Financial Performance and Review

Alok Agarwal

Srikanth Venkatachari

Soumyo Dutta

Anshuman Thakur

Ashwin Khasgiwala

Saurabh Sancheti

C. S. Borar

Raj Mullick

> We adhered to a disciplined capital framework to support exponential growth across our businesses. Through proactive liability management we continued to optimise finance costs.

Executing India's largest-ever foreign currency fundraise

RIL issued a US$-denominated 4 billion bond in January 2022, the proceeds from which will be primarily used for refinancing of existing borrowings. The issue was oversubscribed by nearly 3x with a peak order book aggregating to US$ 11.5 billion. The bonds were priced through RIL's secondary curve. US$ 1.5 billion was raised at a coupon rate of 2.875%; US$ 1.75 billion was raised at 3.625% and US$ 0.75 billion at 3.75%. The notes are due for repayment between 2032 and 2062. This transaction is significant on various counts. It is the:

- Largest-ever foreign currency bond issuance from India
- Tightest ever implied credit spread over the respective US Treasury across each of the 3 tranches by an Indian Corporate
- Lowest coupon achieved for benchmark 30-year and 40-year issuances by a private sector BBB corporate from Asia ex-Japan
- First-ever 40-year tranche by a BBB private sector corporate from Asia ex-Japan

Global Economy

Global economy grew by 6.1% in CY 2021, after declining 3.1% in CY 2020. Global economy is expected to grow at 3.2% in CY2022, below the long term trend of ~3.5%, primarily due to coordinated global monetary policy tightening along with the geopolitical tensions. Advanced economies' (AEs) universe grew at a robust pace of 5.2% in CY 2021, and is expected to moderate in CY 2022 at 2.5%, with US and Euro Area growth expected at 2.3% and 2.6% respectively, supported by inventory restocking, universal immunisation, and strong pent-up demand from consumption and businesses. China grew by 8.1% in CY 2021, but is expected to slow to 3.3% in CY 2022 due to zero-tolerance COVID-19 policy, stringent restrictions on polluting industries and financial stress among major property developers. Global trade volume growth was robust in CY 2021 at 10.1%, and is expected to grow at a strong pace of 4.1% in CY 2022.

Strong demand along with persistent supply-chain issues and high energy prices, have resulted in firming up of global inflationary pressures. Recent geopolitical tensions have further exacerbated the global inflation scenario. US inflation has continued to inch up and recorded June 2022 CPI inflation at 9.1%, highest since CY 1981, with broad-based rise in price pressures, while Euro-Area inflation climbed to a record 8.6% in June, primarily led by energy components. Crude oil averaged at $ 75/bbl in Apr'21 – Jan'22 period and above $100/bbl during Feb'22 – June'22 with outbreak of conflict in Europe. Disruption in trade flows, high energy prices and tightening of crude and refining demand-supply, along with strengthening of refining margins to historical highs could impact near-term demand growth. Rise in inflationary pressures has led global central banks to begin reversal of their accommodative monetary stance, with the US Federal Reserve beginning the taper of asset purchase program in November 2021 and subsequently raising interest rates by 225 bps cumulatively since March.

Even though post-pandemic reopening of the global economy is expected to provide further impetus to the demand, global monetary policy tightening in the face of rising inflationary pressures and geo-political uncertainties could impact the near-term demand outlook.. IMF expects inflation to remain elevated in the near-term averaging 6.6% in AEs and 9.5% in emerging market and developing economies (EMDEs) in CY 2022, before subsiding in CY 2023 as supply chain disruptions ease and demand rebalances take place.

Indian Economy

After witnessing a sharp decline of 6.6% in FY 2020-21, the Indian economy recorded a growth of 8.7% in FY2021-22 as per the provisional estimates by National Statistical Office. This is the strongest pace among major economies. The economic expansion has been supported by a strong national vaccination drive that enabled easing of COVID-19 related restrictions. India administered more than 177 crore doses of vaccine during the financial year, thereby fully vaccinating more than 60% of its population.

The economic impact of the Omicron COVID-19 variant was relatively mild with most high-frequency indicators above pre-pandemic level. Urban demand remains strong with improved mobility and debit and credit card spending. Overall fuel consumption grew by 4% in FY 2021-22. Debit and credit card spending increased by 26% Y-o-Y in March 2022. However, overall auto sales have been weak on the back of persistent supply chain shortages around the world.

Industrial indicators continued to remain robust, with manufacturing and services PMI in expansion zone for most of the year. Electricity demand for FY 2021-22 grew by 8% Y-o-Y, even after the economy witnessed coal shortages in early part of October 2021. Government revenue generation remained robust with GST collections averaging more than ₹1.2 lakh crore per month, increasing 31% Y-o-Y. Digital adoption gathered further pace with growth in UPI payments during FY 2021-22 rising more than 100% Y-o-Y.

RBI maintained its accommodative monetary stance, keeping reference rates unchanged during FY 2021-22. Subsequently, with rising inflationary pressure, RBI raised repo rate by 90 bps, withdrawing its accommodative stance. India's merchandise exports crossed US$400 billion during the year, growing at more than 40% Y-o-Y led by engineering goods, petroleum products and gems & jewelry.

India's foreign exchange reserves remained above $600 billion by the end of FY 2021-22, providing a cushion against external shocks. Indian government's financial policy is centered around growth and gradual fiscal consolidation. With a budgeted fiscal deficit of 6.4% for FY 2022-23, focus remains on capital expenditure. Major policy initiatives during the year included continuation of COVID-19-related relief measures and a focus on Production linked incentive (PLI) schemes in various key sectors to provide impetus to investment, growth and employment. As per IMF India is expected to remain the fastest growing economy in FY 2022-23, growing at 7.4% led by expected improvement in credit growth, investment and consumption growth.

Performance Overview

Reliance benefitted from strong recovery in economy with easing of restrictions, improved business environment and an unprecedented national vaccination drive. Reliance's businesses cater to key industrial and consumption growth areas including energy and chemicals, digital services and retail. Reliance's

exceptional performance was underpinned by agile operations that rapidly adapted to changes in market conditions, while maintaining high utilisation levels across businesses.

O2C business generated strong earnings through its high utilisation, integrated portfolio and superior product placement capabilities. During the year, production from R-cluster and satellite cluster in KG D6 was ramped up and stabilised at 18 MMSCMD, contributing to 20% of gas production in India.

Reliance Retail continued to deliver growth on the back of rapid store expansion and digital offerings resulting in higher revenues and margin expansion. Digital services business continues to transform the broadband market in India and set new benchmarks for the industry.

Reliance remains committed to achieving Net Carbon Zero by 2035. During the year, Reliance progressed on its plans in New Energy and New Materials business, adopting a partnership approach. Recent investments and partnerships with technology leaders in the renewable energy space lays the foundation for a rapid scale-up of the business in the coming years.

Financial Performance Summary (Consolidated and Standalone)

Particulars	Consolidated			Standalone		
	FY 2021-22		FY 2020-21	FY 2021-22		FY 2020-21
	₹ in crore	US$ in billion	₹ in crore	₹ in crore	US$ in billion	₹ in crore
Value of Sales and Services (Revenue)	7,92,756	104.6	5,39,238	4,66,425	61.5	2,78,940
EBITDA	1,25,687	16.6	97,580	66,185	8.7	48,318
Cash Profit	1,10,778	14.6	79,828	56,275	7.4	36,411
Segment EBIT	89,325	11.8	62,397	48,487	6.4	30,048
Net Profit	67,845	9.0	53,739	39,084	5.2	31,944
Cash and Marketable Securities	2,31,490	30.5	2,54,019	1,82,235	24.0	1,82,225
Tangible and Intangible Assets (Excluding Goodwill)	7,87,295	103.9	6,56,999	2,74,288	36.2	3,39,668
Gross Debt	2,66,305	35.1	2,51,811	1,94,563	25.7	2,21,698

US$ 1 = ₹75.7925 (Exchange rate as on 31.03.22)

Revenue

Reliance achieved consolidated revenue of ₹7,92,756 crore (US$ 104.6 billion), an increase of 47.0%, as compared to ₹5,39,238 crore in the previous year. All operating segments contributed to the increase in gross revenue with reopening of economies and revival in demand. O2C revenue growth was primarily on account of increase in crude oil prices and higher price realisation of downstream products along with higher volumes. Revenue of Oil & Gas segment increased with higher production from KG D6 coupled with improved gas price realisation. Retail Segment revenue was driven by broad-based growth across all consumption baskets and ramp-up in digital and new commerce. Digital Services revenue was primarily driven by higher ARPU and ramp up of wireline services.

Profit

Consolidated EBITDA for the year increased by 28.8% to ₹1,25,687 crore as compared to ₹97,580 crore in the previous year. The EBITDA growth was led by 38.1% increase in O2C segment with recovery in demand and fuel margins. Digital Services segment EBITDA also grew by 18.3% reflecting benefit of higher customer engagement and tariff revision. Retail segment EBITDA increased by 26.2% with improvement in store operations, higher footfalls, store expansion and traction in omni-channel offerings. Oil & Gas segment EBITDA jumped 21x with successful commissioning and ramp-up of production from new fields.

Cash Profit increased by 38.8% to ₹1,10,778 crore as compared to ₹79,828 crore in the previous year. Profit After Tax (after exceptional items) was higher by 26.2% at ₹67,845 crore.

Gross Debt

Reliance's Gross Debt was at ₹2,66,305 crore (US$ 35.1 billion). This includes standalone gross debt of ₹1,94,563 crore and balance in key subsidiaries, including Reliance Jio (₹42,486 crore), Reliance Retail (₹19,915 crore), Reliance Sibur Elastomers (₹2,363 crore) and Independent Media Trust Group (₹2,160 crore)

Standalone

RIL's standalone revenue for FY 2021-22 was ₹4,66,425 crore (US$ 61.5 billion), an increase of 67.2% as compared to ₹ 2,78,940 crore in the previous year. Profit After Tax was at ₹39,084 crore (US$ 5.2 billion) an increase of 22.4% against ₹31,944 crore in the previous year. Basic EPS on standalone basis for the year was ₹59.2 as against ₹49.7 in the previous year.

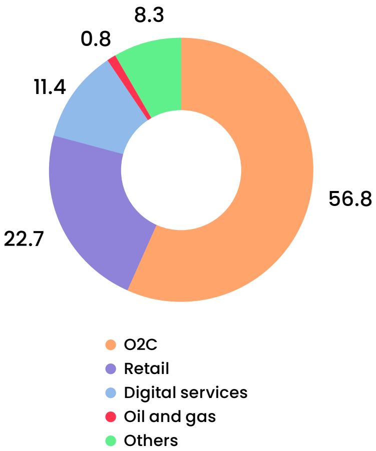
Movement in Key Financial Ratios

- The debt service coverage ratio improved to 1.2 in FY 2021-22 as against 0.4 in the previous year primarily due to lower finance cost and principal repayments of loans during the year.
- The inventory turnover ratio improved to 16.7 in FY 2021-22 as against 10.8 in the previous year primarily due to higher feedstock price.
- Net Profit Margin (after exceptional item) declined to 8.4% in FY 2021-22 as against 11.5% in the previous year primarily due to higher tax expenses and base effect.
- The interest coverage ratio improved to 6.1 in FY 2021-22 as against 2.4 in the previous year with higher EBIT and lower finance cost due to prepayment of major long term debt in FY 2020-21.
- The return on net worth improved to 10.4% in FY 2021-22 as against 9.3% in the previous year primarily on account of increase in net profit during the year.

Segment Review

REVENUE CONTRIBUTION

(%)



Performance Update

Reliance Retail continues to rapidly grow in scale on the back of new store expansion and favourable product mix resulting in high operating leverage. The business continues to provide unmatched value proposition and improve customer experience across all store formats.

Retail revenues grew by 26.7% Y-o-Y to ₹1,99,749 crore, segment EBITDA grew by 26.2% to ₹12,423 crore. Despite challenges posed by the pandemic, Reliance Retail further consolidated its leadership position and continued to be India's largest, most profitable and fastest growing retailer.

All time high revenues were recorded in fashion & lifestyle and grocery consumption baskets with strong growth momentum in consumer electronics. Overall a well rounded growth driven by highest ever store sales and sustained growth momentum in digital and new commerce channels.

Reliance Retail continued to invest in network and infrastructure expansion as well as strengthening its Digital and New Commerce capabilities.

- The total store count stood at 15,196 covering 41.6 million sq.ft. at the end of the year
- Merchant partners grew 3x Y-o-Y while digital commerce orders grew 2.5x Y-o-Y. The registered customer base now stands at 193 million, a growth of 24% Y-o-Y
- While the pandemic has disrupted livelihoods, Reliance Retail added over 1,50,000 jobs to the economy, while ensuring health and safety of all its employees and their families. This included vaccination for all eligible employees and their families

Retail

(₹ in crore)

	FY 2021-22	FY 2020-21	FY 2019-20
Value of Sales and Services	1,99,749	1,57,702	1,63,029
Revenue from operations	1,75,015	1,39,136	1,46,365
EBITDA	12,423	9,842	9,695
EBITDA Margin (%)*	7.1	7.1	6.6

*EBITDA Margin is calculated on revenue from operations

Strategic Update

Reliance Retail has built capabilities through organic growth, acquisitions and strategic partnerships with investments near ₹30,000 crore in FY 2021-22. Reliance Retail added over 2,500 new stores and 11.1 million sq. ft. of warehousing space during the year. It acquired Just Dial (B2B marketplace) which underlines commitment to New Commerce initiative by further boosting the digital ecosystem for millions of partner merchants and MSMEs. During the year Reliance Retail further strengthened its sourcing ecosystem, working closely with producers, MSMEs, service providers, local and international brand companies. Reliance also built on its portfolio of brands, offering a superior value proposition and differentiated products to customers. Merchant partnerships and digital commerce now contribute nearly 17% of revenues compared to 10% in the preceding year.

Digital Services

(₹ in crore)

	FY 2021-22	FY 2020-21	FY 2019-20
Value of Services	1,00,161	90,287	69,605
Revenue from operations	85,117	76,642	59,407
EBITDA	40,268	34,035	23,348
EBITDA Margin (%)*	47.3	44.4	39.3

*EBITDA Margin is calculated on revenue from operations

Performance Update

Digital Services reported strong underlying revenue and EBITDA growth in FY 2021-22 on the back of continued traction in connectivity platform and tariff hikes in mobility services. Gross revenue of ₹ 1,00,161 crore on a year-end subscriber base of 410.2 million and an EBITDA margin of 47.3% attest to Jio's superior network operations and cost position. Annual operating revenue for Jio Platforms crossed US$ 10 billion in FY 2021-22.

Jio's network carried almost 10% of global mobile data traffic in CY 2021 underlining the 'Jio Effect' on the digital ecosystem in India. Jio remains the broadband network of choice with over 50% share of data traffic in India. Jio was the digital lifeline during COVID-19 with over 130 million new users joining the network and data traffic growing at ~46% Y-o-Y to 91 Exabytes during FY 2021-22.

- JioFiber with 5 million+ connected homes has become the largest fixed broadband provider in India within two years of launch
- In order to enhance spectrum footprint, Jio acquired right to use spectrum in 800 MHz band in Andhra Pradesh, Delhi and Mumbai circles through spectrum trading from Bharti Airtel
- At OpenSignal Awards, Jio won the award for best video experience, and continued to hold top positions in 4G coverage and availability

Strategic Update

Jio and Google Cloud have embarked on a comprehensive, long-term strategic relationship with a goal of powering 5G in enterprise and consumer segments. 5G coverage planning has been completed for 1,000 top cities across the country. Trials on advanced use cases across Healthcare and Industrial Automation are underway. Further, Jio and Google launched JioPhone Next – the most affordable smartphone anywhere in the world with a unique financing option and unprecedented features like an all new Pragati OS. Jio's in-house R&D team with technical and research professionals have indigenously developed a stack of applications leveraging its technology investments and customer engagement. These applications are now being scaled up to enhance user experience and bring unprecedented convenience to users.

Media and Entertainment

(₹ in crore)

	FY 2021-22	FY 2020-21	FY 2019-20
Value of Services	6,831	5,459	6,186
Revenue from operations	5,880	4,705	5,357
EBITDA	1,080	796	617
EBITDA Margin (%)*	18.4	16.9	11.5

*EBITDA Margin is calculated on revenue from operations

Performance Update

Media and entertainment segment delivered a strong growth in profitability on the back of robust operational performance. Consolidated EBITDA of the business rose by 35.7% Y-o-Y to ₹ 1,080 crore with EBITDA margin at record levels of 18.4% compared to 16.9% in the previous year. TV News operating margin expanded to ~21%, marking 5 years of continued improvement. The Group leveraged its position across verticals to drive revenue growth which was accompanied by continued cost controls that helped realise operating leverage, resulting in improved profitability.

FY 2021-22 saw strong growth in advertising revenues of all 3 verticals of the business – TV News, Entertainment and Digital News. News (TV and Digital) continued to grow throughout the year, while Entertainment advertisement revenues were impacted slightly at the beginning and end of the year due to the second wave of the COVID-19 pandemic and global macro events, respectively. Digital News advertising continued to accelerate, driven by growing reach of the network and increasing adoption of digital.

Digital subscription platforms, Voot Select and MoneyControl Pro, saw a sharp jump in paid subscriber base during the year. The status quo on channel pricing imposed by the courts continued, limiting domestic subscription growth opportunities.

The sharp improvement in profitability over the last 2 years is a result of strong operating performance driving revenue growth, continued cost controls, and reduced losses in some of the businesses in investment phase

- TV News operating margin expanded to 20.7%, marking 5 years of continued improvement
- Digital News profitability improved sharply – from break-even last year to 13.1% margins, in line with consolidated group margins
- Entertainment operating profit was highest ever at ₹777 crore and operating margins were 18.2% despite the significant increase in costs.

Strategic Update

Viacom18, Group's entertainment subsidiary, announced a partnership with Bodhi Tree Systems (BTS) and Reliance Group on 27th April 2022, to accelerate its growth journey of becoming one of India's largest TV and digital streaming companies. As part of the partnership, JioCinema will be transferred to Viacom18 along with a cash infusion of ₹13,500 crore by BTS and ₹ 1,645 crore by Reliance Group. Viacom18 also forayed into sports genre with acquisition of media rights of marquee sports properties and launch of 3 sports channels. The Group continued to strengthen its digital platforms (Voot, MoneyControl, News18.com) and saw an improvement in digital reach, engagement and monetisation.

Oil to Chemicals (O2C)

(₹ in crore)

	FY 2021-22	FY 2020-21	FY 2019-20
Revenue	5,00,900	3,20,008	4,51,355
EBITDA	52,722	38,170	53,803
EBITDA Margin (%)	10.5	11.9	11.9

Performance Update

Steady recovery in global oil and energy markets supported robust fuel margins and helped O2C business deliver strong earnings. Despite the challenges posed by subsequent waves of the pandemic, the business delivered resilient performance by leveraging the strong international and domestic supply chain, multimodal logistics, deep integration and feedstock flexibility.

Revenue for the O2C business increased by 56.5% to ₹ 5,00,900 crore on account of higher volumes and price realisation across transportation fuels and key downstream chemical products. O2C segment EBITDA increased sharply by 38.1% to ₹52,722 crore. Demand recovery for gasoline and gasoil to near pre-pandemic level in global markets along with strong margins resulted in higher profitability. Brent crude price for the year averaged at US$ 80.8/bbl versus US$ 44.3/bbl in the previous year, an increase of 82.3%. Total throughput during the year was 76.7 MMT an increase of 6.6% Y-o-Y. Fuel mix optimisation ensured minimal sourcing of LNG during the year leading to significant cost savings.

Strategic Update

Reliance entered into a strategic partnership with ADNOC for establishing a world-class chemical project at TA'ZIZ in Ruwais. This joint venture will construct an integrated plant with capacity to produce 940 KT of chlor-alkali, 1.1 MMT of ethylene dichloride and 360 KT of PVC annually. Jio-bp launched India's largest EV charging hub in Delhi NCR Region alongside building on their swapping station network. Further, Reliance announced restructuring and repurposing of Gasification Assets. The segregation of gasification assets is the first step towards repurposing of the assets and providing flexibility to upgrade streams within RIL using a Balance-Sheet light approach.

Oil and Gas E&P

(₹ in crore)

	FY 2021-22	FY 2020-21	FY 2019-20
Revenue	7,492	2,140	3,211
EBITDA	5,457	258	353
EBITDA Margin (%)	72.8	12.1	11.0

Performance Update

Revenue for the Oil and Gas segment increased by 3.5x Y-o-Y to ₹7,492 crore, on the back of ramp-up of gas production from KG D6 and improved price realisation. EBITDA for the year increased to ₹ 5,457 crore, with EBITDA margin of 72.8%

- For the year, production (RIL share) was at 188.1 BCFe, up 48.6% Y-o-Y due to ramp-up in production from R Cluster and Satellite Cluster.
- Price realisation for KG D6 improved 24.2% Y-o-Y to US$ 4.92/mmbtu in FY 2021-22 vs. US$ 3.96/mmbtu in FY 2020-21. Price realisation for Coal Bed Methane (CBM) gas for the year was higher by 64.7% at US$ 6.82/ mmbtu (GCV).

Strategic Update

MJ development project is on track with production expected to start from 3Q FY 2022-23. Reliance completed the sale of its interest in Eagle ford Shale assets to Ensign Operating for a consideration higher than the carrying value of assets. With this transaction, Reliance has divested all its shale gas assets and has exited from the shale gas business in North America.

Liquidity and Capital Resources

During FY 2021-22, financial markets globally witnessed low interest rate environment and abundant liquidity. Reliance successfully refinanced its liabilities taking the benefit of low interest rates prior to the turn in the interest rate cycle.

The Company raised $9 billion from global and local investors in the second half of the financial year to primarily refinance high-cost debt, resulting in substantial savings in interest cost.

The Company issued US$ 4 billion foreign currency bonds across 10-year, 30-year and 40-year tranches primarily for refinancing of existing borrowings. This was the largest ever foreign currency bond issuance out of India. The Company's subsidiary, Reliance Jio Infocomm Limited prepaid deferred liabilities pertaining to spectrum aggregating to ₹30,791 crore and financed it through INR Loans and INR Debenture.

Reliance also made its green financing debut with the acquisition financing of REC Solar Holdings.

External Environment

The year gone by was a story of two halves. The intermittent disruption in economic activities during the first half amid resurgence of new COVID-19 variant ensured the accommodative financial conditions by systemic central banks in a bid to support growth. However, the persistent and renewed intensification of inflationary pressure due to continued disruption in global supply chain, tighter labour market and geo-political issues have swiftly changed the landscape of global monetary policy as we exited the financial year. The monetary policy priority among advanced economies is now decisively centered around preserving consumer purchasing power and to anchor inflationary expectations amidst multi-decade high inflation. The withdrawal of ultra-accommodation both on the interest rates and liquidity front is primarily led by US Fed and has gained traction in other developed economies including Emerging Markets. The outlook of sharp upward adjustment in global interest rates and calibrated withdrawal of liquidity is leading to tighter financial conditions.

On the domestic front, the reverberation of change in global monetary landscape and rising inflationary pressure has tilted the balance in favour of gradual withdrawal of policy accommodation. The RBI has signalled this shift in policy priority by pushing the cost of domestic liquidity through narrowing of LAF corridor, unlimited sterilisation through new instrument of Standing Deposit Facility (SDF) and change in monetary policy stance (MPC) to focus on withdrawal of accommodation. The average inflation trajectory during FY 2022-23 is likely to stay closer to the higher end of RBI-MPC target of 6% whereas the growth impulses may moderate further. On the external front, the deterioration in current account deficit (CAD) to 2.5% of GDP and uncertainty on capital inflows amidst tightening global financial conditions is likely to exert depreciation pressure on the rupee in the near term. Overall, the macroeconomic outlook of challenging growth inflation trade-off, faster policy normalisation in developed economies and geopolitical issues may keep the volatility high in the domestic financial markets.

Financial markets were extremely choppy and volatile during the year. The first half of the year saw stable exchange rate and interest rates in the market. However the second half of the year witnessed rupee depreciation and a gradual move up in interest rates, exacerbated by geopolitical conflicts.

The Company was successfully able to navigate all such abrupt adjustments 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.

Treasury Management and Financial Strategy

Reliance Treasury's impeccable timing on executing landmark transactions not just from India but also from Asia can be attributed to its ability and foresight to see emerging trends in financial markets.

Reliance Treasury continuously monitors the financial markets to assess financing and investment opportunities to raise financing at optimised cost and deliver superior returns respectively. It identifies opportunities to reduce interest costs and extend maturity profile of its existing debt portfolio. It also maintains a prudent mix of funding sources across instrument classes, financing products, geographies and investor classes.

Fund Raising

Reliance continues to be a sophisticated and innovative issuer of securities across the capital structure. During the year, Reliance issued US$ 4 billion senior unsecured notes across 10-years, 30-years and 40-years tranches comprising (i) US$ 1,500,000,000 2.875% Senior Unsecured Notes due 2032, (ii) US$ 1,750,000,000 3.625% Senior Unsecured Notes due 2052 and (iii) US$ 750,000,000 3.750% Senior Unsecured Notes due 2062. The Notes were nearly 3x oversubscribed with a peak order book aggregating ~US$ 11.5 billion and were priced through the Company's secondary curve. Reliance has now joined a select group of issuers from Asia to have made jumbo foreign currency bond issuances. The proceeds from the notes were primarily used for refinancing existing borrowings.

This transaction was significant on various counts:

- It was the largest ever foreign currency bond issuance from India
- It had the tightest ever implied credit spread over the respective US Treasury across each of the 3 tranches by an Indian Corporate
- It carried the lowest coupon achieved for benchmark 30-year and 40-year issuances by a private sector BBB corporate from Asia ex-Japan
- It had a first ever 40-year tranche offering by a BBB private sector corporate from Asia ex Japan

The Company's subsidiary, Reliance Jio Infocomm Limited prepaid entire deferred liabilities pertaining to spectrum acquired in auctions of year 2014, 2015, 2016 and the spectrum acquired in FY 2021-22 through trading of right to use with Bharti Airtel Limited aggregating to ₹30,791 crore (including accrued interest). This was refinanced through a mix of INR Loans and Debentures. The Company expects that this prepayment will result in interest savings of about ₹1,200 crore annually.

The Company's subsidiary REC Solar Pte Ltd. tied up Reliance Group's first green financing aggregating US$ 586 million including a US$ 250 million green term loan and ~US$ 336 million five-year green bank guarantee facility.

Credit Rating

Reliance's strong focus on financial capital coupled with financial discipline and prudence are reflected in the strong credit ratings ascribed by rating agencies. Reliance continues to enjoy a strong credit rating and continues to be rated two notches above sovereign by S&P and is one notch above sovereign by Moody's.

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 (stable)	Highest rating by CRISIL
Long-Term Debt	CARE	AAA (stable)	Highest rating by CARE
Long-Term Debt	ICRA	AAA (stable)	Highest rating by ICRA
Long-Term Debt	India Ratings	AAA (stable)	Highest rating by India Ratings

Liquidity Management

Robust liquidity underpins Reliance's short-term financial planning processes with an aim of ensuring adequate protection against short term adverse market events. Reliance deploys a judicious mix of tenors and product types in its liquidity management processes and continues to explore path breaking financing solutions in partnership with its world-class banking partners. Consistent strong cash generation from operating activities provides the foundation for liquidity. This along with undrawn borrowing facilities and cash and cash equivalents provide solid liquidity buffer.

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. The operating cycle is closely monitored to optimise working capital structure and ensure smooth business financing. Trade financing solutions are proactively reviewed and swiftly calibrated to deliver robust working capital management.

RIL has opportunistically used short term borrowings through Commercial Paper to finance its working capital requirements. Given the low interest rate environment this has benefited the Company to maintain low cost of liabilities.

RIL effectively manages its cash and cash equivalents through a diversified investment portfolio which has an appropriate mix of steady accrual, tax efficient and higher duration assets with lower reinvestment risk. The portfolio consists of wide-ranging fixed income instruments invested in top rated instruments like sovereign bonds, AAA papers and bank's fixed deposits. The diversification across instruments and counterparties ensures that there is minimal concentration risk.

The investment portfolio is monitored and operated under a robust risk management framework with a very nimble and dynamic adjustment to portfolio mix as and when necessary to ensure capital protection and appropriate risk adjusted returns. 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..

Awards and Accolades

During FY 2021-22, RIL won the Best Asia Pacific Corporate Bonds award from 'The Banker' for the US$ 4 billion multi-tranche Senior Unsecured Notes issued in January 2022.

Way Forward on Financial Capital

Reliance remains committed to sustainable value creation for stakeholders through disciplined capital framework and optimal utilisation of its resources. As it enters the next stage of growth, the Company through its robust cash flow and balance sheet, will accelerate the pace of growing capabilities for **Digital, New Commerce, New Energy, and New Material businesses.**