver technology to provide long lasting protection.



### Alliance to end plastic waste

RIL is the founding member and the lone Indian company to participate in the global effort to eliminate plastic waste in the environment through the Alliance to End Plastic Waste (AEPW). The Company aims to bring the best technologies and companies to India for elimination of plastic waste.



### Support for Indian Centre for Plastics in the Environment (ICPE)

RIL continues to support ICPE communication initiatives by supporting the 'Fight Pollution, Not Plastics' (FPNP) awareness campaign, school engagement campaigns and an all-India creative competition to find ways to reduce plastics pollution.

### Reverse vending machine

RIL has sponsored more than 100 reverse vending machine installations across major cities to enhance awareness amongst the public about plastic waste.



## Scaling up Digital Platforms to Enrich Customer Experience

The COVID-19 pandemic led to a sudden change in the way of working, supported and sustained by digital collaboration platforms. The following digital initiatives were implemented in a short span of time to support the shift in business condition and ensure seamless migration to a virtual working environment.

### Digital customer experience

- Collaborative planning through CRM platform to effectively manage customer demand
- Mobility apps for approvals, account management and customer visits to empower the sales team for better customer service
- Secured document sharing platform (E-Room) for effective (finance, shipping and forwarding documents) collaboration with internal as well as external bodies primarily with a work-from-home focus

### Digitalisation in supply chain, planning and optimisation

- Warehouse Management (EWM) operated mobility solutions on smart devices, which simplified complex logistics, optimised inventory tracking, distribution operations and multi-channel fulfilment
- Improved profitability through digitalisation of the integrated value chain planning and optimisation for all downstream products, including Recron Malaysia and integration with upstream at Cracker

### Digitisation and Analytics for process optimisation

- SCM Spend Analytics to include components like shipping, multi-modal and chartering (bulkers)

- Export General Manifest (EGM) downloads from ICEGATE (e-commerce portal for central excise and customs) are now automated through deployment of bots
- Export documentation processes like LC Scrutiny, SI (Shipping Instruction) BL (Bill of Lading) scrutiny and SI filing with shipping line portal are digitised and automated with the help of AI/ML
- Trip check application was rolled out on tab devices at downstream secondary warehouses. Major components of this application are Truck Health Check, Trip Check (Pre-Load) and Trick Check (Post-Load)



### CASE STUDIES

## Ecosystem for indigenous PPE production

RIL scaled up production of PP fibre and filament grades that are used as raw material for N95 masks and PPE suits. It developed very high-flow melt blown grades (1800-2300 MFI) in collaboration with a domestic compounder and masterbatch manufacturer to produce indigenous PPE kits with higher Particulate Filtration Efficiency (PFE). As a result, India became the world's 2<sup>nd</sup> largest PPE kit manufacturer and net exporter, even though it did not have capacity to produce PPE kits till January 2020.

**1 lakh/day**  
Production of PPE kits and N95 masks

## Redefining fuel retailing through e-commerce in India

RBML is the first Oil Marketing Company (OMC) to get the approval of Mobile Dispensing Unit and the only OMC to use HDPE containers (non-metallic) for on demand delivery of fuel. With its services spanning across India, it is uncovering the latent needs of the non-transport sector, and meeting these needs with great efficiency, leading the way to market leadership in the non-transport sector.

## Transconnect: Building strong relationships

RBML's large network, channel participation and field force focus with customised IT tool helps it drive volume. The Transconnect programme helps it ease the transaction process through secure card-less solution (Trans-mobile). Through Transconnect, RBML leveraged contactless operational capability during the lockdown, leading to significantly higher fleet volume share and highest ever monthly sales in FY 2020-21.

## Outlook

Global vaccination drive and large stimulus programmes will influence consumer sentiments and demand growth, in the medium term. Oil demand is expected to recover in CY 2021 to 96.4 mb/d, still below CY 2019 levels of 99.7 mb/d as per IEA. However, tightness in the crude oil market and strong prices are likely to continue due to OPEC+ cooperation.

Global transportation fuels demand (except Jet fuel) is likely to reach pre-COVID levels only by the end of FY 2021-22. Container shortages are expected to continue through 1H FY 2022, supporting margins for polymers and intermediates.

Strong domestic demand across key segments such as healthcare, packaging, durables, auto and infrastructure is expected to drive demand for downstream products. Near term demand trends can be impacted by the ongoing second wave of the pandemic and fresh restrictions.

# A Diverse Set of Products and End Applications

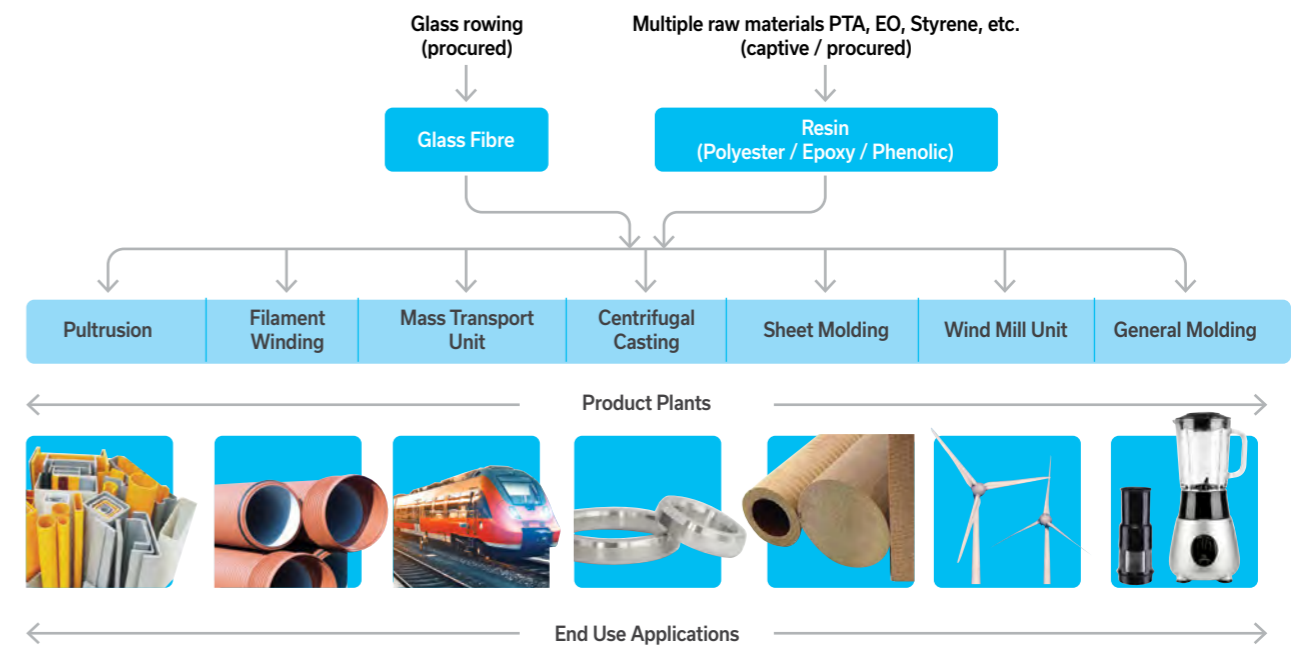


Abbreviations

CBFS	Carbon Black feedstock
DEG	Di-Ethylene Glycol
EDC	Ethylene Di-Chloride
EO	Ethylene Oxide
FDY	Fully Drawn Yarn
HDPE	High Density Polyethylene
HPIB	High Purity Isobutylene
HTPB	Hydroxyl Terminated Polybutadiene
LAB	Linear Alkyl Benzene
LDPE	Low Density Polyethylene
LLDPE	Linear Low-density Polyethylene
LPG	Liquefied Petroleum Gas
MEG	Mono-Ethylene Glycol
MTBE	Methyl Tertiary Butyl Ether
PBR	Poly Butadiene Rubber
PET	Polyethylene Terephthalate
PFF	Polyester Filament Fibre
POY	Partially Oriented Yarn
PP	Polypropylene
PSF	Polyester Staple Fibre
PTA	Purified Terephthalic Acid
PTY	Polyester Textured Yarn
PVC	PolyVinyl Chloride
SBR	Styrene Butadiene Rubber
SNG	Synthetic Natural Gas
TEG	Tri-Ethylene Glycol
VCM	Vinyl Chloride monomer

- Purchased Raw Materials
- Partly Purchased Raw Materials
- Existing Products
- New Products

RELIANCE COMPOSITE SOLUTIONS



# Oil and Gas Exploration & Production



Naresh Narang



Sanjay B. Roy



Gautam Dhar



E&P business’s focus has been on safeguarding health and safety of the people and assets while augmenting production and ensuring business continuity, project delivery and minimal disruption to operations.

Despite the unprecedented constraints, in December 2020 we successfully commissioned Asia’s deepest and India’s first ultra-deepwater gas field - the R Cluster (D34) field, in Block KG D6. It is a significant milestone in India’s energy landscape and showcases Reliance’s commitment in the nation’s transition towards a cleaner and greener gas-based economy.

## Highlights FY 2020-21

REVENUE ▼ 33.4%

**₹2,140** crore

EBITDA ▼ 26.9%

**₹258** crore

PRODUCTION (RIL's SHARE)

**126.6** BCFe



The Company’s oil and gas assets in India include –

- Block KG D6, where projects, R Cluster in December 2020 and Satellite Cluster in April 2021, have commenced production, while MJ project is in the development stage
- Two Coal Bed Methane (CBM) blocks – Sohagpur (West), which is currently producing, and Sohagpur (East), which is under development
- Block KG UDW1, which is in the area contiguous to Block KG D6, where the Company is undertaking Infrastructure led exploration efforts

The Company has a joint venture with Ensign Natural Resources in US shale play.

**Vision**

To be India's Leading Player and major contributor to India's Gas based economy supplying >25% of India's production.

**Mission**

Our mission is to maximise stakeholders' value by finding, producing and marketing hydrocarbons and to provide sustainable growth while catering to the needs of customers, partners, employees and the local communities in which we do business. We will conduct our business in a manner that protects the environment as well as the health and safety of our employees, contractors and the local communities in which we do business.

**Strategic Advantages and Competitive Strengths**

India's Leading Deepwater E&P operator with best-in-class safety and reliability track record



Partnership with bp synergising RIL's project execution and operations with bp's global E&P knowledge



World Class deepwater hub infrastructure in the East Coast



~3 TCFe resources in the Block KG D6



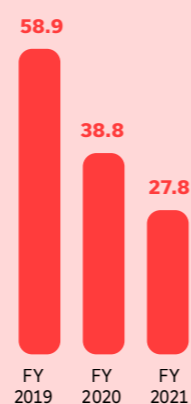
Exploration underway in the proven geological fairways of the contiguous Block KG UDW1



Gas based portfolio contributing in India's transition towards clean energy

**Performance Summary**

**DOMESTIC PRODUCTION (RIL'S SHARE\*) (BCFe)**



**SHALE PRODUCTION (RIL'S SHARE\*) (BCFe)**



\*For RIL's interest in Oil and Gas Joint Operations, refer Note 32.1 on pg 365

**Highlights FY 2020-21**



**First Gas from R Cluster field in Block KG D6**

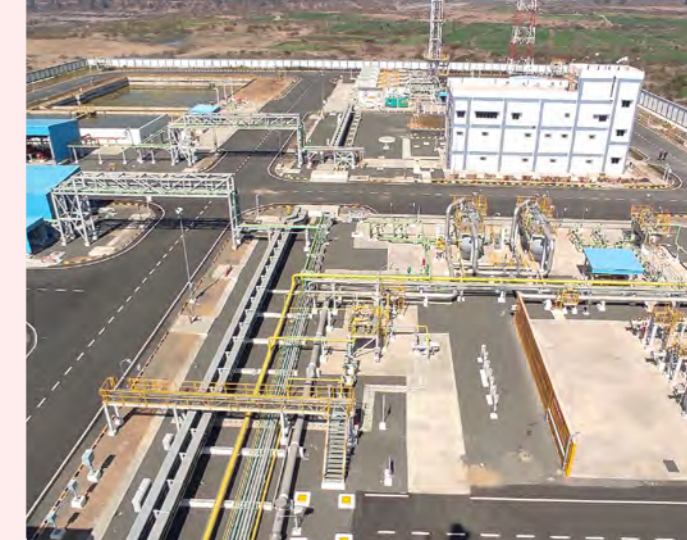
- Production ramped-up to 12.8 MMSCMD

**Safety**

- Zero LTI and Zero Recordable Injury during R Cluster installation and commissioning works campaign and major overhauling / inspection / maintenance jobs
- 100% safe and uninterrupted production operations in CBM

**US Shale Portfolio**

- JV partners (Reliance and Ensign) acquired Newpek's Working Interest (WI); Ensign and Reliance hold 50.74% and 49.26% WI, respectively
- Reliance sold its WI in Marcellus Shale assets to EQT and NOG



**e-Auction for CBM Gas**

- e-auction for sale of CBM gas successfully completed
- 0.82 MMSCMD gas sold for 1 year, through a transparent and dynamic e-bid system run independently by CRISIL



**e-Auction for KG D6 Gas**

- Conducted second round of e-auction for sale of gas, through a transparent and dynamic e-bid system run independently by CRISIL
- 7.5 MMSCMD gas sold to buyers for 3-5 year term
- In total, 12.5 MMSCMD gas has been sold to 19 buyers across sectors like CGD, Power, Refinery, Industrial among others

## E&P Asset Life Cycle and Portfolio



### E&P Portfolio

Block	Country	Partner	RIL Stake	JV Acreage (in acres)	Status
<b>Conventional Domestic</b>					
KG-DWN-98/3	India	bp-33.33%	66.67%	2,90,230	R Cluster Field on production from December 18, 2020. Satellite Cluster on production from April 25, 2021 and MJ Field - Development activities underway.
NEC-OSN-97/2	India	bp - 33.33%	66.67%	2,05,520	FDP Submitted. Under review with Gol
KG-UDWHP-2018/1	India	bp - 40%	60%	374,093	Exploration
<b>Unconventional Domestic</b>					
CBM					
SP(East)-CBM-2001/1	India	-	100%	1,22,317	Development ongoing
SP(West)-CBM-2001/1	India	-	100%	1,23,552	Producing
<b>International</b>					
Shale					
Ensign JV	USA	Ensign- 50.7%	49.3%	1,27,907	Producing. Acquired Newpek's share

Notes: Newpek's stake was acquired by Ensign and Reliance

## Industry Overview

CY 2020 was a turbulent year for global oil and gas industry as COVID-19 related restrictions lowered demand from transport and other sectors. Market saw an oversupply of ~20 MMb/d in April 2020, pushing Brent prices to US\$18.5/bbl before recovering to US\$63.5/bbl by the year-end. There was an overall collapse of 8.8 MMb/d demand in 2020. Majority of E&P companies opted to defer project investment decisions amid capital preservation measures. Brent and West Texas Intermediate (WTI) crude averaged at US\$42.0/bbl and US\$39.2/bbl respectively in CY 2020. This was US\$15/bbl lower than the average CY 2019 price.

The demand is expected to recover, though resurgence in COVID-19 cases is slowing the rebound. Widespread vaccination effort and an acceleration in economic activity coupled with OPEC+ decision to delay further easing of cuts and Saudi Arabia's additional supply reduction of 1 MMb/d in February and March is expected to spur stronger growth in coming time.

Global gas demand fell 2.5% to ~3,840 BCM while output fell 3.6% to 3,918 BCM. Natural gas prices in 2020 remained low due to dampened economic activities impacting both production and consumption. US Henry Hub gas price averaged at US\$2.05/MMBTU (compared to average of US\$2.57/MMBTU in CY 2019), the lowest annual average price in decades.

### Emerging Trends and Business Response

#### Description

##### Clean Energy

Global focus is on green energy in order to address environmental concerns to reduce greenhouse gas (GHG) emissions

##### Brownfield Developments

In these challenging times, when demand and prices for oil and gas are falling, companies are focusing on brownfield developments to reduce cost

##### Digital Technologies

The COVID-19 pandemic has reinforced the importance of adoption of new technologies for improved efficiencies



#### How RIL E&P is geared up?

The Company is focusing on building a gas-based portfolio. Gas being a cleaner fuel, is considered world-over as a transition fuel to green energy

The Company is leveraging its existing infrastructure in the KG Basin to develop three projects in Block KG D6 and is undertaking exploration in contiguous areas

The Company has always been at the forefront in the adoption of latest technologies. It is further enhancing its capabilities through Digital Twin, Autonomous Fields, Virtual Command Centres and other cutting-edge technologies

## Performance Update

Segment revenues for FY 2020-21 were lower by 33.4% y-o-y to ₹2,140 crore primarily due to lower volumes from conventional fields and overall lower commodity price realisation. EBITDA for the year declined by 26.9% to ₹258 crore.

For the year, domestic production (RIL share) was at 27.8 BCFe, down 28.4% y-o-y due to expiry of Panna Mukta Production Sharing Contract in December 2019 and cessation of production from D1D3 (KG D6) field in February 2020 and in US Shale (RIL share), production was 98.8 BCFe, up 22.9% on a y-o-y basis.

### Financial Performance

Parameter	FY 2020-21 (₹ in crore)	FY 2019-20 (₹ in crore)	% change y-o-y
Revenue	2,140	3,211	(33.4)
EBITDA	258	353	(26.9)

### Operational Performance

#### Domestic

JV production	Unit of Measurement	FY 2020-21	FY 2019-20
<b>KG D6</b>			
Gas	BCF	24.0	17.5
<b>PANNA- MUKTA</b>			
Oil	MMBBL	-	2.6
Gas	BCF	-	34.2
<b>CBM</b>			
Gas	BCF	11.8	12.2

## Business Performance

### KG D6

Till date, the Block has produced 3 TCFe of gas, oil and condensate while establishing several global benchmarks in terms of operational performance, including 99.9% uptime and 100% incident-free operations. Majority of existing production facilities are being utilised towards integrated development of the three ongoing projects.

### R Cluster Field

The R Cluster field was commissioned successfully in December 2020, despite challenges imposed due to COVID-19 and adverse weather. Located at a water depth of greater than 2,000 meters, it is Asia's deepest and India's first ultra-deepwater gas field.

All six wells have been opened and tested, with ramp-up programme currently ongoing. Current production is in line with expectation and is being ramped-up. The field is expected to reach plateau gas production of about 12.8 MMSCMD in 2021.

## R Cluster and Satellite Cluster have been commissioned.

### Satellite Cluster

All five development wells have been drilled and completed. Production from the field commenced in April 2021, two months ahead of schedule.

### Development Status

#### MJ Field

Engineering, procurement and manufacturing activities for FPSO, Subsea Production System, Risers and Umbilicals are currently underway. Drilling campaign commenced in March 2020 and is currently ongoing. First installation campaign commenced in 4Q FY 2021 with the second and final installation campaign planned in 4Q FY 2022.

### Abandonment

D1D3 field ceased production in February 2020. The D1D3 Field Decommissioning Plan for abandonment of wells and facilities has been submitted to OISD for approval.

### Exploration Strategy

RIL's exploration strategy is focused on catchment areas to leverage existing infrastructure. Block KG-UDWHP-2018/1 (KG-UDW1) was awarded to RIL-bp JV under OALP II licensing round and Petroleum Exploration License (PEL) was issued in August 2019. Due to the ongoing COVID-19 pandemic, the Government of India granted 341 days extension of the initial exploration phase.

3D Seismic Acquisition campaign is being undertaken in the Block.



In Marcellus JV, Chevron put one pad on production in operated areas which was drilled and frac'ed in 2019, before handing over the operatorship to EQT.

In Eagleford JV, Ensign continued with one rig programme until 1H CY 2020. Only three new wells were put on stream, while it drilled 11 wells.

Reliance's aggregate capital investments across JVs decreased significantly y-o-y and was US\$66 million during CY 2020.

### Coal Bed Methane (CBM)

RIL is currently producing CBM from the Block SP (West)-CBM-2001/1. More than 300 wells are on production with production averaging 1 MMSCMD during the year. To sustain plateau production further, development is being undertaken in the Blocks SP (West)-CBM-2001/1 and SP (East)-CBM-2001/1 block.

Reliance Gas Pipelines Limited, a subsidiary of RIL, operates the 302 km Shahdol-Phulpur Pipeline from Shahdol (MP) to Phulpur (UP) connecting the CBM gas fields with the Indian gas grid.

### US Shale

The sharp decline in commodity prices slowed down development activity in both JVs. Despite prices recovering during 2H CY 2020, given the weak macro environment and its impact on price realisation, both Marcellus and Eagleford JVs pursued minimal activity and optimised costs. Reliance and its JV partners continued efforts on preserving long-term value through strict capital discipline and curtailing development activity.

In 4Q FY 2021, Reliance sold its interest in Marcellus JV to EQT Aurora LLC and Northern OIL & Gas.

During 2Q FY 2021 Newpek LLC, the minority partner in Ensign JV, exited and its participating interest was acquired by Reliance and Ensign proportionately.

Due to the adverse changes in market environment, reduction in activity by operator and recent operational performance, the Shale Gas subsidiaries have impaired their assets, including unavoidable costs based on contractual commitments, totalling to ₹15,691 crore.

### Operational Performance

JV Production	Unit of Measurement	CY 2021	CY 2020
Gas	BCFe	65.9	83.3
Condensate	MMBBL	2.4	2.6

In 2020, the JVs together drilled 28 wells and put 26 wells on production.

Gross JV production was ~0.64 BCFe/d for the two JVs, up 22% y-o-y. Reliance's share of production and sales were at 99.0 BCFe and 85.9 BCFe, respectively in CY 2020, compared to 80.4 BCFe and 70.5 BCFe in CY 2019.

## New Technologies

### Bio-CBM

To increase recovery from CBM fields, Reliance is engaged in R&D efforts with current focus on Bio-CBM.

In CBM, methane gas, which is adsorbed and trapped naturally in coal seams, is produced. Bio-CBM technology uses microbe injection to produce in-situ methane where either the coals are devoid of methane or conventional CBM extraction is uneconomical.

Lab tests have shown encouraging results with respect to methane production potential. Research is underway to establish the ability of this technology to scale up to a commercial operation.



**Update on Arbitrations and Other Legal Issues**

Due to the COVID-19 related circumstances, there has not been any progress in the following matters: KG D6 Cost Recovery Arbitration, Public Interest Litigations relating to KG D6 Block pending before the Hon'ble Supreme Court of India, suit filed by NTPC Limited against RIL before the Hon'ble Bombay High Court, Government of India's proceedings seeking setting aside of arbitration award relating to alleged migration of gas from KG D6 Block before the Hon'ble Delhi High Court and Writ Petition filed by RIL before Delhi High Court relating to jurisdiction of Delhi Anti-Corruption Bureau.

**PMT Arbitration**

On January 29, 2021, in its latest final partial award, the Arbitration Tribunal has unanimously decided certain issues in favour of BG Exploration and Production India Limited and RIL (together the Claimants). Government of India has filed an appeal before the English High Court against the latest final partial award. Further, due to the COVID-19 related circumstances, there has not been any substantial progress in the claimants' application before the Arbitration Tribunal seeking an increase in the PSC Cost Recovery Limits and government's execution petition before the Hon'ble Delhi High Court seeking enforcement and execution of the Tribunal's 2016 Final Partial Award.

**COVID-19 Response**

**CSR Activities in Shahdol during COVID-19**

- 4 MMUs provided critical primary care services to 150 villages of Shahdol, Kotma and SHPPL
- Regular COVID-19 awareness campaigns conducted and banners displayed at prominent places
- More than 50,000 masks distributed to frontline workers, District Administration, and community
- Innovative contact less hand washing unit installed at prominent places
- Over 1,500 poor households were supported for dry ration kit as relief while more than 40,000 individuals got food through central kitchen at Shahdol
- Support through online education platforms benefitted around 150 students in Shahdol
- 3 youths supported by CSR got selected in the Armed Forces

**CSR Activities in Gadimoga during COVID-19**

- Organised awareness camps on COVID-19 and put up posters depicting DO's and DON'T's in nearby villages
- Distributed sanitiser bottles, masks and hand gloves to village volunteers, Panchayat Sanitary Workers, Medical staff and Asha workers working during the lockdown
- Provided sanitiser in bulk to the medical staff working in COVID care centres
- Distributed Relief Material (~ 6,000 kits) to nearby villages during the first COVID wave
- Support extended to District Administration by providing cots and chairs to COVID care centres / government hospitals

**100+**

**Migrant labours were linked with different schemes and provided support for improved farming through inputs and technical guidance**

**2,500**

**Education materials distributed to around students**



**Outlook**

Gas is expected to play a key role as a transition fuel and share of gas in energy mix is expected to increase from 6% to 15% by CY 2030. RIL, with development of three deepwater gas projects in KG D6, will continue to play a key role. While two projects have been successfully commissioned, one project is expected to come onstream in FY 2022-23. With this, RIL is expecting to reach a peak production of ~ 30 MMSCMD in CY 2023, i.e., ~25% of India's production and ~15% of India's demand.

RIL will continue its exploration efforts in the catchment areas, which, if successful, will be able to leverage its existing world-class deepwater hub infrastructure.

As the COVID-19 pandemic continues to pose constraints and challenges, RIL's focus remains on ensuring safety for its people and assets, timely delivery of ongoing projects and uninterrupted production operations.

# Liquidity and Capital Resources



Srikanth Venkatachari



Soumyo Dutta



Anshuman Thakur



**FY 2020-21 has been a year of unprecedented volatility in the financial market and liquidity conditions. Reliance has been able to successfully navigate this volatility.**

The Company has successfully completed one of the largest equity capital raise programmes and has repaid debt liabilities including US\$7.8 billion of ECB borrowings, the largest ever such prepayment programme undertaken by any corporate entity in India. The Company remains firmly committed to efficient financing of its working capital, across all formats of businesses, and maintains a strong liquidity position with more than ₹2.5 lakh crore of cash and cash equivalent in its consolidated balance sheet.

## Highlights

During the year, Reliance successfully raised equity in (i) Jio Platforms Limited from global strategic investors, including Facebook and Google and marquee financial investors totaling US\$21 billion for ~33% stake, (ii) Reliance Retail Ventures Limited from marquee financial investors totaling ~US\$6 billion for ~10% stake; (iii) fuel retailing business by entering into a partnership with bp; (iv) Reliance Industries Ltd by way of Rights Issue. The equity capital thus raised allowed Reliance to significantly deleverage its balance sheet and deliver on its promise of attaining zero net debt status.

Financial markets were extremely choppy and volatile during the year. The first half of the year saw large-scale destruction of demand in the economy, significant fall in interest rates and weakening of the rupee and the second half of the year witnessed a bounce back in growth, recovery of crude oil price, strengthening of the rupee and an upward movement in interest rates. The Company was successfully able to navigate all such dislocations in the market, maintain adequate liquidity on its balance sheet, manage its financial market risks and deliver

a consistent return on its investment portfolio by staying invested in low risk, liquid instruments. Reliance Treasury continued to stay focused on providing liquidity to the businesses at the optimal risk adjusted cost by accessing financing from different markets and using appropriate instruments and currencies.

Reliance continues to enjoy a strong credit rating and continues to be rated two notches above sovereign by S&P and is rated one notch above sovereign by Moody's.

## Treasury Management and Financial Strategy

Reliance Treasury makes sure that capital is made available at the optimum risk adjusted cost and is made available at the time when businesses require it. It also ensures maintaining a prudent mix of funding sources across instrument classes, financing products, geographical markets and investor classes.

The highlight of financing activity in FY 2020-21, was an early prepayment of US\$7.8 billion of long-term foreign currency debt, undertaken in 2Q and 3Q FY 2021, with requisite approvals from the RBI. This is the highest ever prepayment of debt undertaken by any corporate borrower in India.

During FY 2020-21, the Company took over Reliance Holding USA, Inc, (RHUSA) debt of US\$4,455 million. These debts were guaranteed / supported by the letter of comfort given by the Company. Subsequent to its acquisition, the Company refinanced a portion of debt aggregating US\$2,455 million, most of which was maturing during FY 2020-21 in compliance with the provisions of the Foreign Exchange Management (Cross Border Merger) Regulations, 2018. This refinancing was achieved at the lowest pricing in over a decade for the applicable tenor.

In order to shore up its liquidity buffer and to insure the Company against risks of volatile business cashflow, Reliance raised ₹24,955 crore through rupee debentures for up to 5 years tenor, during the lockdown period in 1Q FY 2021.

## Credit Rating

Reliance's financial discipline and prudence are reflected in the strong credit ratings ascribed by rating agencies. The table below depicts the credit rating profile:

Instrument	Rating Agency	Rating	Remarks
International Debt	S&P	BBB+	Two notches above India's sovereign rating
International Debt	Moody's	Baa2	One notch above India's sovereign rating
Long-Term Debt	CRISIL	AAA	Highest rating by CRISIL
Long-Term Debt	CARE	AAA	Highest rating by CARE
Long-Term Debt	ICRA	AAA	Highest rating by ICRA

### Ratings Definitions

**S&P BBB+:** An obligation rated BBB+ exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**Moody's Baa2:** Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

**CRISIL AAA:** Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.

**CARE AAA:** Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.

**ICRA AAA:** Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk.

## Liquidity and Treasury Management

Reliance maintains a strong focus on liquidity to ensure that the Group always has adequate cover to face any potential short-term market disruptions. Reliance maintained a strong liquidity position in its balance sheet in the form of cash and cash equivalents. Cashflow from operating activities continued to remain strong. The slowdown in hydrocarbons was compensated by the strong growth in consumer businesses.

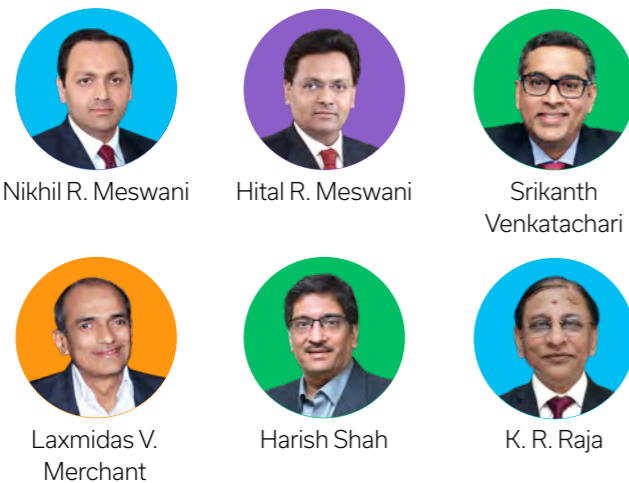
Reliance's liquidity management and investment plans are created within the context of its strategic and annual financial planning processes. The plans are reviewed on an ongoing

basis to factor in evolving global and domestic macro factors.

Reliance maintains sufficient working capital resources for running all its businesses smoothly. It continuously monitors and optimises working capital requirements by actively leveraging trade financing solutions covering receivable and payment products and executing innovative structured trade products.

The investment portfolio balances well between the dual objectives of generating optimal returns with appropriate risk/reward and maintaining the assurance of liquidity at short notice.

# Risk and Governance



## Reliance’s Risk Management Framework was stress tested by the black swan event and the business outcomes are encouraging.

The Group’s motto, ‘**Growth is Life**’, aptly captures the ever-evolving spirit of Reliance. It also presents multiple **opportunities and risks** that are managed through the robust Risk Management Framework. The framework helps the Group identify, assess, respond to and monitor, on a real-time basis, risks that impact business objectives.

Risk management is an integral component of the Reliance Management System. Effective risk management with enhanced use of technology has improved the quality of business decisions.

### Enterprise Risk Management at Reliance

Global events have challenged nearly every company, leading to a rethink of assumptions and adaption of strategies to a new operating environment that involves managing major risks with a renewed focus on the safety of people. At Reliance, the Risk Management Function, enabled by the effective use of new technologies, has enhanced the organisation’s readiness in responding to COVID-19.

The Company has a well-established “**Three Lines of Defense**” approach:

- 1 **Business/Process Managers (Self-verification, first line of defense)**
- 2 **Risk Management Function (Functional Assurance, second line of defense)**
- 3 **Internal Audit and Management Assurance Function (Independent Assurance, third line of defense)**

The framework and related processes seek to maximise business outcomes by allowing the management to:

- Understand the risk environment and assess the overall potential exposure
- Determine risk mitigation strategies
- Allocate resources and actively manage those risks
- Monitor the effectiveness of risk management – across the value chain and all the way up to the Board

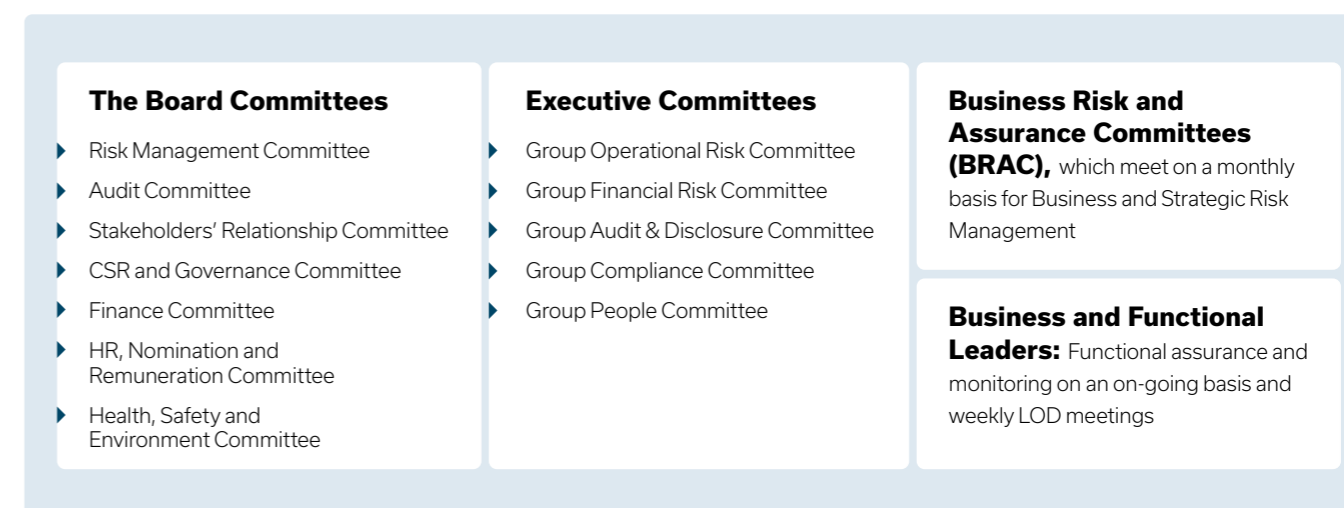
The Company is prone to the following categories of risk:



These risks, either separately or in combination, could have a materially adverse effect on the implementation of Reliance’s strategy, its business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns, and reputation.

### Governance Framework

Reliance’s Risk Management Framework is designed to be a simple, consistent and clear framework for managing and reporting risks from the Group’s operations to the Board. The **Board provides oversight** through various Risk and Executive Committees listed below:



The cadence of governance meetings, including weekly meeting of the three lines of defense, reinforces early identification of a new risk and its mitigation.

For understanding the Company’s corporate governance and functioning of the Board and details on Internal Controls, please refer to the Board’s Report and Corporate Governance Report

The Risk Management Framework covers risk management activities at three levels:



## RISKS AND RESPONSE

### STRATEGIC AND COMMERCIAL RISKS

#### Commodity Prices and Markets

##### Risk Description

The risk arising out of COVID-19 – from social distancing, national lockdown, uncertainty in environment, demand contraction, government intervention (ranging from encouraging certain businesses to indirect stoppage of goods and services) – has overshadowed the entire year.

External market conditions, in particular; prices of crude oil, natural gas and downstream products have a direct impact on RIL's financial performance. These prices are affected by supply and demand, both globally and regionally. Factors that influence fluctuations in crude prices, crude availability and that can have an impact on margins include operational issues, natural disasters, political instability, including geopolitical risks, economic conditions and aggressive pricing by competitors. Stringent recycling norms and government regulations can reduce plastic consumption.

Government restrictions on account of the COVID-19 pandemic could affect smooth operation of business activities, store operation, and expansion. Reliance's inability to build infrastructure at a pace and scale needed by the rapidly growing Retail business could hinder operational efficiency and demand fulfilment.

##### Risk Response

Since RIL operates an integrated O2C business, some of these risks in one part of the business are offset by gains in other parts of the Group's integrated O2C business.

RIL exports its products to diverse geographical locations so that the risk of non-availability is mitigated with minimal adverse effect. The Company increased the usage of multimodal logistics (including coastal) to fulfil its contractual commitment to customers. The Company operated at near full throughput even during the lockdown period.

The risk of non-availability of crude and feedstock is actively managed by sourcing crude from multiple geographies using short-term and long-term purchase contracts. As OPEC and other producer countries implemented a coordinated production cut, RIL diversified its feedstock supply sources to ensure adequate and timely availability of feedstock. It also increased Straight-run Fuel Oil (SRFO) sourcing to mitigate risk of lower availability

of heavy crude oil. Reliance has a robust Commodity Risk Management Policy and Framework that enables hedging the exposures arising from commodity price fluctuations, such that the risks remain within acceptable levels.

In its downstream business, RIL explored new opportunities for manufacturing surgical gowns, PPE, masks, testing-swabs for medical application. RIL is advocating in favour of the environment on the basis of life cycle studies of plastics vs alternatives, and is focusing on plastic waste collection and disposal, increasing recycling footprint in the country.

Reliance Retail undertakes regular assessment of emerging risks and opportunities and has implemented necessary steps in securing its people and business in the volatile and uncertain operating environment posed by COVID-19.

Decisive actions were taken by the business to adapt and strengthen

its operating models by activating digital commerce platforms and strengthening omni-channel capabilities.

The business made steady progress in bringing New Commerce to life by extending partnerships with merchants and becoming their trusted partner.

Proactive steps were taken to engage with customers through initiatives such as distance selling, store on wheels, pop up stores among others to ensure customers are served well in the most difficult times.

With operating curbs lifted progressively, thrust on expansion continued as the business opened new stores across geographies and maintained its pace and scale of growth.

#### Customer Experience and Retention

##### Risk Description

Digital Services now has over 426 million customers on the back of an innovative customer acquisition strategy. Along with the expansion of its current customer base, customer retention and experience are of utmost importance to generate sustainable business performance and return on investments. The business needs to continuously deliver differentiated customer experience to proactively mitigate any risks that may weaken its value proposition, brand and customer loyalty.

Reliance Retail operates in the consumer sector and a slowdown in macro-economic growth and weak consumer sentiments and spending could have a bearing on its performance. In a fast-changing external environment, with evolving customer preferences and shopping habits, inability of the retail business to stay abreast of these trends and behaviours could weaken its compelling value proposition and offering for customers and overall customer experience.

##### Risk Response

Digital Services sustains its customer value proposition through continuous innovation on products/service offerings, considering the needs of various customer segments and affordability. It makes continual investments in operational excellence and network infrastructure to deliver superior customer experience. Through its Prime Membership Program, the Company offers the most competitive monthly tariff plans in the industry, apart from offering attractive deals, thereby ensuring customer retention and loyalty.

Digital business has swiftly taken multiple steps for superior customer experience, including multiple

options to its customers for mobile recharges, scaling up virtual call centres for customer support and resuming store operations with the lifting of the lockdown. It enhanced network capacity for better indoor coverage and, above all, has been continuously driving improvement in the quality of service. The Company continues to develop new products and services on the back of next generation technologies such as AI, IoT and 5G networks.

Reliance Retail continuously undertakes market study to stay abreast of the emerging trends and implements proactive measures to ensure that the customer promise

is delivered. It continues to drive consumption in emerging categories resulting from evolving customer preferences and shopping habits, thereby enabling sustained demand across businesses.

Focus on developing own brand portfolio in categories such as health and immunity boosting food in Grocery, productivity devices and appliances in Consumer Electronics, serving 'at home' lifestyle through re-curation of range in Apparel are some of the ways in which business has kept pace with changing consumer habits.

#### Data Privacy Risk

##### Risk Description

Due to COVID-19, the companies are collecting personal information about the medical condition of employees, vendors and other visitors to their premises. Reliance is required to comply with statutory, regulatory and contractual restrictions with respect to the collection of data, its storage, its security and dissemination to manage data privacy risk.

The Government introduced the Personal Data Protection Bill, 2019 (PDP 2019) in Parliament, which would create the first cross-sectoral legal framework for data protection in India. Currently, the data privacy requirements are governed by the Information Technology Act 2000, amendment 2008.

Citizens and governments across the globe continue to face data breaches and scandals. This has transformed the way citizens, governments and organisations think about data privacy globally. Data privacy laws and societal expectation are increasing the imperatives to protect personal information of individuals.

##### Risk Response

Reliance continues to ensure that privacy principles are enshrined in the organisation and its services. Since Reliance is also involved in providing health support during the pandemic to both employees and society at large, the data privacy requirements as per the law are tightly integrated

into business processes and utmost care is taken to validate these regularly. Enhanced practices are in place to ensure protection of personal data while sharing it with third parties. Identified applications that store personal data are adequately secured. Besides, data privacy

awareness campaigns are conducted on an ongoing basis. Reliance is fully compliant with the existing Indian privacy laws and is gearing up to adopt requirements of the anticipated Indian PDP Bill, 2019.

### Cybersecurity Risk

#### Risk Description

COVID-19 made it imperative for the organisation to embrace certain practices, including social distancing, remote working and all these, in turn, led to significant dependence on and increased usage of digital technologies. Reliance continues to focus on large scale digital transformation/adoption of technology across its Retail business. A digital security breach or disruption to digital infrastructure caused by intentional or unintentional actions, such as cyber-attacks, data breaches or human error, could have a serious impact on business. This impact could include loss of process control, impact on business continuity or damage to assets and services, harm to the environment, loss of sensitive data or information, legal and regulatory non-compliance, reputational damage as well as revenue loss.

#### Risk Response

The Company subjects its networks and systems to security penetration tests on a continuous basis. Reliance invests significant resources to ensure cybersecurity resilience and data protection. Periodically, independent assessments are carried out to validate and improve resilience to cybersecurity attacks. These encompass technical security controls, secure operational

processes, cybersecurity incident monitoring mechanisms, disaster recovery controls and trained manpower. Cybersecurity controls are ensured at design stage through its integration with DeVSecOps. Reliance's cybersecurity measures are aligned to the growth and diversification of the Company. Reliance's Hydrocarbon and Digital businesses are now re-certified with

ISO 27001 security benchmark and Reliance Retail is now re-certified with the global PCI DSS 3.2 (Payment Card Industry Data Security Standard). Reliance exchanges cybersecurity intelligence with industry peers and government bodies. Cybersecurity awareness training and tests are conducted for every employee and partner.

## SAFETY AND OPERATIONAL RISKS

### Health, Safety and Environmental (HSE) Risks in Operations

#### Risk Description

HSE risks include the effects of natural disasters (floods, earthquakes, among others) and safety lapses on human capital. The nature of Reliance operations exposes the Company, its employees and the society, to a wide range of health, safety, security and environment risks due to the geographical location and technical complexity of operations. Various HSE regulations across geographies regulate Reliance's business of Exploration & Production of oil and gas, and their further refining and downstream processing. HSE risk in retail extends to food safety.

A major HSE incident, such as fire, oil spill and security breach, can result in loss of life, environmental degradation and overall disruption in business activities.

#### Risk Response

Oil to Chemicals (O2C) business poses risks inherent to Oil & Gas operations involving fire, explosion, spills and chemical releases. With an endeavour to mitigate these risks throughout the operating life cycle, robust practices are embedded to manage Safety and Operational risks across the business entities.

HSE risks, including process safety, are identified through a systematic risk assessment programme starting from project ideation, design, commissioning, normal operations

up to the decommissioning phase. Advanced risk assessment techniques are applied to assess the HSE risks periodically, recognise emerging risks and embed appropriate controls. Reliance facilities have employed inherently safer design strategies and state-of-the-art controls in the hazardous processes that reduce vulnerability of these facilities to HSE incidents. These risks are owned and actively managed at asset-facing level. Every member of the workforce is communicated on the potential

exposure to these risks and they are an integral part of risk management. During the year, the industry has faced challenges in managing the health of personnel, supply chain, competent resources to manage hazardous facilities and adherence to practices for managing health of assets. Reliance has proactively reached out to industry peers, industry forums and have actively participated in industry efforts like 'Reflections from global process safety leaders during and following pandemics' by the

### Health, Safety and Environmental (HSE) Risks in Operations

Centre for Chemical Process Safety (CCPS) for mutual learnings. The Company has actively learnt from external HSE incidents in the industry and strengthened its systems and processes. Guidelines and advisories on 'Health and Safety management during pandemic' have been promptly developed and deployed, considering the new-normal conditions. Reliance's central technical teams have been agile in engaging with various expert groups to timely facilitate resources to the sites for troubleshooting, maintenance and oversight to ensure that there are no deviations in HSE practices.

The Company has taken multiple steps with respect to employees including work from home,

bio-bubbles at manufacturing locations, AI monitoring of behaviour, health monitoring, medical support via online daily symptom check and remote doctor consultation and tie-ups with private hospital chains to ensure medical facilities are available for Reliance employees and their family. Suitable online programmes were organised to keep morale high and ensure the mental well-being of employees. Reliance has ensured required technical competencies were always available to operate and maintain its facilities. Dynamic risk management actions were devised in its operations as the scenario progressed during the pandemic, enabled by digitally connected technology. Risk assessments and oversight activities

like process monitoring, HSE auditing and safety reviews were seamlessly supplemented by remote collaboration digitally. For Grocery business, food safety checks have been implemented to provide multiple layers of assurance, thereby ensuring safety of consumers.

Reliance has initiated digital safety platform activities underpinned with Industry 4.0 technologies like Big data and predictive analytics, Machine Learning, Artificial Intelligence and IoT. With digitisation, there will be real-time access of information to management and asset facing personnel for timely intervention and to make safety critical decisions proactively.

### Safety and Environmental Risks During Transportation

#### Risk Description

With most of the crude being supplied to RIL by sea vessel, and the overwhelming majority of refined products being exported by sea, road and pipeline, the Company faces the risk of HSE incidents, oil spills and so on, leading to disruption in business activities.

Events like technical integrity failure, natural disasters, extreme weather, human error and other adverse events or conditions could lead to loss of containment of hydrocarbons or other hazardous materials, as well as fires, explosions or other personal and process safety incidents.

RIL is operating a fleet of tugs, port service vessels and operations of port and terminal infrastructure and is exposed to a complex and diverse range of marine risks, with respect to exploration vessels, oil tankers, chemical tankers, gas tankers, and dry cargo vessels.

#### Risk Response

RIL has a strong vessel vetting, incident monitoring and emergency response system.

RIL's augmented ship vetting programme ensures, the vessels that are contracted to carry RIL Cargo are screened based on risks prior to their induction. The third party ship vetting system based on extensive data analysis narrows the risk arising,

in case physical inspection of vessels is not carried out due to COVID-19. Vendor management audits are carried out at prescribed intervals for time charters and STS service providers in accordance with the Marine Assurance Framework.

RIL's control framework for road transportation has matured over a period of time and is run in

collaboration with contractors. The contractors are supported by the Company through capacity building for their drivers in areas such as defensive driving, route hazard mapping and real time tracking. A dedicated state-of-the-art emergency response centre provides emergency response to transporters.

### Physical Security and Natural Calamity Risks

#### Risk Description

Due to the geographical presence of sites and nature of its business operations, Reliance is susceptible to hostile acts such as terrorism, vandalism, shoplifting or piracy which could harm the Company's people, property and disrupt its operations. Some of Reliance's sites are subject to natural calamities such as floods, cyclones, lightning and earthquakes.

Some of the network locations, offices, employees and other ecosystems are subject to various forms of intentional or natural disruptions, thereby impacting network availability, customer experience, restoration cost and efforts.

Failure to respond quickly or to be perceived as not responding fast enough in an appropriate manner to either an external or internal crisis, could disrupt the Company's business and operations severely and also damage reputation. The impact of such disruption can severely impact business and operations if the Company is unable to restore or replace critical capacity to the required level within the necessary timeframe.

#### Risk Response

Global Corporate Security (GCS) a dedicated and distinct function of RIL, de-risks, safeguards and secures the Company. It maintains best-in-class detailed disaster recovery, crisis and business continuity management plans to respond to natural calamities, and any disruption or incident.

The businesses are provided assurance on an ongoing basis by GCS with respect to the management of security risks affecting its people, assets and operations. It actively monitors the threat landscape to prevent/mitigate risks using cutting-edge technology solutions, seamlessly deployed as a digital-physical managed service on a platform-based approach. Real-time

situational awareness has been enhanced and speedy response mechanisms are put in place at critical locations. Regular mock drills/exercises are conducted, with all the stakeholders for checking the efficacy of the same.

Additionally, risks pertaining to digital services are uniquely mitigated through integrated response that is facilitated by various teams such as security, customer services, corporate services, network maintenance and the local geographical offices to keep the networks functional, thereby safeguarding Company assets, people security while maintaining customer experience.

Security & Loss Prevention (SLP) proactively supports in reducing pilferage, theft and losses to enable higher business profitability and mitigating risks at Reliance Retail. It is enhanced with a prudent mix of physical security, remote surveillance and data-based audit interventions to foster a safe and secure environment and to protect assets 24x7.

RIL is rolling out an integrated security platform with wide area high-end sensors, seamless electronic communication and AI-based analytics across the enterprise.

### COMPLIANCE AND CONTROL RISKS

#### Regulatory Compliance Risks

#### Risk Description

Increased regulatory scrutiny has raised the bar on regulatory compliance. This requires alignment of corporate performance objectives, with regulatory compliance requirements. COVID-19 has led the government to announce a range of notifications which companies need to adopt swiftly and effectively.

#### Risk Response

Reliance has adopted a digitally-enabled comprehensive compliance management framework. It is updated at regular intervals, and is integrated with business processes, risks and controls. Changes in regulations including COVID-19 induced changes are also tracked and integrated within the

Reliance Compliance Management System. The responsibility matrix is cascaded down to a single point of responsibility. Apart from assurance through Three lines of defense, compliances are also periodically monitored at the Group Compliance Committee level.

The Company's code of conduct, training as well as focus on ensuring 100 % compliance and continuous monitoring have enabled a mature, digitally-enabled compliance framework.

### FINANCIAL RISKS

#### Treasury Risks

#### Risk Description

Treasury risks include, among others, exposure to movements in interest rates and foreign exchange rates. Following is the summary of key risks faced by Reliance:

#### Liquidity Risk

At the onset of the COVID-19 pandemic, liquidity across markets initially tightened. However, across markets, central banks almost immediately pressed into action and significantly eased monetary and credit conditions.

#### Interest Rate Risk

Reliance borrows funds from domestic and international markets to meet its long-term and short-term funding requirements. It is subject to risks arising from fluctuations in interest rates. As central banks maintained easy and accommodative monetary policies, interest rates across the world dropped very sharply.

#### Foreign Exchange Risk

Reliance prepares its financial statements in the Indian rupee, but most of the payables and receivables of the Hydrocarbon business are in US dollars, minimising the cash flow risk on account of fluctuations in foreign exchange rates. Reliance avails long-term foreign currency liabilities (primarily in USD, Euro and JPY) to fund its capital investments. RIL also avails short-term foreign currency liabilities to fund its working capital.

Rupee depreciated sharply against the dollar during the first quarter. However, it soon reversed its trajectory completely and went on to close the year ~3% stronger.

#### Risk Response

As liquidity conditions eased out, Reliance raised ₹24,955 crore of Rupee debentures in the 3 - 5 year tenor to add to its already existing liquidity buffer in 1Q FY 2021. Capital flows received in FY 2020-21 by way of the Rights Issue and stake sale in Digital and Consumer Retail businesses strengthened RIL's liquidity position further. The Company continues to maintain

sufficient liquidity buffer to meet additional demands that may emerge on account of the COVID-19 crisis.

Interest rate risk is normally managed actively through financial derivative instruments available to convert floating rate liabilities into fixed rate liabilities or vice-versa. In FY 2020-21 Reliance benefited significantly on account of the ultra-low interest rate environment

as a large part of its borrowings are floating on short-term benchmark rates.

Foreign exchange risk arising from the mismatch of foreign currency assets, liabilities and earnings is tracked and managed within the internal Risk Management Framework and rules that are dynamic to market changes.

### Insurance – Risk Mitigation

Reliance maintains insurance cover for properties on All Risk basis, including against Act of God perils (flood, earthquake, cyclone, tsunami etc.), business interruption and third party liability. The Company covers the properties on full sum insured basis on replacement value. It also maintains various other types of insurance, such as Erection All Risk for its major capital expenditures projects, Directors' and officers' liability, transit cover, charterers' liability cover and employee benefit insurance policies. The scope of coverage, insurance premiums, policy limits and deductibles are in line with the size of the company and its nature of business.

### Leading Edge Technology – Governance, Risk, Compliance and Audit (GRCA 2.0) Platform

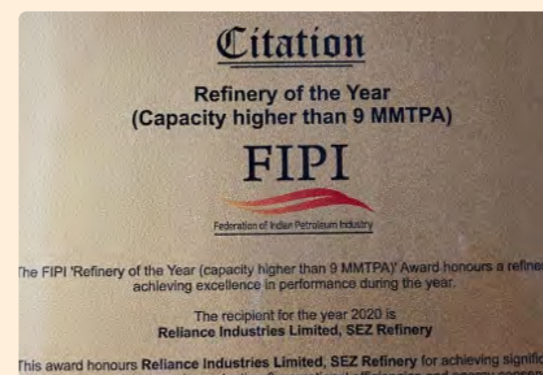
A robust ERP system, data analytics capabilities and GRCA tools are used for risk management. Reliance has transformed risk management during the year to enable **real-time risk monitoring with the launch of the GRCA 2.0 Platform**. GRCA is an in-house development on **open source technology** that fosters real-time actionable dashboards that enables real-time risk assessment and its mitigation. It is scalable and agile.

### The Future Ahead

COVID-19 has been one more litmus test for resilience and adaptability. Based on the deep culture of risk management built over the past years, and supplemented with strong cadence-enabled governance, Reliance has a matured Risk Management Framework enabled by technology. Reliance's risk management is agile for course correction in the VUCA world, including dealing with upside risks. Recovery of economic activity and the consequent demand rebound as vaccination programmes reach scale in various countries will result in a more favourable environment.

### Leadership Awards

- RIL Chairman, Shri Mukesh D. Ambani, ranked among Top 5 World's Most Famous, Most Reputable CEOs
- Smt Nita Mukesh Ambani and Reliance Foundation recognised among top COVID-19 philanthropists of 2020
- RIL debuts on Great Place To Work® 'India's Best Workplaces in Manufacturing 2021' list
- RIL ranked among LinkedIn's 'Top 25 best workplaces to grow your career in India', featuring in 'companies that invest in their talent' and 'help employees build a professional foundation that sets them up for success both at the company and beyond'
- RIL ranked 81 on Forbes 'World's Best Employers' list among 750 multinational and large corporations headquartered in 45 countries
- RIL recognised by the Great Place to Work® Institute as Great Place to Work – Certified™, based on their two-step evaluation process of Culture Audit© and Trust Index© assessments
- Reliance ranked among Dare2Compete's 'Top 25 Dream Companies to Work for' among the top 30 B-schools in their 2020 list
- RIL recognised at the Institute of Chartered Accountants of India (ICAI) Awards for Excellence in Financial Reporting for 2019-2020
- Patalganga Manufacturing Division awarded FAME Excellence Award 2020
- Jamnagar Manufacturing Division refinery awarded the 'Refinery of the Year' Award by the Federation of Indian Petroleum Industry



Jamnagar Manufacturing Division refinery awarded with the 'Refinery of the Year' Award by the Federation of Indian Petroleum Industry.



ICSI CSR Excellence Award to Reliance Industries Limited, 2020-21



Dahej Manufacturing Division won Platinum Award in 'Grow Care India Environment Excellence Award 2020' in the Petrochemical Sector.



Silvassa Manufacturing Division won the Greentech Environment Award 2020 organised by Greentech foundation

### Retail Awards

- Reliance Digital won Gold for 'Digital Marketing Excellence in Social Media' at Digixx Awards 2020 by Adgully
- Reliance Digital won 'Social Media App Effectiveness' award at Global Customer Engagement Awards 2020 by ACEF
- Reliance Jewels awarded the 'Most Admired Emerging Retail Brand of the Year' at Mopic India Retail Awards 2021.
- Reliance Jewels named 'The Retailer of the Year' and 'Marketing Campaign of the Year' at the Business Leader of the Year Awards
- Reliance Digital recognised as 'India's Only Electronics Retailer Super Brand' for the second consecutive year



- Reliance Retail won Guarded Retail Employees Amidst Turbulence (GREAT) Award at TRRAIN Retail Awards 2020 – 21
- Snactac Mixed Fruit Jam and Scrubz were ranked #1 in their respective categories by Consumer Voice magazine in FY 2020-21
- Marks & Spencer Reliance India Private Limited featured in the top 10 list of India's Best Companies to Work for Women
- Marks & Spencer Reliance India Private Limited won CII SCALE award for outstanding performance in Supply Chain and Logistics

### Digital Services Awards

- Reliance Jio rated as fifth strongest brand in the globe as per Brand Finance Global 500 2021 ranking
- Reliance Jio named 'Best 4G Network Provider' at ET Telecom Awards
- Jio awarded the Digital Enterprise of the Year at Drivers of Digital Awards
- Jio won Gold at SAMMIE 2021 for the Best Brand in the Telecom category
- Reliance Jio named the 'Most Powerful Brand of the Year' at Labels Conference and Awards
- MyJio recognised as Best Consumer Mobile Service at India Digital Awards 2021.
- MyJio named the 'Most Innovative App' at Drivers of Digital Awards
- Reliance Jio won the SHRM – HR Excellence Awards in the category 'Transition to the virtual workplace'
- Jio Platforms adjudged winner under 'Innovative Telecom Solution' category at Aegis Graham Bell Awards
- Jio emerged winner under '5G Innovation' category at Aegis Graham Bell Awards
- Jio – Cadbury Madbury Campaign won the Smarties Award 2020 under Mobile Gaming, Gamification and Esports category

### Media and Entertainment Awards

- News18 Network's 'Corona Wall' won Best Technological Innovation in News Television (English) at the News Television Awards
- News18 Network's 'Elexa-A' recognised as the Best Use of Technology by a News Channel (AR/ VR/ AI) (English) category at the 12<sup>th</sup> ENBA Awards
- CNN-News18 primetime show 'Viewpoint' won in the Best Early Prime Show (English) category at the 12<sup>th</sup> ENBA Awards
- News18 India won accolades for 'Sau Baat Ki Ek Baat' in Print & Publishing category at the 9<sup>th</sup> Global Customer Engagement Awards, and 'Best Current Affairs Programme – Hindi' at the 12<sup>th</sup> ENBA Awards
- CNBC TV18 won 'Best Coverage on Policies & Macro Economy – Television' by the Association of National Exchanges Members of India (ANMI) 2020 and Best Editorial Team of a News Channel (English) at the News Television Awards
- MoneyControl awarded 'Most Admired Mobile App' by Global Customer Engagement Awards 2020
- Colors TV's 'Ishq Mein Marjawan 2' bagged the Best Serial Award at the Indian Television Awards
- VOOT won Gold at ScreenXX Awards 2020 in Agency sector Awards – Best Marketing Campaign by a Streaming Platform for the Big Boss-#Aslifans Campaign

### Technology, Patents, R&D and Innovation

- Team from VCM/PVC, UB2, GOP (E) won Gold in the State level Quality Circle Convention organised by Quality Circle-Vadodara



- Won APEX Award in National Awards for Manufacturing Competitiveness (NAMC) 2019-20, organised by International Research Institute for Manufacturing (IRIM)

### Sustainability

- Jamnagar Manufacturing Division won 'Sustainable Corporate of the Year Award' from Frost & Sullivan & TERI Sustainability 4.0
- Silvassa Manufacturing Division won the India Green Manufacturing Challenge Award 2021, organised by the International Research Institute for Manufacturing
- Vadodara Manufacturing Division won Gold at the 2020-21 'The India Green Manufacturing Challenge (IGMC)' for the consistent progress in improving sustainability factors

### Energy and Water Conservation/Efficiency

- Dahej Manufacturing Division conferred The Energy And Environment Foundation Global Water Award 2020 for 'Industrial Water Project of the Year'
- Dahej Manufacturing Division won CII National Award for Excellence in Water Management 2020
- Nagothane Manufacturing Division awarded for 'Efficiency in Water Use' by FICCI
- Nagothane Manufacturing Division won 'EFF Global Award 2020' for water reuse project
- Patalganga Manufacturing Division won Platinum Award in 'Excellence in Energy Efficiency' and in 'Excellence in Health & Safety for Workers' categories

- Nagothane Manufacturing Division ranked 2<sup>nd</sup> in State Level Energy Conservation Awards (MEDA) for the year 2019-20
- Nagothane Manufacturing Division won award for 'Commendable Work for Changing Public Perception' by FICCI. The 'Plastics to Road' project was presented under the award category

### Health, Safety and Environment

- Dahej Manufacturing Division won the Annual Greentech Environment Award 2020 by the Greentech Foundation
- Silvassa Manufacturing Division won the Greentech Environment Award 2020 organised by Greentech foundation
- Patalganga Manufacturing Division won Greentech Environment Award 2020 in the Environment Protection category
- Dahej Manufacturing Division won Platinum Award in 'Grow Care India Environment Excellence Award 2020' in the Petrochemical Sector

### CSR Awards

- RIL adjudged the Best Corporate (Large Category) at the ICSI CSR Excellence Awards 2020 for its Corporate Social Responsibility (CSR) efforts
- RIL received Special Recognition in the 'Excellence in Community Impact' category for its response to COVID-19, Mission Anna Seva campaign, Recycle4Life Campaign, Versova Beach and Mithi River Clean-up drives, employee volunteering through mentoring of government school children, concerts with SOS Children's Village and Month of Good Deeds
- RIL won India Today-MRDA Special Healthgiri Award 2020 for 'Best Far Reaching Corporate Contribution for a Wider Social Impact' during COVID-19 pandemic
- Saathi award conferred on ART Centre, Lodhivali, for its contribution to 'Elimination of Mother to Child transmission of HIV & Syphilis' in Maharashtra

- RIL received Special Jury Mention Certificate at the FICCI Healthcare Excellence Awards under 'Excellence in Social Initiative' Category for its contributions under project ASMAN
- RIL received special recognition in 'Excellence in Community Impact' Award category at SHRM HR Excellence Awards 2020
- Reliance Foundation Information Services received Certificate of Appreciation from Acharya N G Ranga Agriculture University, Andhra Pradesh for continuous efforts in transferring technology to farmers in agriculture and allied sectors during the COVID-19 pandemic
- Reliance Foundation awarded 'Certificate of Commendation' by Indian Red Cross Society during its centenary celebrations
- Petrochemicals business won 'Company of the Year' award from FICCI for its significant value creation in society and contributions towards fight against COVID-19

### Human Resources

- Reliance Retail won HR Initiative of the Year Award won by its Consumer Supply Chain Management business at TRRAIN Retail Awards 2020 – 21

### Learning and Development



- National Awards for Excellence in Training and Development (World HRD Congress) for Best Results-Based Training presented to Reliance BP Mobility Limited



- FICCI Award for Excellence in Skill Development to Reliance Petchem Academy