Management: Starting with the consolidated presentation, here are the quick highlights. One was, of course, that it was an exceptionally strong quarter in a turbulent world, with turbulence in the macro environment because of the energy disruption. EBITDA was 62,409 crores, which is up 24% year-on-year. This is the highest EBITDA that we have declared for the consolidated business. Simultaneously, PAT was close to 30,000 crores, up 34%, again an all-time high. With this, we crossed the 50,000 crore mark in terms of PAT.

O2C led the charge, with EBITDA up 68%. Of course, we benefited from the unprecedented tightness that we saw in the energy markets, downstream cracks, and fuel cracks. All of those markets were there, but operational excellence is something that Srini and Amit will cover. The IPO was absolutely a defining moment, making Jio the second-most valuable company. It is particularly nice that it follows Reliance, which is the company with the largest market capitalization, and that the first-day listing was at almost $137 billion in terms of value. There were a lot of firsts, which Akash talked about, including the largest issue by size, oversubscription, the QIB portion, and retail. Those records were very good.

Just on O2C, as you recall, we have always talked about having a very structurally positive view about this business. When you see our results, they really vindicate and validate what we have been saying in terms of what the market has been and what the opportunities are in this market. What is particularly impressive is that this came on the back of significantly elevated opex, the kind of crude premiums that we saw, and the surge in freight rates and insurance costs. So, it is all coming despite these factors. We have talked about flexibility, and it is again coming in useful when you see the kind of crude grades that we were able to switch to from the Americas and the Med, enabling us to offset the impact of the Gulf and the premium. The ethane advantage is something Amit keeps talking about. This time, the difference between naphtha and ethane was among the widest that I have ever seen. When you think about that in the context of the new ship that we have, it came in useful.

Downstream has been enormously valuable for us. Of course, price realization is good. It is important to be able to run the assets at full capacity. The asset is good, but if you cannot get the crude, it is a problem. If you cannot sell the products, it is a problem. To overcome this, having run the assets with operational excellence has been particularly impressive. When you look forward and look at the tight global balance and the structural supply issues that we have, we are very, very constructive. When you look at the first-half FY27 performance, it is, in our minds, tracking annualized EBITDA well over 80,000 crores. I think this tells you how the markets are.

On New Energy, I just wanted to say that it is accelerating, and we see the benefit, with earnings contribution definitely starting in FY28. We will talk through this. I do not have a presentation this time, but we will take it as part of the Q&A in terms of the progress in each of these categories.

Just on the updates on the consumer side, we have spent a lot of time on this, so I do not want to go back over Jio. I will just make two or three points here. We have 300 million 5G customers and 30 million fixed customers, half of which are FWA. What is important is that, in our minds at least, we see visibility of high-teen growth for Jio. Those are the points that Akash was talking about. In essence, it is about the customer base, whether home, mobility, or enterprise; the ability to layer a

Report is AI-generated and may contain inaccuracies.

digital service on top of it; and, of course, because of our ownership of technology IP, the ability to access international markets.

Retail performance has been, as you would have seen from the numbers, about a 6% increase in revenue and about 10% lower on the EBITDA side. This is something that we have been consistently flagging, and we definitely spent a lot of time on it last quarter. The strategy has remained unchanged from what we said last quarter. We have been building our online presence, and it has been coming on the back of a lot of discipline. We have been trading off short-term earnings growth to build a very scalable digital commerce platform. The cash flow from our store business is, in a way, funding digital commerce growth. The benefit of all this will be seen through FY28 and FY29, when this conversion of scale will translate into value.

What is good is that we are seeing significant early signs of progress. When you look at online scale, especially in grocery B2C, that number is up 42%, which is a very impressive set of numbers. The online share of digital commerce, both in grocery and in apparel and footwear, has also increased sharply. We like that kind of percentage increase, and we will see this transition happening over the next few quarters. In RCPL, the focus remains on building manufacturing capability and distribution. In media, as you know, we have the widest reach when you look at both linear and digital, and we have a very, very disciplined content strategy. You would have seen a lot of media coverage about how we have been approaching this opportunity.

These are the numbers. I will not spend too much time on them, except to say that revenue is up 28%, EBITDA is up 24%, and PAT is up 34%. When you look at revenue, all of this was really driven by O2C and Jio. When you look at PAT, standalone PAT is higher, JPL PAT is up 14%, and RRVL PAT is 2,611, which is lower on the back of the transition that I talked about.

These are the individual numbers. O2C EBITDA was 25,203 crores, as I mentioned, 69% higher, one of the strongest performances that we have seen, benefiting from the tight fuel markets and advantaged fuel sourcing. Oil and gas was almost flat, 2% lower. Digital Services was 18% higher at about 22,200 crores. Retail was at 6,120 crores. Overall, the increase was 24%, as we discussed.

The debt numbers are as follows. If you annualize this kind of number, which is what the column for September '26 shows, it is about 250, and the ratio is about 0.47. Capex has been almost flat, with similar-looking capex to what we have seen over the last few quarters. Overall, I just wanted to say that we are mightily pleased with the performance that we have seen in terms of earnings. Importantly, in a business like O2C, this is not something that we think is only happening in this quarter. We think the markets have fundamentally and structurally changed, and therefore we are well positioned for that. Let us see how things evolve over time. That is why the visibility is getting better.

With this, I am moving to Jio Platforms. Since it was a separately listed company and we have done this separately, as part of RIL we just need to cover a few slides. Anshuman, you want to take this? They have heard everything.

Anshuman: They will have to bear with me again.

Management: [laughs]

Report is AI-generated and may contain inaccuracies.

Anshuman: This is all going to be original material now. [laughs] I will turn to this very quickly. You are all aware of the largest IPO that we completed earlier this week; the listing actually happened. We became the second-largest company by market capitalization on the first day of listing, and listed at a 26.7% premium.

In terms of the business, the total subscriber base is at 542 million, with 36 million net additions over the last 12 months. Our 5G subscriber base has now touched 300 million. We have seen very strong mobility net additions. That has been the trend, and we were almost 2x the industry in Q2. In addition, we have been launching premium digital add-ons, something that you asked about. Some of these are already in the market and are helping us increase our realizations from customers beyond just ARPU.

In the home segment as well, we have very clearly established our market leadership, both through continuing our fiber deployments and, more importantly, through UBR, which you are all now very familiar with. Fixed wireless has been contributing quite significantly to the overall net additions in homes. We have become the world's largest fixed wireless service, with 15.1 million connections and over 78% fixed wireless market share, and we do expect that to ramp up in the coming quarters.

In enterprise as well, we have a differentiated strategy, which is to go beyond being just a connectivity provider and become a full-service provider, becoming the digital gateway for businesses. On connectivity alone, with UBR, we have been able to add significantly to the offering that we can give to larger enterprises. In addition to connectivity, we are providing a whole range of AI-led solutions and SaaS solutions that will help smaller businesses improve their operations and efficiencies. We see that as a good opportunity in front of us and as an area of focus for the company.

Here are the quick highlights on the numbers: 542 million subscribers at the end of the quarter, a 300 million 5G base, and 30 million homes connected with our broadband offering. Average data consumption has gone up to 44.2 GB per user per month, which is a 14% year-on-year growth and continues to show very healthy growth. ARPU was 218.8 rupees, a 3.5% year-on-year growth in ARPU without any tariff increases. This is the organic ARPU increment that we have seen in the range of 3.5% to 4%-4.5%. We continue to benefit from this because our customers are consuming more and the customer mix is improving. Revenue from operations was 40,475 crores, EBITDA was 21,879 crores, and EBITDA less capex was 13,130 crores, with the bulk of the capex really behind us after completing the 5G deployment more or less across the country. The UBR core network is also deployed across the country, so capex has started tapering down.

RJIL financials were 35,307 crores for the quarter ending September, which was a 10.8% year-on-year growth, and EBITDA was 20,505 crores. EBITDA margin improved, showing fairly healthy margin expansion of almost 200 basis points to 58.1%.

These are the JPL operating and financial KPIs for the quarter. We spoke about a net addition of 9.1 million during the quarter, taking the total customer base higher. ARPU was 218. Data traffic continues to grow healthily, at 71.3 billion GB on the network. On the financial KPIs, I will shift to the next slide, which has the financial P&L for your reference. Operating revenues were 40,475 crores, an 11.4% year-on-year increase. EBITDA showed a 16.6% year-on-year increase to 21,879 crores. There was also a good increase in profit after tax, at 8,387 crores.

Report is AI-generated and may contain inaccuracies.

With that, I am going to summarize our unbeatable competitive advantage. We are a full-stack technology company. We have spoken with you about our technology stack in the past, and for those of you who missed it, you can go back and see the JPL transcript, where we spoke about this again. We are serving customers, homes, and businesses at national scale, and that is very important when we are scaling up our technologies. The fact that we have been able to operate them at such a large scale is important. A case in point is UBR, where we believe we are at least 2-3 years ahead of anybody else working on that technology, simply because of the number of homes or premises that we are serving and learning from with every new premise. That technology needs a lot of evolution. We have already completed four generations of that technology in the last 2 years.

We have unmatched distribution capabilities. This is something that we have had from the beginning and have been very focused on. We touch almost the entire population of the country. We serve or cover over 99% of the population with our services, and we are distributing a whole range of products and services beyond just connectivity.

We have a culture of innovation, and we have now demonstrated several proof points of that, not the least of which is the UBR stack itself. We also have our 4G and 5G core, the full 5G stack, and the full OSS/BSS stack that we can run. We have Device OS and set-top boxes. All of these are innovations that we have done in technology-

Management: Development that we have done, and then we have multiple growth engines. Across these technology products and services that we are offering to our customers, both in India and in global markets, the core connectivity business will continue to grow, with tremendous growth still ahead in terms of market size. We have proven scale, profitability, and a strong balance sheet, and that is something that you have observed over a period of time. It has been fairly planned. We have now completed our capex, and you can see very healthy cash flow generation over the next several quarters. With that, I am going to hand over to Dinesh to present the retail business.

Dinesh: Hi, good evening, everyone.

If we look at the quarter and what we spoke about earlier, revenue grew at a rate of 6.4% on a year-on-year basis. This was in a period when the festive season, as you know, shifted entirely to Q3. When you look at Q2 and Q3, depending on when the festivals fall, you should look at Q2 and Q3 together. A significant amount of the sales impact in September was because the festive season shifted to Q3, so we will see strong growth in Q3.

The registered customer base was up 10% year-on-year and crossed 400 million. Transactions grew in line with revenue growth, at 7%. All our consumption baskets grew, so growth was quite broad-based. We opened 303 new stores. Net additions were 200 lower because we also shut down 500 stores, so we shut down some of the unviable stores. We are looking at a transition where we will open those stores under some of the formats that we are opening, because real estate is difficult to obtain in India. That transition to the newer formats will take 2-3 quarters.

EBITDA margin was 7.8%, and EBITDA was 6,228 crores. This was before a one-time exceptional charge of 108 crores on account of 7-Eleven, because, as you might have seen in the news, we shut down the 7-Eleven format.

Report is AI-generated and may contain inaccuracies.

If you look at the margin trajectory, it is consistent with the last few quarters. Operating EBITDA as well as reported EBITDA is down just 10 basis points, and that is more because of the festive impact. During the festive season, you see most of the sales at full price. Therefore, the margin trajectory is consistent with the last couple of quarters. As we have grown our online business, margins have come down, and that is the nature of the online business.

We are going very strongly on growing our digital commerce business. The online scale-up is happening as planned. We had discussed last time that we were setting up a lot of infrastructure. We have made a conscious decision to significantly grow our online business and invest in the infrastructure and technology there. The benefits of that scale will come in the next couple of years. This year is the year of investment.

If you look at how we are progressing, I think the progress is happening quite well online, while we are doing it with discipline and the right unit economics. If you look at the early signs, online grocery revenue has grown 42% year-on-year. The share of online in both grocery and electronics is growing steadily. The progress is quite good, and over the next couple of years, as the business scales up and starts contributing meaningfully to our overall scale, the benefits of that scale will start reflecting in the absolute EBITDA numbers. Individually, the businesses are meaningful, but in the context of our overall revenue of 90,000 crores, they are still small.

There are a few macro trends. I think most of you are aware that inflation is at a 2-year high, which is impacting people's purchasing power. The currency has depreciated significantly, which is impacting some imported products in particular, as the landed costs have gone up. There has been a monsoon deficit, which has caused some demand pressure across key agriculture-dependent states, while food prices are moving up. This is also eating into discretionary demand. We also spoke about the festive calendar. Compared to last year, this time the festivals started entirely in October. October is reflecting that, and in Q3 you will see the full impact of the festival.

To recap our scale, we have the largest retail platform in the country, spanning more than 400 million subscribers and close to 20,000 stores. Retail area is 77.5 million square feet, which is roughly 1 million square feet lower because of store closures. However, same-store sales and like-for-like sales are positive, so we are getting more productivity from the existing space and pruning some unproductive space to make it more productive and convert it into formats that will generate more money.

Warehousing space has more or less remained constant because we had front-loaded the building of our supply chain capacity. Some investments in dark stores and other facilities continue. Online transactions have grown in line with revenues, at 7%. On the B2B side, we have a base of almost 4 million customers. We continue to invest in dark stores and some of our online digital platforms to grow the digital commerce business quite aggressively.

To summarize some of the numbers, revenue growth was 6.4% year-on-year. EBITDA from operations was down 11% year-on-year and flat quarter-on-quarter. Margin was down 140 basis points year-on-year and 10 basis points quarter-on-quarter. If you have tracked the margins, as we started scaling up our quick commerce business and some of the other online businesses from Q3 last year, margins have come down, and the margin trajectory is now more or less consistent.

Report is AI-generated and may contain inaccuracies.

Depreciation and finance costs were higher because of the increase in the asset base and increased debt. This is reflected in the 24% decline in profit after tax, against an EBITDA decline of 10%–11%.

This is the framework that we laid out last time, and it is consistent with our strategy. We are investing right now to build scale in online businesses. Some online businesses are challengers because we started late, so we are increasing infrastructure and capacity there. We are investing in capabilities to improve availability, delivery speed, and reliability. However, we were also very clear that we would build scale while maintaining balanced unit economics. The focus will be on unit economics and not just on vanity metrics such as the number of orders or reach. Growth will be disciplined, with the economics making sense. Wherever the economics do not make sense, we will not grow.

We will continue to expand our dark store network. While we touch the right levers, it takes time for the infrastructure to start reaching a threshold level of utilization. As utilization improves, and as some of the operational KPIs improve, we are on the right trajectory. Average order values have gone up meaningfully, the percentage of fully fulfilled orders has increased, and average delivery time has come down substantially over the last 4 quarters. Everything is moving in the right direction. With the investments scaling up, we are quite confident that these will start giving us results next year and will start being accretive to the bottom line as well.

Against the priorities that we laid out for FY27, here is the progress we have made. On growing JioMart and omnichannel, we operate the largest omnichannel network in the country, and that is reflected in the numbers: 42% growth in the online grocery business. In B2C grocery, the contribution of online to market share has grown 270 basis points. In apparel and footwear, where we already had a meaningful presence, the share has grown by 100 basis points. We operate the largest network of stores.

If you look at our competition, the next player has somewhere around 2,500 dark stores. We look at ourselves as an omnichannel network, with a presence across more than 5,000 stores. We therefore have more than twice the number of stores of our next-largest competitor. We operate in more than 1,000 cities, whereas most other players are focused on the top 100 cities. Even there, most of their revenues come from the top 20–30 cities. We are growing quite rapidly in smaller cities as well. There is no competition there. Consumer demand exists, and for us the incremental costs are much lower.

The major competitive moat that we have is our ability to leverage our existing infrastructure, which others cannot do. Every dark store that other pure-play players set up requires them to incur the cost of setting it up. For us, it is incremental, because we are already paying for that fixed cost and recovering it from the walk-in business.

On improvement in quality of service and reliability, our delivery times have come down quite meaningfully, and there is scope for further reduction. For resQ, with a TAT of 48 hours, 97% of services are being completed within that time. There has been a memory shortage in the electronics industry. We are the largest player in electronics, and through our brand partnerships we have been able to secure supply despite the supply chain disruptions faced by other players.

Report is AI-generated and may contain inaccuracies.

On the fashion side, while we are running fast fashion, even in our mainstream business we are doing almost 250-plus new options every week. There is freshness every week in the store. The idea is that when a customer comes in, the customer should always see fresh merchandise in the store. This will help improve customer footfalls because customers find something new. We are doing this much more scientifically. What we put in stores is based on the rate of sale, how each item performs, and how each item tests and scales. We scientifically select those products, expand them to more stores, and reorder based on how they are selling.

On proving unit economics market by market, we look at every dark store. Each dark store has to make sense, and the market has to make sense. There has to be enough density for the cost per order to meet the threshold. Wherever that threshold is met, we continue. We will be disciplined, and beyond a certain point, if the economics do not improve for any reason—whether the market is not ready or for any other reason—we will exit that market.

A good point is that average units per order have gone up 24%, which has materially increased average bill values. The average bill value is the biggest driver of unit economics. As I mentioned, we continue to expand our dark store network, and a lot of investment is going into acquiring customers and making margin investments. Quick commerce is quite competitive, with 6 players in the market right now, so we are making some margin investments.

The good part is that, compared to other players that are actually making a loss, we have a profitable core and are using it to fund the online growth engine while still making money. I think that is a big advantage we have. Most of our competitors, at least on the online side, do not have that advantage, and on the offline side they do not have the online capabilities that we have.

We discussed this last quarter as well, so I will not spend much time on it. We are monitoring very specific customer, commercial, operational, and financial KPIs. Execution will be very disciplined. We will not do business that does not make sense. Unit economics have to be right. As we do that, while we are funding the investment right now, from next year onwards we will start seeing it become accretive because of the discipline with which we are growing. We are not targeting vanity metrics, whether the number of orders or GMV. For us, the business has to make sense.

Moving on to the update by consumption basket, if we look at grocery, there was 3% like-for-like growth across our stores. To emphasize, the overall growth is much higher because online is also growing. This is just the pure walk-in sales where billing is happening in the store. The share of digital commerce has grown 270 basis points year-on-year.

This is the segment where competition is most intense from quick commerce. There is a lot of discounting, so we are choosing to accept some margin pressure. In the metros and bigger cities, where quick commerce competition is high, we are going for price parity. We do not want to lose customers or market share, so we are going for market share. Customers find the value proposition strong. In a store, they can get a much wider assortment, and the missions are also weekly or monthly. People buy much more, linked to their salary cycles and so on. We want to make sure that we continue to hold on to those customers and do not lose them. That is why we have made some margin investments in this segment, even on the offline side.

Report is AI-generated and may contain inaccuracies.

Across categories, performance continues to be quite strong. The business has broad-based levers on which it is growing. Going forward, we see margin recovery coming from space productivity. We will get higher productivity out of the same space through targeted assortment where customer demand exists, better margins from vendors, working with a smaller set of vendors, and joint business planning with them. We will work with them strategically so that they see us as a strategic partner, and that is [trails off]

Management: We will drive margins not by increasing prices. Prices are determined by the market and competition, but we will sweat the assets more and leverage our scale to improve margins in the business.

JioMart is our primary growth driver. This is where we are doing quick commerce, and we also have a marketplace platform. We spoke about the 42% growth that we saw in this business in the quarter. Units per order, which is another metric we track, are up 24% year-on-year, driving growth in average order values for the business.

We have the widest network through which we are servicing many locations where the competition is not present and will not be present for a long time beyond the top 100-200 cities. That gives us enough time to establish ourselves strongly.

Another benefit is that almost half of this network consists of electronics and fashion stores. The entire assortment of a big-box electronics store is available, and grab-and-go assortment is available, whereas in a competitor's dark store you can keep only a very small assortment. That is a major advantage for us. In those locations, we provide 2-hour delivery because the density is not as high, which is quite acceptable to a customer. That counts as quick commerce and gives us a significant advantage.

The same applies to fashion. We are doing AJIO Rush, and the number of AJIO Rush orders has grown strongly again, by 36% year-on-year.

As I said, we are disciplined with every dark store. It is measured on profitability, the number of new customers acquired, repeats per order, cost per order, and whether there is sufficient density.

Deeper penetration across smaller towns and cities gives us the ability to establish ourselves. While we will compete hard for market share and will not cede ground to anyone in the bigger cities, we will do whatever it takes to gain market share. These are markets where we can grow much faster. The markets are ready, competition is very limited, and it will take competitors a long time to reach there. This will give us a good moat compared to other players.

On the B2B side, we have steady growth of 10% year-on-year. We have more than 4 million customers, including Kirana stores, HoReCas, and institutions. We are looking at increasing customer engagement here as well. A customer who walks into a store is definitely more profitable, but at the same time we are also pushing online because that is where ordering frequency is higher. A customer may come once or twice a month to the store, but may place 3, 5, or 7 orders online. We are trying to maximize wallet share. That is what we are trying to achieve.

Report is AI-generated and may contain inaccuracies.

Even here, when we look at the share of online, app-based ordering is increasing because that shows that customer engagement is growing. We are leveraging our sourcing efficiencies. If we combine our B2C and B2B businesses, we are the largest player by a significant margin in the grocery business, and we are leveraging that scale to maximize margins. At the same time, we are looking at own brands to improve availability and the value proposition for customers, as well as our margins.

In consumer electronics, we are the market leader by a significant margin. Like-for-like growth was strong, at 8%. The distribution business also had strong growth of 20%.

The growth is driven by product availability. Because of the memory shortage, other players faced supply chain disruptions, but because of our brand relationships we were able to secure partnerships and secure products.

With premiumization taking place in India, the number of premium phones being sold is growing. We are now the largest retailer of premium products, including mobile phones, which is the largest category, from leading brands such as Apple and Samsung. We are a strategic partner for them and have been able to secure supply. While margins on some of these products are lower, we view this as a strategic investment in acquiring high-value customers because they have a very high lifetime value. If we acquire such customers, we have many other levers. We have RBL, our fashion business, and many other things we can do with these customers to maximize value.

Compared with the significant customer acquisition costs that other players incur to acquire these customers, we are acquiring them profitably. While we are sacrificing some margin because of the inherently lower margins in some categories, we are able to acquire and monetize those customers. That is a powerful lever.

We are expanding our omnichannel reach across Tier 2 and Tier 3 cities. We spoke about providing grab-and-go delivery for the entire assortment of big-box stores within a 2-hour timeline.

The distribution business also continues to grow well. Mobiles are the mainstay category, but laptops and some consumer durable categories are also growing well.

The festive season has just started in Q3, so our target is to win the festive season decisively. We have made aggressive bets on securing supply, and we are quite optimistic that we will further enhance our lead and look at cross-selling warranty and finance products to improve our margins. This is a very big quarter for the electronics business.

In the fashion and lifestyle business, there was 3% like-for-like growth. This is also the segment that is most affected by the festive season. Fashion is where a lot of sales happen during the festive season, and October has started quite well. In Q2, we had 3% like-for-like growth.

Here again, the share of digital commerce is increasing. We have AJIO and Shein. They are growing much faster, which is leading to an increasing contribution from them.

On the margin side, we are focusing on our own brands. The share of own brands has gone up by 710 basis points. The advantage is that we design and control the supply chain. Through Project Impetus, which we built, we have many insights into what is selling, the designs, and the trends. We

Report is AI-generated and may contain inaccuracies.

are then able to go from concept to shelf quickly, keeping the inventory fresh. We can move quickly from conceptualization to the store, test and scale products, and then buy more and replenish based on the rate of sale. We have much more control over our own brands, and they provide better margins for us.

AJIO is also aggressively expanding its catalogue. We are already at 3.3 million options, with 23% growth over last year, and the target is to reach 4-5 million options quite quickly.

We spoke about launching more than 250 new options every week, so we are ensuring freshness in the store. Whenever a customer comes into the store, the customer finds fresh fashion.

Tira and beauty are also scaling up nicely. We have the Tira online platform and Tira stores. We have also launched Tira in the overall beauty category on AJIO to widen the funnel. We are selling premium beauty products there.

In our premium and luxury brands business, RBL, we have crossed the milestone of 1,000-plus stores. We are by far the market leader, with the largest collection of international brands and the biggest store footprint. We are also present online through AJIO and AJIO Luxe. AJIO Luxe has almost 1,040 brands. Nobody comes anywhere close to us in that area.

On the offline side, every quarter we add new brands and bring global marquee brands into India. It is a portfolio play. Brands know that we have premium customers, talent, and real estate. It is an ecosystem where new brands can enter through a plug-and-play model. There is a very strong proposition for brands looking to enter India.

Premium and luxury is still small, but it is growing faster than the overall fashion market. Over the next 5-10 years, it will become a significant component of the overall fashion market. Those are the bets that brands are taking by coming to India, and we are the partner of choice for them.

We launched Fabletics during this quarter and launched the first store. We also signed an exclusive brand partnership with SKIMS. We launched a couple of interesting brands, such as Hugo Boss, for which we have the franchise, and launched a sub-brand called HUGO. We have the Steve Madden brand and launched Madden NYC. These are interesting sub-brands for specific cohorts. Some of these are being created for India and then taken global. Brands are happy and willing to experiment with us because they trust us and know that we have the skill set to run their brands. What they care about most is their brand image.

That is a quick update on the quarter. To summarize, revenues grew despite there being no major festivals, as the festive season falls entirely in Q3. Every consumption basket is growing, so growth is quite broad-based.

Digital commerce is something that we have clearly said we are focusing on. We are focusing all our investments there, and that is where we are seeing growth much higher than in our overall business. That trend will continue as we make more investments.

The margins you see are the result of a conscious choice. This is a planned investment in digital commerce. Inflation has also been high, and we have not passed on some of that inflation. We have absorbed some of it on the consumer side, but hopefully that is more of a temporary phenomenon.

Report is AI-generated and may contain inaccuracies.

We are funding this from a very profitable core and leveraging that to build long-term value.

The store network is being reshaped for productivity. We have pruned stores that were unviable, and we will look at newer formats and use that real estate to move into other formats that are profitable and that we want to expand.

When you look at Q2 and Q3 together as the overall festive quarter, when we discuss the performance next quarter, you will see the full impact of the like-for-like performance for the 2 quarters. Thank you.

With that, I will hand over to Ashutosh to cover FMCG.

Ashutosh: Good evening, everyone.

In Q2, we delivered revenue of 8,266 crores, which is 1.6 times the year-on-year level.

For the first half, our revenue was 16,900 crores, again 1.8 times the first-half revenue of last year. In the first 6 months, we achieved almost 80% of last year's full-year sales.

In terms of categories, daily essentials delivered revenue of 7,000 crores, again 1.7 times the year-on-year number.

Beverages continue to grow, led by the Campa brand, and delivered revenue of 5,250 crores in H1. This is again 90% of the full-year sales of FY26 in 6 months.

The home and personal care category is showing exponential growth, primarily on account of range extensions and national scale-up.

Packaged foods are also showing positive traction due to the expanded portfolio and consumer-centric innovations.

In Q2, we entered the dairy segment with the launch of ice creams under the Bombay Creamery brand.

In beverages, we continue to be the number-three NARTD player, with sustained double-digit market share in several states across India.

Growth in daily essentials has been led by dry fruits, edible oil, and pulses under the Independence, Good Life, and Udhyam brands.

Home and personal care growth is also showing exponential growth, with positive traction under the Glimmer brand.

Biscuits are a focus category for the group right now, and we have launched a unique range of products in both the mass and premium segments.

As we scale up our revenues, we are investing in building our manufacturing capabilities. We commissioned several high-speed beverage lines across states in H1. We are also working on setting up integrated food and beverage parks across the country.

Report is AI-generated and may contain inaccuracies.

Internationally, we are now present in Australia in major supermarkets such as Coles and Woolworths. This is backed by local production in the Australian market. We have launched products in Kenya and other African markets, along with the existing markets of Ghana and Nigeria. We are expanding our presence in GCC and Southeast Asian markets such as the UAE, Oman, and Malaysia.

In terms of marketing activations, as I mentioned, we entered the dairy segment through the launch of ice creams under the Bombay Creamery brand. This is India's first accessible premium dairy brand, and it is made from real dairy cream. We are investing in activations for this category.

During the festive season, we invested in on-ground activations for events such as Navratri and Ganesh Chaturthi.

Campa is also a proud partner of the BCCI for match events.

All in all, from the company's perspective, we continue to invest in brand-building activities through distribution depth and by building manufacturing capability.

Management: We are building these capabilities across the segments and categories. Thank you.

Management: Good evening, everyone. I will talk you through the performance of JioStar, starting with the digital platform.

The way to think about this slide and the numbers you see here is that they all relate to the JioHotstar app across both our sports and entertainment businesses. In this quarter, we exited with total MAUs of 440 million, compared with 400 million in the same quarter last year. That is 10% year-on-year growth. What is encouraging to us is that we have now reached the 400 million level across multiple quarters. This happened in a quarter with no marquee cricket, which usually drives a lot of our top-of-funnel engagement.

The second highlight is the conversational discovery feature that we launched on the app. This is an integration we have done with OpenAI's ChatGPT, which is now available on the app itself. We have been consistently investing in the product experience, so users can now engage much more deeply with the content they are watching without leaving the screen. This has led to engagement with this particular feature growing by 75% quarter-on-quarter.

The third highlight for the digital business, which I spoke about in our last meeting, was our work on the commerce revenue stream that we are aiming to build for the media business. During the IPL this year, we launched a deep partnership with Swiggy. We have now extended that partnership to entertainment as well. As you can see from the screenshot on the screen, this is a Koffee with Karan episode where you can now integrate this across the experience. This has become a platform feature that we will continue to invest in.

Finally, for the digital business, this is a very exciting quarter because we launched JioHotstar in 3 international markets. It is now available in the UK, Canada, and Singapore.

I will now move on to the sports business. The way to think about this slide is that it shows the sports business performance across both digital and linear TV. This was not a marquee quarter, as it

Report is AI-generated and may contain inaccuracies.

followed the IPL. We had a number of different sports properties, and I have shown the biggest ones here. We started the quarter with the India-England series. We then had the English Premier League starting, and finally we ended the quarter with the closely fought India-West Indies series.

As you can see, viewership across both digital, especially CTV, and linear TV was very strong across all 3 properties. However, when it comes to monetization, we had some overhang from the Middle East situation that began during the IPL and continued during the first part of the quarter, especially during England and India. We ended India-West Indies with very strong monetization. We saw that turn through the quarter, and we hope that it will continue beyond the festive season as we look at the rest of the year.

Here is a quick snapshot of our entertainment business, also across all our digital and TV channels. In the unscripted segment, where we have tremendous strength, we launched Bigg Boss for the first time simultaneously in 6 different languages. That drove watch time on a very large base by over 12%. We had another long-running show, Khatron Ke Khiladi, which is now in season 15 and delivered its best-ever season, with almost double the growth that we saw in the previous season.

If you look at some of the original shows that JioStar is creating, Pritam and Pedro turned out to be the highest-performing streaming original on JHS ever. Finally, if you move to the box office, Drishyam 3 crossed 500 crores in global net box office receipts as of 2 weeks ago, making it one of the top 3 Hindi opening weekends of all time. This is the second major hit to come out of Jio Studios, following Dhurandhar earlier in the year.

Moving finally to the financial performance, we ended the quarter with 10% year-on-year revenue growth, driven primarily by very strong subscription growth, especially on the D2C side and across linear TV. We saw a very strong increase in monetization in our digital entertainment advertising revenue business. As I mentioned earlier, the festive season also contributed to sports revenue growth through the advertising business. At the EBITDA level, our margins continue to be industry-leading, and we are therefore very bullish about the rest of the financial year as well.

With that, I will pass on to the O2C team.

Management: Good evening to all of you. I think Srikanth has already highlighted the performance of O2C, which has been, I think—can you hear me? [line issue] Is it better? Sorry, am I audible? Okay.

The margin environment has been pretty strong, with the tightness in the product markets.

Structural supply constraints continue. On the crude oil side, there has been a lot of disruption. Very recently, I think last month, Saudi Arabia had the East-West pipeline hit. So, on the crude side, there is a lot of dislocation. Having said that, the cargoes coming out of the Strait of Hormuz have actually improved. On the one hand, there was this attack, but on the other hand there was also some improvement, with more and more vessels coming out from the SOH. Refining capacity in both the Middle East and Russia has been badly impacted, and the loss of capacity is adding to the tightness of the product balances.

Report is AI-generated and may contain inaccuracies.

Margins remain elevated because of factors such as refinery outages and reductions in refining capacity. Over the last 5-6 months of the crisis, inventories have been drawn down. That is also supporting margins. On the chemical side, Amit Chaturvedi will cover this later. Operating rates there are also quite low, and margins are quite significant compared with pre-conflict levels.

If we look at volatility in the market, the Brent crude oil price ranged from 70 to 130. That is the kind of range in physical crude movement that we have seen. In addition to the flat price of crude, there is also a substantial premium prevailing on crude. We look at the benchmark and do not include the premium, but when we physically buy the oil, there is a significant premium and freight cost. This is also causing elevated opex because of logistics and high energy costs, as we consume a lot of energy. These are the headwinds, one could say.

The financial performance was our strongest-ever quarterly performance. As Srikanth said, we are well on course to perform exceedingly well this year, with 80,000 crores on an O2C basis. Earnings are being helped by the tight fuel balances. The cracks for gasoline were about 3 times the year-ago level, diesel was about 3.5 times, and jet was 3.7 times. That is the level of year-on-year crack increase.

One important point is that we had a reasonably large number of TC vessels, in excess of about 20 or close to 25 vessels for crude and products together. This helped us mitigate freight-rate risk because freight rates have gone up significantly. Polyester chain margins were also up significantly, by 33%, led by PX and PTA.

Ethane was also highlighted at the beginning of the presentation. It is at a substantial and favorable differential to naphtha.

Domestic demand is also quite strong in India, with diesel at 7.5% and gasoline at 8.5%. Of course, we are all aware that prices have not really been passed on in line with the international market. What is dragging the margin down is the SAED levy, which contributed to negative margins. I already mentioned the high crude premiums, elevated freight, and insurance costs. There is also under-recovery because prices are not aligned with the international market.

To meet domestic demand for LPG, we had to increase our production from normal levels. We produced almost twice the normal level of LPG, and this curtailed the production of alkylates and a little bit of petrochemicals. These are the factors that dampened the market.

The agility we have shown is illustrated on the left-hand side. We have been agile in moving and buying crude. During the second quarter, we saw a significant month-to-month change in the crude basket. At times we went to the Americas, and at other times we imported from the Middle East. We kept changing the basket month-to-month to derive the benefit of advantageous crude. Those are the highlights of this quarter.

From an operational excellence point of view, we achieved record crude runs despite the disruptions in the SOH. I mentioned how crude sourcing changed between different regions. We swung crude imports between the Americas, the Middle East, and the Med regions. In addition to crude, on the product side, we switched product placement to achieve the best netback. We increased exports to the East, West, and South African regions, as well as to Latin America and the

Report is AI-generated and may contain inaccuracies.

EU markets. We supplied products to those markets because of the higher netback.

We also supplied the first-ever low-sulfur jet fuel to South Africa. That probably opens up more avenues for us in the future. I mentioned that we supplied twice our normal LPG production.

There has been significant flexibility in operations through feed mix and product optimization. I will mention one more thing here. When I refer to throughput, I am not referring only to the crude unit. The coker, platformer, and FCC were all operating at very high levels, so we were able to derive the benefit of the margins.

Continuing on volatility, Brent was 97 compared with 69 before the conflict. SOH transit was 7.1 compared with 16. There has been an improvement, and although everything is not official, movement through the SOH is improving every day. Refinery outages were 11.8 and are currently at about 4-5 million barrels a day, which is likely to support margins going forward. That is what commentators and analysts are saying.

Global refinery runs were also somewhat lower, at 79, because of the frequent disruptions and outages that we are seeing. Product inventories, particularly diesel and gasoline, are down compared with the 5-year average. Low inventories, the continuing risk of sanctions, and affected refineries all point to favorable refining margins.

What happened to demand initially? In Q1, we saw demand fall from about 105.9 to 99.1. It recovered smartly to about 102.5, and going into winter we should see demand grow by another 1 million or so. That is the forecast from the IEA.

If you look at gasoline, diesel, and ATF at the bottom, year-on-year gasoline demand was down slightly from 28 to 27.7, diesel from 29.6 to 29.3, and jet fuel from 8.2 to 8.1. What is important is that, compared with the previous quarter, demand has increased everywhere in the current quarter. Things are looking up in terms of global demand.

Gasoline cracks are what drive the refining margin. The gasoline crack averaged 8.4 in the second quarter of the previous year, whereas we are now close to $25 a barrel. To take advantage of this, we supplied into the Eastern and South African markets. When our supplies to the Middle East were affected, we started moving product to Africa. Our market share actually rose to about 50% of those markets. Similarly, there were premium gasoline grades that we could sell into Australia, South Africa, Kenya, and Tanzania. This helped us.

Now, looking at the near-term dynamics of the market based on various commentators.

Management {? Srikanth ?}: Inventories are quite low, so cracks are expected to remain elevated. Russian refineries have been affected. Typically, Russia has banned gasoline exports, and diesel exports are also affected. Russia is a very large producer of diesel and has to export it when the refineries are running. Even in the case of diesel exports, periodic bans have been imposed. We expect both gasoline and diesel to remain affected, and I will cover distillates in the next slide.

The recovery of the refineries is also a factor. Drones are hitting them, and at some point 40%-50% of Russian refinery capacity was affected by these attacks. While some of it is recovering, it has not fully recovered, so we believe the recovery will be gradual.

Report is AI-generated and may contain inaccuracies.

The Chinese export quota system has also become uncertain. China released some quotas recently, but otherwise there is considerable uncertainty because the view is that China wants to remain secure amid uncertainty in the international market. This uncertainty around Chinese exports also supports refining margins.

These are the distillate cracks. Gasoil moved from about 18.7 to 65.8 year-on-year, and ATF moved from 16 to 59.3. This represents about 3.5 times and 3.7 times, respectively, the crack levels in the second quarter of FY26.

On diesel, a lot of product comes through the SOH from Kuwait and the UAE. Those flows were blocked, or rather became very low, because of the SOH, and that supported diesel cracks. We have also seen the Houthis attack Saudi refineries. In the last few days, we have seen attacks on Red Sea refineries in particular. That has reduced diesel supply and is supporting diesel cracks.

For diesel and jet fuel, we found opportunities in the Mediterranean market because of the loss of supply. We increased our supplies to the Mediterranean markets, which offered high netbacks. I have already mentioned the low-sulfur jet fuel exports to South Africa.

What is the market saying about distillate cracks? Russian diesel exports will probably remain subdued, while there is almost an attack of one kind or another on Russian refineries every day. That is very supportive for diesel cracks. We are also going into winter, which is a high-demand period for diesel and heating oil. All these factors support the cracks.

The domestic market has fairly strong demand. Oil demand is at 57 million tonnes. If you look at motor spirit or gasoline, sustained personal mobility and steady automotive sales are supporting MS cracks, which are up 8.5% year-on-year, representing very strong growth. Diesel growth is 7.5%. We have also had a deficient monsoon, which has helped support diesel demand in the country.

Because prices have not really been passed on to customers, demand has probably remained strong. In the rest of the world, there has been some demand impact and demand has fallen, but in India prices have not been increased in line with international prices, so demand remains strong.

On Jio-bp, our retailing arm, we continue to grow. If you look at the scoreboard, almost every element is growing. MS and HSD sales are growing, market-share effectiveness is improving, 85-90 retail outlets have been added, charge points have been added, and e-mobility and CBG have shown significant growth from a low base. CBG and CNG stations, convenience stores, and everything else have also increased.

We have ACTIVE technology, which is a fuel-efficient additive that improves fuel quality and provides better mileage. That is adding to the growth in our fuel sales.

That briefly covers the refining and marketing business. Excluding China, refining capacity additions will be fairly flat. Global oil demand is projected by the IEA to decline by 2.6% in 2026. There are 3 months to go, and demand is expected to rebound by almost 2 million barrels next year, according to the IEA projection.

Middle East uncertainty continues. I do not think we are seeing any resolution in geopolitics, whether in Russia-Ukraine or in the Middle East. All of these factors support refining margins. For

Report is AI-generated and may contain inaccuracies.

us, the actions we take and our business priorities are focused on remaining agile so that we can capture opportunities in feedstock and products. That is our focus area.

High asset utilization is something on which we have always focused, and it will continue to be a priority. Margin maximization will come through end-to-end value-chain optimization. On LNG capacity as well—sorry, lower inventories and continuing product supply tightness, which I have mentioned throughout the presentation, will support refining margins. That is the general commentary in the market, and we believe it is likely to play out.

Thank you.

Management: This was a very volatile quarter, one of the most volatile quarters that we have seen in recent history. Things were changing almost on a day-to-day basis.

The whole industry in Southeast Asia and Far East Asia was struggling to obtain feedstock, and most crackers, even when they were obtaining feedstock, were getting it at exorbitant prices. I will cover that later in the presentation. Not only were prices higher, freight rates were also astronomical. There was a serious shortage of tankers. A large number of oil tankers were stuck in Hormuz, and whatever vessels were available were paying a huge amount in insurance charges. The cost of freight therefore skyrocketed to unprecedented levels.

In this situation, we had 2 blessings. One was that Srini was running his refineries well, as he mentioned in the previous section, so we were getting our naphtha feedstock from them reasonably and adequately. The second was that, as I have been saying for many quarters, a good amount of our feed was coming from the US. That supply was steady, was not impacted by the Middle East crisis, and was also coming at a steady price.

These 2 factors meant that, while product benchmark prices were driven by the increased cost of naphtha across the whole of the Southeast Asian and Far East Asian region, product prices went up but our cost levels remained the same. We therefore had an absolutely fantastic quarter and half-year, and we are still in the middle of that sweet spot.

Naphtha flows from the Middle East dropped from almost 12.5 million tonnes to 6.5 million tonnes in the quarter. This meant that there was a serious shortage of material across the region. In the previous quarter, we had seen a lot of Russian material coming into the region, but as Srini mentioned, there has been a lot of damage to Russian refineries recently because of Ukrainian drone attacks. This resulted in a situation where even Russian material disappeared from Asian markets. That created a serious challenge in obtaining material.

Ethane prices were quite steady during the quarter, at 24.3 compared with 23.2 in the previous quarter. A lot of global capacity was impacted because of the 2 wars—the Middle East war and the Russia-Ukraine war. Polyethylene capacity of almost 41 million tonnes, roughly 30% of global capacity; MEG capacity of 12.8 million tonnes, also 30% of global capacity; and PTA capacity of 32 million tonnes, about 25% of global capacity, were impacted by this turmoil.

Global cracker utilization rates dropped from 81% to 71%. That is a very low level, mainly because many crackers were either struggling for feedstock or were in war zones and therefore down. The

Report is AI-generated and may contain inaccuracies.

biggest impact came from the Middle East, where operating rates dropped from 80% last year to 50% this quarter, primarily because the region was simply unable to evacuate its products.

We saw, as Srini discussed, a sharp year-on-year escalation in crude and naphtha prices. The availability of naphtha remained a major concern and almost fell by half compared with the same quarter of the previous year.

The absolute numbers are as follows. Naphtha AG to Japan freight increased from $86 in July to $186 a tonne in September this year, an almost 100% increase during the quarter. The quarterly average was $122 a tonne, which was approximately 3 times higher than in the same quarter last year. This increased the cost of naphtha in the region significantly. The base price was higher, there was a shortage premium, and the premium numbers were significantly higher. On top of that, the significant freight cost further increased the cost of naphtha for Southeast Asian and Far East Asian producers.

Ethane prices were steady, as I said, and the ethane-naphtha cracking differential therefore widened to $557 in Q2. This was up 2.3 times year-on-year.

Here are the cracker operating rates in different parts of the world. As I said, the Middle East was the most impacted region, with operating rates almost 30% lower than in the same period last year. This resulted in global numbers declining by almost 10%. The reason was that the Middle East was simply unable to evacuate its products and therefore had to cut operating rates.

In terms of feedstock margins, in this half-year, as Srikanth also mentioned earlier, we have not seen these kinds of deltas on ethane: 708 and 439. Naphtha margins were minus 117 in the last quarter, primarily because the cost of naphtha itself had risen sharply.

Talking about downstream margin conditions, the cost of naphtha was up 43% year-on-year. US ethane prices were almost flat, with a 5% increase. The polyethylene-to-naphtha delta was higher by only 5%, and PP was higher by about 8%. PVC had a different story. A lot of PVC in the region comes from coal-based production, and there was no impact on coal prices. Therefore, PVC prices remained under pressure because of supplies from China. However, EDC prices went up, and therefore the PVC-to-EDC delta went down by 19%.

The polyester chain is primarily centered in China. China was also struggling with the availability of crude, naphtha, and feedstocks. Paraxylene prices went up by 33%, PTA by 15%, and the delta across the whole chain was up by about 33%.

In terms of domestic demand, polymer demand was down 3%, primarily because demand was supply-constrained. The availability of material itself was restricted, imports were completely blocked, and domestic supplies were also impacted because of raw-material availability.

On the polyester side, except for PET, which was driven primarily by beverage-sector demand, filament and staple demand was weaker. Delayed monsoons resulted in good demand from the beverage sector, but filament and staple demand was affected by volatility and cautious buying. This sector ultimately sells into textiles and garments, and weakness was seen in that sector.

Report is AI-generated and may contain inaccuracies.

In terms of the broader dynamics, geopolitical disruptions continued to affect us throughout the quarter. We are still in the middle of the turmoil and are not out of the woods. Domestic demand has fortunately been resilient.

There was significant inventory replenishment in the quarter [cut off]

Management: The previous quarter had seen a lot of slowdown because of supply-driven constraints. There was an LPG control order in the previous quarter that restricted the availability of all polymers. This quarter, it was relaxed, so there was inventory replenishment. There was also festive-season demand, and agriculture and infrastructure demand were quite healthy in this quarter.

We believe there will be textile and polyester export opportunities. The new FTAs that the Government of India is signing with the UK and the US are on the anvil, and we believe that we will have a significant advantage in textile exports. This will provide a boost to polyester demand.

Overcapacity in China is likely to emerge as more ethylene capacity starts up there over the next 2 years. Quite a few plants are scheduled to start. However, these markets have become much more local compared with the global markets they used to be, because of supply-chain constraints. Therefore, we believe that many of the challenges from this new capacity will be mitigated or partly softened because of that.

Our priorities will be to continue optimizing our raw materials, product portfolio, and distribution channels. As we have been doing all along, we are running an extensive, elaborate, and complex linear programming model to optimize this.

Of the 3 new ethane vessels that we had ordered, we have taken delivery of 1, which has started operating. The second delivery has also happened. The second vessel is now on its way to the US for its first load. Very shortly, we will also take delivery of the third vessel. Considering the arbitrage that exists today between naphtha and ethane, these 3 vessels will significantly add to our bottom line.

We will also continue working on a differentiated product portfolio and customer relationships, because these are times when customers need support. There is a shortage of material. Imports are not available, and domestic supplies are also restricted. Working closely with customers is therefore of paramount importance in these times.

With this, I request—

Management: Good evening, everyone. [clears throat] Let us recap the quarter gone by. This has been a steady quarter. The natural decline in KG-D6 has been offset by elevated oil and gas prices. We continue to see an uptrend in CBM, and that should continue. The exchange rate has also been favorable.

The key development during this quarter is that we have brought a deepwater rig back into our KG-D6 block. It will undertake a campaign for workovers and additional development wells. This is intended to augment and sustain production from KG-D6.

Report is AI-generated and may contain inaccuracies.

If we look at the overall performance, it has been practically flat compared with Q1. Compared with the corresponding quarter of the last fiscal year, you can see the impact of production.

Overall, we continue to sustain production better than we had expected at the time of the field development plan. However, we are now trying to see how we can maximize recovery. We stand at about 25 million standard cubic meters. We continue to see an uptrend in CBM production. We are trying to manage the decline in D6 and sustain production as far as possible.

Here is an overview of the global market. We all know the situation in the Strait of Hormuz, and consequently that has impacted LNG offtake by nearly 32 million tonnes. On the other hand, we have also seen additional LNG capacity coming from North America, at about 25 million tonnes. Overall, prices remain quite elevated. We are looking at something like $29 even as we speak.

However, the ceiling prices that prevailed until the end of this quarter were set in March of this year, and those prices continued to prevail. They were capping prices.

In India, demand has remained quite robust even though prices have been elevated, which is a good sign. It means there is a lot of demand for gas.

However, there is still a distortion between market-value pricing and what we are realizing because of the ceiling price. Our sense is that, with the onset of Samudra Manthan, the government taking positive reform measures, and a lot of investment coming in, particularly targeting deepwater, we look forward to the government taking positive steps toward providing more pricing and marketing freedom going forward.

The price for this half-year is going up by a dollar, to nearly $9.9 as the ceiling price. That should give us some upside.

Thank you.

Operator: We can start the Q&A.

Probal – I-Sec: On the refining business, you mentioned that 11.8 million barrels a day was impacted during Q2, and I believe you mentioned that 4.5 million, or 4-5 million, barrels still remain affected. Probal from I-Sec here. You mentioned that 4-5 million barrels still remain affected, more or less. This is obviously the combined capacity split between what is impacted in Russia and what is still not online in the Middle East, I would believe.

You also mentioned that you do not expect geopolitics to change much, at least in your assumptions going forward. Is it fair to assume that these 5 million barrels are probably 6-9 months away from normalization in a best-case scenario? In the worst case, could it stretch even longer?

Management: I think what you have said is correct. First, when we talk about 11.8, if you look at the Middle East refineries—the refinery in Kuwait, the refinery in Bahrain, refineries in Qatar and Ruwais in the UAE, and the Saudi refineries—all of them were impacted at different points in time, and they have started coming back. Today, when we talk about 5 million, we are referring to the refineries that are yet to come back in the Middle East and to Russia, where perhaps 40% of capacity is affected. I agree with what you have summarized based on what I mentioned.

Report is AI-generated and may contain inaccuracies.

On the resolution, nobody knows. What we have seen over the last 5-6 months is that there are talks and everything is announced as being done, with one party agreeing to something and another party agreeing to something else. Finally, 5 days later, you find that nobody has agreed to anything. It does not seem that there will be a resolution, given the way attacks are happening.

Even today, if you look at the number of vessels, although people are taking the risk and bringing vessels through the SOH, the attacks are continuing. Uncertainty is very high, and with such uncertainty and low inventories, as almost all traders are saying, we do not see an immediate change in the situation. It is going to continue.

Probal - I-Sec: Thank you. If I may ask one more follow-up? Staying on the same point, you mentioned the increased risk. In Q3, we have seen that flows, particularly from Saudi Arabia, have improved quite significantly. Overall Middle East flows, according to some estimates, were at times close to pre-war levels. Given the inherent risk in the actual delivered cost of crude and the uncertainty of supplies, how are you positioning the sourcing mix? Is there a realignment back toward Middle East flows? Product yields are obviously quite different for Middle Eastern crudes in your refinery compared with, for example, US or African crude. How are you looking at this? That was my second—

Management: During the presentation, I mentioned that we swung between east of Suez and west of Suez quite dramatically during Q2 itself, from month to month. That will be a constant feature. We will look at all opportunities and swing between whichever crude provides the greatest opportunity. We are doing that for the next quarter as well, October-December.

Probal - I-Sec: Thank you.

Analyst1: This was an excellent performance by the O2C business. It is good to see that. I am wondering if we can bifurcate where the significant profit growth came from. Did it come from the refineries on a sequential quarter-on-quarter basis? Did it come from petrochemicals, or was it due to the additional ethane carriers that you added from the US?

The reason I ask is that, if you look at refinery crack spreads quarter-on-quarter, other than gasoline, I do not think they are dramatically higher. In fact, freight costs were significantly higher. Of course, refinery production was higher because there was a shutdown in the previous quarter. There are those factors, but petrochemicals seems to have done much better in terms of margins, and there is also the new ethane carrier. Among the 3, which was the main driver, or can you give us a more in-depth view?

Management: I would say 2 or 3 things. It was a combined effect, but if I had to assign a number, petrochemicals definitely contributed. Refining also contributed. If you look at diesel, it was almost $2.8 a barrel higher sequentially. Diesel, which is a large part of refinery production, was therefore quite significant.

While freight rates went up, I mentioned that we have a significant TC fleet. That helped us mitigate the freight impact. The impact was therefore not as significant as it would have been for a refinery that depends heavily on the spot market. That was one contributing factor in favor of refining.

Report is AI-generated and may contain inaccuracies.

I also mentioned the utilization of various secondary units at the refinery. I did not mention the gasifier. The gasifier also provided a significant uplift in margin because gas prices are $30 per BTU nowadays. Even if we look at the previous quarter, JKM was a little more than $20 a barrel, whereas coke and related costs were perhaps in the high single digits. That differential also contributed to the refining margin.

I would say it was a combined effect. There is another element, which is product premiums that you do not see. We mentioned that there is a headline price for crude and a premium. The same applies to products. There is a headline price for, say, Arab Gulf or Singapore, but there is also a premium when you sell because Europe, Asia-Pacific, Australia, and Africa are all buying at a premium because of the uncertainty. Although the uncertainty is in crude, the products are also reacting to it.

Analyst1: If I may ask the second part of the question, there seems to be a significant amount of demand destruction, especially in China. China is moving to EVs very rapidly and to LNG as a fuel. If we eventually return to a normalized level, will we see normalized refining margins lower than the previous normalized levels? Are we seeing a high level now followed by a more permanent plunge?

Management: China is a structural factor. It has consciously moved toward more EVs. Similarly, on trucks, China is trying to use more gas-based and LNG-type trucks. That is something it is doing structurally.

Having said that, demand is expected to rise in the rest of the world. That will more than offset the reduction in Chinese demand. If you look at the production of about 2.5 million to 2.6 million barrels in '26, in '27 we are saying that it will strongly rebound to 2 million or perhaps even 2.2-2.3 million barrels a day. Most of the demand will come back.

If we look at margins, my view is informed by what happened in history. In '72-'73, there was an Arab embargo on exports to the US and Europe because of support for Israel at that time. That remains in market memory. Even when there is a skirmish between Israel and Lebanon or an issue involving Palestine, the market reacts suddenly. Those countries hardly produce any crude and hardly affect supply and demand, but the memory of sanctions or action by Arab countries takes time to disappear from the market. That memory has continued for more than 3-5 decades.

The current events are very fresh in our memory, including the SOH attacks that are happening and may continue to happen. For the market to forget these events and for insurance and freight to return to normal, it will take time. Today, many people are not going to the—

Srikanth: We do not want to go into the Middle East. It is only the countries that are suffering that are trying to bring the product out. I think our view is that it is not going to normalize. That is our view, I guess.

Management: Sanjay?

Analyst1: Can we get a quick update on the commissioning of the various New Energy lines?

Management: Karan?

Report is AI-generated and may contain inaccuracies.

Karan: [pause] I think we are well on target with the commissioning, as we had indicated earlier. The New Energy lines are effectively split into the solar value chain and the battery business.

In the solar value chain, as indicated, our module capacity is now more than 6 gigawatts, and we will reach up to 20 gigawatts early next year. Similarly, solar-cell capacity is now nearing 5 gigawatts, and we will again reach 20 gigawatts sometime in the first half of next year. We are making good progress on ingot, wafer, polysilicon, and glass manufacturing.

On the battery side, in the next half-year we will commission our BESS facility, with pack and container capacity of up to 40 gigawatt-hours. Cell capacity will come sometime late next year, at around 35-40 gigawatt-hours.

Analyst1: When you say next half-year, do you mean 1H FY28, or do you mean—

Karan: I mean the second half of the next calendar year.

Analyst1: So, by June?

Karan: June to December is when we will start ramping up cell production.

Analyst1: Okay. Lastly, you had suggested that you would start installing modules after the monsoon.

Karan: That is correct.

Analyst1: Has that started?

Karan: It is still on track. I would not say that the first module has been installed, but project development work has picked up pace. We will start seeing transmission capacity and connectivity in the first quarter of next year, and we will have the necessary modules installed for that. I think we have already indicated that we will see revenue in FY28 from the New Energy complex.

Analyst1: Thank you.

Management: Sachin?

Analyst2: Thanks. I have a couple of questions for Sri and Dinesh. First, on retail: you said there is a conscious decision to invest, which is why margins are being impacted. Directionally, we do see competition from quick commerce coming down. I want to understand whether there is a specific timeframe or any particular milestones we are looking at before most of the investments are largely complete. Is there a floor in terms of EBITDA margin that we should look at?

My second question is about the next 12 months from a Reliance Industries perspective. Where will incremental capex investments go? One possibility is data centers. The IPL is coming up for renewal in early 2027. I would like to understand how you are looking at those investments.

Dinesh: On the retail side, see—

Management: Dinesh, the microphone. Microphone.

Report is AI-generated and may contain inaccuracies.

Dinesh: On the retail side, competition is still quite intense online. We also started much later than most of the other players. We are investing in infrastructure and in customer-acquisition margins. Discounts are quite steep today. Everyone hopes that competition will decline and that things will normalize over time. We also hope that happens.

As the share of online grows, online inherently has lower margins. First, there is discounting. Second, we incur the incremental cost of delivery. Therefore, margins are inherently lower.

The good thing is that the online business is incremental. Beyond the dark stores, a large part of our orders and infrastructure comes from walk-in stores, where our incremental costs are not very high. However, we still need dark stores to fill the gaps because our walk-in stores are designed to cover a certain area.

In metros and bigger cities, customers expect 15-20-minute delivery. In smaller cities, we can go to 30-minute delivery. That network is still required, and scaling up that network and the orders takes time. That is reflected in the numbers.

It will be margin-accretive in absolute terms. We have outlined in the framework that we have put forward that, from next year onwards, we expect the benefits to begin accruing in absolute EBITDA.

The margin floor depends on the share of online. If the mix is 20%-80% versus 30%-70%, margins will look very different. However, from an ROCE perspective, the model is acceptable because online requires less capital investment than an offline business, where we have to set up the full store and everything else.

It depends on how the mix evolves and, secondly, on how competitive dynamics play out and how long margin investments continue. It is not just us; other players are also investing in margins and customer acquisition.

Analyst2: As a follow-up, when you talk about dark-store additions, are they mainly in urban areas, or are you also going into Tier 2 and Tier 3 cities?

Dinesh: It depends. We look at it as a network. I would say more investment is going into bigger cities because that is where we have to meet the 15-20-minute SLA and where competition is most intense.

From a customer's perspective, it does not matter whether delivery comes from a dark store or a walk-in store. The customer wants the assortment and wants it on time. Dark stores help us fill the gaps. Bigger cities require much greater density, so a lot of investment goes there. However, it is not necessarily limited to bigger cities.

Management: And the capex question—

Analyst2: Sorry, the capex question? Yes.

Srikanth: I was hoping you would forget that. [laughs] On capex, 44 megawatts is in the process of being completed, and I think that will be done over the next 4-6 months. In terms of the plan, we are considering another 120 megawatts, but that will take some time.

Report is AI-generated and may contain inaccuracies.

In addition, for the project we are doing for one of the hyperscalers, we are building the infrastructure. The GPU is for the hyperscaler's account, but we will build the infrastructure, electricity, telecom, and related components. That is the breakup.

Analyst2: On IPL bidding, is this something you are interested in?

Srikanth: Yes.

Management: You—

Srikanth: I mean, if you ask whether we are interested, the answer is absolutely yes. What the price will be is a different question. [laughs]

Management: I think Srikanth answered it. IPL and marquee properties like this are a core part of our strategic agenda. However, we will address this objectively once the tender is issued, keeping the group's philosophy of profitable growth in mind. To Srikanth's point, it depends on the tender.

Srikanth: The only line they included for Jio was something to the effect of disciplined bidding. You must have seen it in the presentation. We have also demonstrated this in the way we have bid for some other properties.

Analyst3: On retail, the revenue growth number for online grocery was given as about 46% or something. If we compare that with the biggest quick-commerce players, it is still underwhelming, to say the least. Given that we are perhaps 2 quarters away from ending the year of consolidation and moving to the high-growth years of next year, do you think we are getting to the point where you can still be confident of doubling EBITDA in 2 years? Nothing is going to happen this year, correct?

Dinesh: We are not changing our target. There is no reason, at least as of now, for us to change it. That is the directional guidance we have given and what we are targeting to achieve.

This year, we are making the investments. We have to put the on-the-ground infrastructure in place and acquire customers. All of that is happening this year. The economics will start improving from next year. The expectation is that customer acquisition is a one-time activity. Once you acquire a customer, you have acquired that customer. Once you set up the infrastructure, every incremental order is accretive.

As of now, I do not see any reason to change the target we have set for ourselves and are executing toward. It could take one year more or less; nobody knows. But as per the plan, we have—

Management: Jay, do you want to add?

Jay – CEO of the Retail Business: I can add a little more on that.

Management: For those of you who do not know Jay, you know who he is, but you are seeing him for the first time. He is the CEO of the retail business.

Jay – CEO of the Retail Business: Thank you. To step back a little and answer your question, while you may say that the 42% year-on-year growth we reported on our online platform compares with

Report is AI-generated and may contain inaccuracies.

other quick-commerce players, I think that even while we consciously decide to invest in a channel and grow it, we want to make sure that we do it mindfully and leverage our existing assets.

The growth that you can achieve on an online platform is purely a function of how much you are willing to spend and how much couponing and discounting you are willing to put on the table. As a philosophy, while we will invest in customer acquisition, we will do so in a much more measured and meaningful way. That is reflected in the growth numbers that you see.

That is how I would answer the question. We do not want to cede growth to anyone, but at the same time we want to be meaningfully cautious about how we spend the money we are investing so that we obtain the right LTV-to-CAC ratio over time.

Unlike other players, we already have a large consumer franchise. We have 400 million customers whom we have already acquired through the largest retail business in the country. It is more about how we cross-acquire them intelligently and do so in a sensible and cost-efficient way.

It is not about acquiring them all at once and suddenly showing high OPD numbers. It is about doing it in a sustainable way. That is why our pace may look different, but it is built on a strong existing base.

The investments we are making include capex investments, capacity expansion, and significant warehousing and supply-chain infrastructure. Today, that infrastructure is geared to serve the 20,000 stores in our network. It is a store-delivery-based network. We are retooling and modernizing much of our warehousing systems to make them equally capable and efficient for primary transport, middle mile, and everything else required to serve our B2C network.

All of these things take time to do correctly. It is a platform investment, but once we make the right platform investment on top of our existing large infrastructure and customer base, pressing the pedal will give us accelerating and exponential returns.

That is why we are confident that the operating EBITDA growth we are all working to achieve, once we move beyond the investment phase, remains realistic, even though it may look very aggressive. It is not starting from zero. It is not a bootstrapping story. It is about leveraging our existing large asset base through incremental investments. Those investments are significant, but they create a high-leverage effect on the existing base. I hope that answered the question.

Analyst3: Thank you. Just one question on O2C. Although spreads did not change much from last quarter to this quarter, I think what you complained about last quarter was the difficulty of capturing those spreads. That seems to have improved this quarter. Do you think this will continue to improve, particularly because the ethane advantage, if anything, will expand from here given the 2 new vessels?

Is it correct to assume that, as capture improves, the numbers will continue to improve? Of course, the environment can change, which is a separate issue.

Management: I will speak from the petrochemicals perspective. The ethane benefit is here to stay, and it will only increase as we absorb the incremental vessels.

Report is AI-generated and may contain inaccuracies.

The other factor is that, compared with the previous quarter, we had an LPG control order in the previous quarter. This meant that a significant amount of our feedstock was diverted to LPG to support the nation. The order was not completely removed, but it was relaxed in this quarter and was much milder. That helped us increase volumes.

On the refinery product side, would you like to comment?

Srikanth: You have covered the petrochemical side fairly. On refining as well, if we look at the—[pause] there has been a significant improvement in feedstock capture. The landed price and related factors were better this time. I mentioned this a few times, when we swung between different regions. That also gave us some benefit in capture. That was how we achieved better capture.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.