Management Discussion

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
So, this has been an extraordinary quarter. Extraordinary when you look at it from the point of view of macro volatility. Extraordinary if you see it from point of view of energy market shock. Extraordinary when you think of it in the context of what kind of supply chain dislocation that happened. And in that context is where, when you look at the overall performance, I do want to say that it's been an extraordinary performance too. The kind of agility we have shown has been incredible, and I'll tell you why it is.

But starting with the numbers, top line up 25% primarily because of oil prices. But it is also a fact that Jio top line was also up 12%, even retail was up close to 12%. So it's not just about O2C. EBITDA has been strong. And when you look at EBITDA and recurring EBITDA, because last time same time, we had the INR8,900 crores of Asian Paints. And that is why, right through the presentation, I have backed it out. Otherwise, it just doesn't make comparable numbers, and it doesn't make sense with those numbers like that.

So when you look at that, our overall EBITDA is more than INR54,000 crores, so we are up 10%. Net profit at almost close to 23,200, again up 6%. And when you see the numbers, strong performance by O2C up 17%, JPL 15%. And that is really those where they stand out performance. And we will also talk about the other businesses. So again, consumer businesses is now again back to, it is about 50% of the overall mix. And cash flows and capex -- cash flows continue to be strong, more than from a cash profit point of view, really funding the overall capex.

Moving on to O2C specifically, 30% up on a revenue basis. INR17,000 crores, and that's up 17%. And when you see the components of the performance, starting with, of course, high distillate margins, we saw that. Significant 250% more, 300% more, yeah, but I just wanted to say that those numbers are there, but I think those numbers are on a flat crude basis, and it doesn't provide for the fact that you had to pay higher differentials to acquire the crude. But broadly, performance is on the back of higher spreads. Deltas, even chemical deltas, three to four years high. You always talked about the benefits of ethane cracking, and when you see it in this quarter, while oil prices were going up, actually ethane prices went down. So, therefore, all the cracking that we do with the help of ethane, that was enormously valuable.

I think the whole challenge in this quarter was about getting the crude, given the kind of dislocation we saw in the Middle East, and therefore getting crude from Latin America, getting crude from the US, Canada, Africa, Russia. So, the challenge has been to get the crude because finally we were running the refinery at almost full capacity. Also, the other reason for the performance also comes from the actual placement. So, quickly, the ability to reroute traffic back from Europe, where we were exporting to actually more deficit markets in Asia and Australia. That also helped to give us some of the margins back.

Of course, all this is there, but on the back of it, it was earnings were impacted by, of course, SAED was there, under-recoveries in retail was there. We had a planned turnaround, which meant that production meant for sale was lowered by 10%. LPG diversion, as you know, happened, requirement. Also, gas had to be diverted for the other priority sector, which means that we had to use more of liquids to run the refinery. This, I am saying all this to lay the context about this performance is after providing for all this. So, in that sense is what I said, it is extraordinary.

Overall oil and gas, year-on-year revenues up 3%, almost EBITDA flat, slightly lower. And in a sense,

KGD6 production was lower, KGD6 price realization was lower, but kind of offset because CBM production was higher, and actually the realization on CBM was higher and the liquid, even though it is small, the significant jump in liquid price meant that we were able to almost keep it flat to a year-on-year basis.

On JPL side, as I said, 12% on revenue side and about 15% on margin. And we also got the benefit of margin expansion. We had market leadership, which was on the back of coverage, tech use cases. And when you now see the number of customers, we have 533 million customers and with about 285 on the 5G network. One of the points in the 12% year-on-year growth is the fact that while connectivity was 11%, some of the digital services growth was about 20%. So, it also helped pull, and that came on the back of content, cloud, compute, IoT, and managed services, which Anshuman will take you through. But now also traction on the FWA, and of the 29 million fixed broadband subscriber base, now half of it is through JioAirFiber.

On moving to retail side, INR90,000 crores, so it is 12% higher. If you were to remove the impact of RCPL, which was there last time, so it is 12%. EBITDA is INR6,309 crore, which is slightly lower on a year-on-year basis. And here, two points I wanted to mention that this reduction is more a -- is a conscious play. We are focusing on ramping up digital commerce across verticals. And as we focus on the hyperlocal delivery infrastructure, so it is about trying to create significant scale in terms of building up the digital commerce business. And it will be backed, of course, by physical infrastructure, but also on the back of attractive value to the customer. So, we think of it as a few quarters. We want to build this and build the digital business, which I think then sets the stage for us for creating opportunities in the future. And Dinesh will take you through the strategy that we have.

JioStar actually did well, INR13,000 crores top line and income from operations when I look at income from operations up 30%, again, very, very strong performance in the context of what was happening in terms of ads, etc. And RCPL continues to do well, and this is at INR8,600 crores is 2x of what it was. Again, each of the brands that we have built on Independence, on the beverages side, on Campa, very, very strong growth there, and the focus there, as you know, is building the robust manufacturing and the supply chain infrastructure. So those initiatives are absolutely going full swing.

So, I am not going to spend time, because if I talk through the numbers, overall, as you can see, 25% up revenues, about 10% on EBITDA, and PAT 6%. As I said, same time, last time was INR8,900 crores plus of Asian Paints. So it is, you know, if I were to back out for that, this is the kind of overall numbers. You are seeing finance cost and depreciation up, finance cost up 19%, and depreciation up 9%. Primarily, arising on account of the capitalization in Jio. As you know, between March 2025 and March 2026, more than a lakh crore of assets were capitalized. So therefore, it means higher depreciation, it means that the interest that was getting capitalized now flows through the P&L. So that really more reflects what we have done in terms of the Jio capitalization.

And overall, we talked through these numbers on O2C, oil and gas. I am not going to spend time because each of the individual businesses will also talk about it. And overall, when you see from a net debt point of view, it is slightly lower than what it was in March, INR1,23,000 crores odd. And capex of about close to INR39,000 crores. So, we had an upgrade in the Moody's rating to Baa1 and, of course, with S&P at A1 [Phonetic]. So overall, the balance sheet is healthy and supporting our capex initiative both in the O2C side, New Energy side, and also as we build more on the hyper-local strategy on retail and of course, on RCPL and the data center. So, the cash flow momentum is enormously valuable to support those capexes.

With this, Anshuman.

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
Thank you, Srikanth. Good evening, everyone. Update on the Jio results. Some key highlight numbers for the quarter, 533 million subscribers in connectivity. That is a net addition of 35.2 million over the last 12 months. Out of these, 285 million are 5G users, so which is an addition of 73 million in the last 12 months of 5G users. The home broadband, fixed broadband connects has increased to 28.6 million, out of which 14 million are AirFiber homes. So now a lot of the growth is really coming through the AirFiber connectivity, and we are also kind of encouraging that because the last mile becomes much more economical and time-efficient in being able to do that.

Financial numbers, INR39,173 crores is the revenue, that is, 11.8% year-on-year growth, EBITDA at INR20,865 crores, that is a 15.1% year-on-year growth, with an EBITDA margin of 53.3%. That is 150 basis points higher than the same quarter last year. And 69.4 exabytes of total data traffic on the network, so 27% growth year-on-year. So, all of these metrics showing fairly healthy performance, and growth momentum continues. So, in terms of performance highlights, double-digit EBITDA growth and this is when we have now, as we had spoken last quarter, all of the 5G-related expenses and assets have been fully capitalized. So, all of those are getting expensed now. Even after that, we had double-digit EBITDA growth for the quarter.

The digital services growth is 20% year-on-year, which outpaces the connectivity growth, which has been the trend over the last several quarters. It is off a smaller base. But nonetheless, it is growing and growing well. And we have been able to monetize services across content, cloud, IoT, and managed services and a few others, which are smaller in scale. So that piece is doing quite well. We are the world's largest standalone 5G operator outside of China with 285 million subscribers on our network. This is as of June 30, 2026. Per capita data engagement increased to 43.7 GB per user per month, which again is amongst the highest globally or for any operator. Another interesting stats is that 5G data traffic is now 1.5 times of the 4G data traffic on our network. So, it is growing much more rapidly, and we are also encouraging pushing a lot of data usage to that.

On the FWA, we have spoken about this in the past, and we have included it in the DRHP, so all of you have heard about this. Our proprietary stack is doing very well. And we have a 78% FWA market share of the net additions in India. One other important piece of update for the quarter, there is this PCT rankings of the World IP Organization. We are the only Indian technology company, technology innovator, to be in the global top 20 rankings, and this has been a significant jump in our rankings over the last year, with almost now, I think around 4,500 odd patents, which have either been awarded or are in the process or under evaluation. So, clearly establishing our technology leadership, and these patents range from across telecom-related products, network, OSS, BSS, the 4G, 5G core that we run ourselves. So, the full network stack, and then a few other things around consumer and digital services.

On the mobility side, strategy continues to remain the same, add consumers, extend market leadership, and where we have some inherent advantages or advantages that we have worked on, unique advantages through our superior 5G experience, which network is now pretty ubiquitous, and it is helping us gain both 5G market share but also incremental customer market share.

We are able to do unique use cases, and we have again spoken about this in the past, so I will not dwell on this, but because of the SA architecture, we have been able to offer customers differentiated value propositions, and these are things like URSP as well, which gives much better

quality of service, of course, with the device supporting. The other bit for us on the mobility side, and which is both a cause and an effect, is using our network and our customer base as a gateway for digital services.

We are able to offer and really become the entry point for a whole bunch of digital services like the OTT video, compute, or, really AI use cases now increasingly, we spoke about the Gemini partnership last quarter, music, cloud gaming. So, all of these are helping us or helping these to access customers and in the process helping us monetize our customers better, but also these are becoming modes for us to get customers onto the network and retain them.

And then another area of focus for us has been to transition more and more customers who are on the 2G networks onto 4G, 5G. We continue to do that by enabling more digital offerings for those customers through the JioBharat devices, but also affordable plans with partner OEMs. So that continues to be a focus area for us, so amplifying circularity of scale and digital services bouquet. It is a nice circle from our point of view because each is contributing to the other.

On the home side, really using our end-to-end service offerings that we offer at home, the set-top box as a gateway where we are able to push through a lot of content and other services as well, gaming and cloud PC being some, which are now being used by people on the set-top box. The JioTele OS, which replicates pretty much the set-top box on any smart TV as a TV application. So, we kind of don't need the set-top box, the hardware piece in every instance. And that is something that, again, we are popularizing more. JioPC and JioGames, we have spoken about this in the past, but these are being offered through our set-top box or through the JioTele OS and becoming increasingly popular with customers.

The idea is also to do more coverage expansion. And with the FWA, that is, it is becoming much more possible to be present across the country and be able to connect homes and enterprises very quickly. Then the bundled services to unlock latent demand, and where the entry point may not be through broadband, we try and get it through digital content and make that as the USP for offering the service to homes. But in most cases, the broadband adoption is fairly quick and fairly fast, even if that is not the primary reason for somebody taking a connection. So, on the Jio homes, we have 65% share in incremental net additions over the last 12 months between FTTH and fixed wireless, a lot of that coming in through the fixed wireless.

And then for the enterprises, where traditionally companies have had service-specific play, you have had most of the traditional telcos focusing on connectivity, and then maybe adding a layer or two of some of the other services. We have really focused on offering it as managed services, where it is a combination of connectivity going in with a bunch of managed services which are important and useful for enterprises across security, managed Wi-Fi is picking up quite well, ERP, analytics, surveillance, and a whole bunch of other services that we are able to offer as bundled services. And being able to offer this at short notice in specific locations is something which is very important for enterprises and is helping us win more accounts because of a combination of the FWA and the managed services offering that we are able to give to the enterprise customers.

Coming to some key numbers, for RJIL, the connectivity business, the key operating matrices, 533.3 million total customer base. And as I said earlier, 73 million additions to the 5G customer base and 8.6 million net additions to the broadband connections in the last 12 months. ARPU came in at 215.6, that is a INR7 increase year-on-year. All of this, again, it is without any tariff increases or tariff actions that have happened in the last 12 months. Total data consumption grew to 69.4 exabyte per capita data consumption at 43.7. Monthly churn has been reducing every quarter.

On the financials for RJIL, the material subsidiary of JPL, the operating revenues came in at INR34,212 crores in this quarter, and EBITDA at INR19,590 at a 57.3% EBITDA margin, so that is a healthy 130 basis points improvement over the last 12 months and EBITDA growing at 13.2% year-on-year. JPL operating revenues at INR39,173 crores, as I said in the earlier slide as well, which was at 12% growth, EBITDA grew faster with the operating leverage. And I will reiterate, this is after considering all of the 5G networks being fully capitalized now. EBITDA margin at 53.3%, EBIT INR13,407 crores, and profit after tax at INR764 crores. The finance cost has gone up. It is really because we are now expensing it, we are not capitalizing it.

So, while the gross interest cost has really come down because our overall debt number has reduced, but the net interest cost has increased on a year-on-year basis or even from the previous quarter, and that brought down the PAT.

With that, I am going to hand over to Dinesh for an update on the retail business.

Dinesh Taluja - Chief Financial Officer and Head of Corporate Development, Reliance Retail
Thanks, Anshuman. Hi, good evening, everyone. On the retail business, just to capture the key metrics, you know, on the operating side, our number of transactions have grown 11% -- number of customers have grown 11%. Transactions have grown 46%. Revenue growth is about 12%, so that shows that the number of transactions is growing much faster than revenue. And that's a function of the growing contribution of digital commerce in overall revenues. Digital commerce is, you know, picking up the revenue contribution is growing across consumption baskets, because of which the average transaction value is coming down.

Unique customers served during the quarter is up 8.5% on a Y-o-Y basis. So we continue to add new customers who are coming across our retail platform. So these are customers who shopped across at least one of the platforms. In terms of top line growth, as you would recollect, RCPL business was demerged out on December 1. So Q1 had the full revenue. Adjusted for that, the underlying revenue growth is 11.6%. On a reported basis, the growth is 7.4%. Grocery digital orders are up 116% on a Y-o-Y basis. So, both the number of orders are increasing, as well as the average order values are increasing.

EBITDA margin is at 7.9%. It is down 80 bps on a Y-o-Y basis. But if you recollect, last two quarters, Q4 was 7.9, Q3 was 8.0. So, as we increase the growth of digital revenues, margins have come down. It is a function of that. And that is a consistent trend over the last three quarters. We continue to invest in technology and infrastructure for dark stores to enable online commerce and which is driving the growth in costs. So, if we look at revenue of 7.4%, 11.6% adjusted for the overall business.

Now, each of the consumption baskets have grown strongly. All three major consumption baskets, whether it is grocery, fashion, or electronics. All three of those consumption baskets have grown in double digits. The LFL growths are quite healthy. In electronics, it is actually double digits, both grocery and fashion. The numbers are in single digits, the share of online is growing across consumption baskets as well. Profit after tax is down primarily because of increase in depreciation and finance costs. EBITDA is more or less flat for the quarter.

Now, just to give, you know, just a three-year roadmap for how we are thinking about the business, right? So, we are looking at growing our online businesses pretty rapidly during this year. So we will expand dark stores, we will grow our omni-channel platforms, we will grow JioMart, also focus on improving in the operational metrics around availability, speed, reliability. Market by market, we are

looking at expansion from a unit economics perspective, each market, the unit economics we need to have a clear path to positive unit economics. So, accordingly, we are evaluating each and every market and focusing our investments in that manner.

And what we believe is with the scale that will come in this year, the benefit of that scale will convert into value in terms of margins and cash generation over the next two years. Because as we are looking at acquiring high-quality customers, as those customers experience the proposition, as the repeat rates go up, basket values grow over a period of time. So that will help improve -- grow the overall business and help improve overall margins. In addition to that, we will look at product mix, growing share of our own brands, increasing monetization, increasing market-based income. So, we will use all these levers to improve economics, which will start reflecting meaningfully in the numbers going forward over the next two years.

So, as I covered, 2027 is basically laying the foundation and scale the business with discipline, right? So, while we will grow quite quickly, we will also look at the quality of business, not just the volume. So, the order density in each and every dark store, the repeat rates, the fulfillment costs, the contribution margins, we look at all of these. We have defined targets for each of those metrics, and we will evaluate how they go, and wherever they do not make sense, we will cut that down, so growth will be quite disciplined. And what we believe is as the benefit of density, as the business of mix productivity improvements, better inventory turns monetization kicks in, we will start seeing good return on capital on these investments, and EBITDA and cash generation would accelerate over the coming years.

This year, as I said, we will look at the four key pillars, right? Customers, are we getting the right customers? How many of those customers are active? What the repeat rates are? What are the order frequencies are? What is the level of experience? What is our NPS? What is the customer trust? We will focus on those so that we are getting the right quality of customers. On the commercial side, right, what is the basket size, the mix? What is the own brand contribution? And finally, what is the delivered gross margin that we are getting?

Operational excellence in terms of ensuring availability, on-time fulfillment, cost per order, returns cancellations, we will look at in each of those -- this thing being best-in-class. And finally, the financial contribution in terms of contribution margin, working capital, and EBITDA. So, this year, online growth, we will focus on, but it will be quite measured. So, the growth will be funded from existing profits, and the absolute numbers will grow. So that was just to give the foundation the framework of how we are thinking about the business.

Now moving on to the update on the consumption baskets on the grocery side, big box stores, we have 1,000 plus big box stores, which are hypermarkets. And that is something we are scaling quite quickly going forward as well. The LFL growth is quite healthy at 7%. So, we are growing faster than what the industry is, and this is pure online, this is not big box growth, because wherever we are serving online from these stores, the box growth is even higher.

Another interesting data point when we look at omni-channel customers, we are getting higher wallet share from them. Omni-channel customers, if I look at quarterly data, they have spent 2.7 times more than what a pure offline customer is spending, right? So, there is clearly incremental wallet share and value that I am able to capture. Also, when I look at the growth of this, so an omni-channel customer, how they were spending earlier versus how they are spending now, even on a Y-o-Y basis, the growth in spending is 20% to 25%. So, people are spending more, and people who are converting to online are effectively spending more, and over a period of time, that is

growing, right?

On the online digital commerce side, as I spoke about, orders are up 116% on a Y-o-Y basis. The share of digital in grocery B2C is accelerating. So just for reference, it is almost doubled over a Y-o-Y basis, with the revenue scaling up. Plus, on the 3p side, the active seller base is up 26%. We have the widest network covering 5,500 pin codes, and not just a grocery stores and dark stores, even 2,500-plus digital and fashion, and lifestyle stores are also live on the network. So, it is a true cross-category play where we are able to deliver grocery is less than 30 minutes, but even other categories less than two hours, with a much wider assortment than what a typical dark store would offer. We redesigned the JioMart app, and it went live during the quarter, and the feedback and reviews have been quite good. The conversions have improved. When we see the hard data, the conversions are better on the new app, the average order values are improving. So, there is good acceptance of the new app from a customer perspective.

The focus, as I spoke about, is on improving the repeat rates, order density, reliability, in optimizing the delivery cost and contribution margin per order, right? So, we will scale this business aggressively, but with the right unit economics. And investments are concentrated in micro markets where there is a clear path to positive economics. So, we will go market by market and improve wherever it does not make sense, we will pull back down on that.

Moving on to B2B, pretty steady, healthy growth here again, 15% increase in average bill value. Multiple category staples, DFB beverages all continue to show pretty strong traction. We continue to attract new customers and engage customers. And the number of active transacting customers, while we have 4 million customers on boarded, every quarter we measure how many customers are active transacting with us and what is the average bill values, both of them are on the right trend.

Moving on to the electronic side, as I spoke about the LFL growth is quite healthy at 16% on a Y-o-Y basis for the big box stores. ResQ has grown on a 27% on a Y-o-Y basis. As most of you would be aware, last quarter was a challenging quarter in terms of for electronics because of the availability of memory capacity, a big chip shortage. But because of the brand partnerships we had and we were able to pick inventory early, we got their support. So, we were able to mitigate the impact of global shortages, while other players had that impact, which led to pretty strong performance in the business. Across categories, whether it is AC, laptops, mobile, small appliances, we have done exceedingly well. We are also strengthening our omni-channel integration with all the big box stores are now live on JioMart, where all the entire grab-and-go assortment is available on the app, and it gets delivered within two hours.

Moving to fashion and lifestyle, 4% LFL growth. Ajio Rush, if you look at it, this is our quick commerce offering within two to four hour delivery for fashion. The number of orders were up 136% on a quarter-on-quarter basis. This is something that we launched two-three quarters back, so there is no full year track record, and the base was small, so we are reporting on a quarter-on-quarter basis. Shein has crossed app installs of 30 million plus. In fact, we went from almost 11 million to 30 million during this quarter. So, there is significant acceleration happening there.

Our share of digital commerce in apparel and footwear is at 27.5%. It is almost up 5% on a Y-o-Y basis. So, I think the theme is consistent where across channels, we are making investments in growing online business, and we are seeing pretty, pretty strong traction.

Yeah, that is a quick update on the retail business. Now I will hand over to Ketan to cover the FMCG.

Ketan Mody - Executive Director, Reliance Consumer Products Limited
Good evening. This quarter, we delivered INR8,600 crores revenue on FMCG this was double the growth as compared to last year. On daily essentials, we clocked INR3,200 crores. Independence has been recognized as India's Most Trusted Brand in 2026-27. On beverages, we delivered INR2,900 crores, which was more than 50% of our last year's revenue numbers. We continue to get double-digit shares in all key markets. All other FMCG categories also showed significant momentum. Home care, personal care, processed food, confectionery, chocolates, everything had started kind of giving us good growth, and this is where we feel a lot of growth would be coming during the next quarters.

We continue our focus on Pan India distribution. We have now more than 5,000 distributors, and we reach more than 3 million our retail outlets. More than 80% of our sales is through external channels. And on international, now we reach more than 40 markets. As said on daily essentials, we were rated as one of the most trusted brands. We continue our South India distribution momentum through the acquisitions which we had done, which is on Manna and Udhaiyam. Edible oil is a key category for us, and we have been seeing some great traction on edible oil. We have now some dedicated facilities, and we are also exploring a facility in West Bengal.

On the entire category, we grew 1.7 times the last quarter -- last year. On beverages, as I said, we are now the number three NARTD player in India. We continue to have double-digit shares. We also continue to expand in markets. For the next quarter, we plan to kind of enter into Australia and African markets. On average, this was almost 2.5 times growth of what we had in last quarter.

On FMCG businesses, all other categories, we have done scale-ups. So, for example, in football, we participated through our Alan's Chips, where we had dedicated packs for each and every country which was participating. Similarly, on SIL side, we continue expanding our portfolio. And now we have introduced in Mayo, Vermicelli was the last launch. We continue scaling up our entire range on Velvette. We have entered Glimmer through -- which is one of our other brands. We have been concentrating on soaps, personal care through this, and we have seen significant demand there. And this quarter has been a very good momentum, and we continue to concentrate on it. Similarly, biscuits, confectionery, and all also show us a very good traction.

On facilities and supply chain, we continue kind of setting up facilities at a robust pace. We have set up one of the greenfield plants, which is one of the largest beverage plants in Asia. We have commissioned it partially and should be completely ready. This is also an integrated food park facility, where for all other categories also the work has started. Like I said on edible oil, we are now working to set up a facility in West Bengal. On advertising, we were the number one advertiser on linear TV during IPL. We had the highest share of value earned in 60 brands. We continue -- I think we reached almost on 220 million mobile users, 34 million connected TV devices. We have also built the biggest mural in Chennai, on there which is -- which we call it iconic city.

On updates -- on Sosyo, which was a joint venture, now we have acquired a majority stake. We have also completed operational transition on Toni & Guy, Brylcreem, Badedas and Matey. These were the brands which we had acquired last year. The sales for these have been commenced in UK and Europe, and also Australia. We are preparing for India launch on this. Also happy to say Goodness Group is where we had acquired last year. We have now officially manufactured Campa CANS in Australia, and we will be doing a launch during this -- end of this month.

Thank you. I hand it over to Ishan now.

Ishan Chatterjee - Chief Executive Officer - Sports, JioStar

Good evening, everyone. I'll walk you through our media business. This was a good quarter for JioStar, where we set new benchmarks on engagement and on consumption. In this quarter, we crossed over 530 million users on the platform, and on IPL in particular, we crossed over 700 million people on the platform. As you can see the trend over the last four quarters, it is upwards and into the right, and we are very excited about the engagement that we have seen across both our sports and the entertainment portfolio. This is also an important quarter for us to lay the foundations of future growth, so I wanted to call out a few initiatives.

The first is we launched Tadka, which is our own in-house micro-content hub, and in the short two months since its launch in the first week of IPL, we saw over 100 million users engage with the content of the platform. The second is our deep integration with OpenAI and specifically with ChatGPT, where we launched what we call conversational discovery on the platform. So here we have changed the search functionality on the app to be much more conversational, where now a user can talk to JioHotstar in their own native language, irrespective of wherever they are in the country and whatever Indic language they speak.

And finally, we also have our own in-house AI media studio, which we call JAMS, and we use JAMS to launch our first-ever fully AI-generated micro-content, micro-drama that now sits on Tadka. And we expect that this will allow us to launch much more high-quality content across -- scale across our short-form content. I will spend just a couple of minutes on the highlights on sports and then on entertainment. As you can see from the slide here, IPL 2026 turned out to be our biggest IPL ever in terms of consumption. We saw 7% growth over IPL 2025 on overall reach, and specifically on CTV, we saw a 19% growth in overall consumption. That is very important for us as we see the transition from TV to digital.

The second big highlight for us is the Women's World Cup, which just concluded recently in the UK. And this is an upward trajectory that we are seeing ever since the women's team won the World Cup last year. It led to much higher consumption on WPL. And we are seeing the same trend continue on the Women's World Cup with over -- with triple-digit growth on both digital as well as CTV viewership. And we are very bullish about this as we look ahead.

On the entertainment side, we saw fantastic engagement across multiple properties, and I will just call out a few over here. The first is Dhurandhar 2 turned out to be the most-watched movie of all time on JioHotstar, and this was built on the back of the first Dhurandhar movie that we had in the previous quarter. In terms of our unscripted shows, Laughter Chefs, which we launched in a number of different languages, as you can see on the screen, saw strong growth over the previous seasons. We also launched a spate of originals, of which Pritam and Pedro saw the highest ever opening for a Hindi Special and is on track to potentially becoming the largest ever special ever seen on JioHotstar. And we also launched movies in both Tamil and Malayalam, which broke records for us on the platform.

In terms of the operational performance, there are a couple of other highlights that I wanted to call out. On digital, we also launched our first-ever foray into commerce along with a partnership that we did with Swiggy. If any of you have not yet tried this, please try it tomorrow when India will play England on the JioHotstar app. It allows you to complete an entire transaction on the app itself without you ever leaving the content stream. So, this is something that we saw a lot of take-up and a lot of positive feedback from both our partners as well as from consumers.

Now, on the sports business, I wanted to reiterate how big IPL has been for us, and it remains the

biggest acquisition funnel for the entire platform. And it is something that we expect will continue to drive a lot of activation across our user bases. Digital entertainment overall saw its watch time grow by 16%. And what is also critical is we saw JioStar maintaining its very strong 34% share in linear TV.

Finally, very quickly on our overall financials. We closed the quarter with overall revenue of INR10,946 crores, and that is a 14% increase in overall revenue. And you will see that translate to a 14% increase in our PBT as well. I wanted to call out the operational challenges that the business faced in this quarter, specifically around the real-money gaming ban on advertising that was part of our base in the last quarter, but we were not able to do that in this quarter, as well as the US-Iran war in the Middle East, which had an adverse impact on the overall ad market. But we saw strong growth in overall digital advertising, especially on the entertainment side. And that is what was able to balance out the growth across our overall business.

With that, I will hand over to the Oil and Gas team.

Srinivas Tuttagunta - Chief Operating Officer, Refining & Marketing, Reliance Industries Limited
Yeah. Good evening to all. I think the numbers have been exceptional. If you look at the revenue grown by about 30%, plus EBITDA 17%, and then we have had the EBITDA margin, of course, a little down. But we'll just go through some of the reasons why it's been exceptional. Of course, fuel cracks have been quite good. Ethane also my colleague will be speaking a little later on that that's I think crude prices have risen, but because of the production in the US, ethane has been within, you know, a good range, which helped the economics.

A lot of volatility and supply disruptions, what we have seen. Refining capacity, both in the Middle East and Russia, has been affected, so all these were some advantages which resulted in the high -- good numbers. But having said that, there were also headwinds and challenges. We had under-recoveries on the domestic sales, also on our sales to PSUs. SAED has been a bit of a drag. What gets missed, in the course of this presentation, I will be showing you what are the product margins, which look like an astronomical growth or exponential growth, but it may not really reflect into the profit because there are certain headwinds like crude flat price, which you see as a Brent or Dubai. And the margin, ultimately, which a refinery gets can be different because there are huge premiums like some of the OSPs in the Middle East went as close to $20 a barrel. Normally, we are familiar with a couple of dollars of premium, but we have seen a premium as high as close to double digits.

Then we also had the freight rate, which probably was a 10x against typically a dollar or so from the Middle East, we saw actually rise to 10 times that price. Insurance costs also multiples was on a lower base, but still multiples, that those are the kinds of costs which have risen sharply. And therefore, you will find that the EBITDA margin may be a little lower and may not reflect the cracks alone. So, I just thought there could be a lot of questions around this. So, I just thought I will address that.

And another thing is, of course, LPG was badly required in the country. All of you are familiar with the difficulties faced. We consume about 3 million tonnes in the country, and 2 million tonnes is imported roughly, give or take. And most of that 2 million tonne comes from the Middle East. And with the closure of SoH, suddenly that was not coming. So, all the domestic refineries were asked to increase production. And we increased the production almost fourfold from where we were producing in February. In March, we increased it and took it up to almost fourfold.

So that actually affected the petrochemical production as well as certain high-grade gasoline components, which we produce and exports to the US. In fact, some of you must have read that in California there was a bit of high prices, and it was attributed also to the lower availability of alky from India. So, these were certain headwinds which we faced. Throughput-wise, I think the rest of Asia had runs which were down by maybe 15% to 20% during this crisis, whereas Reliance has been able to maintain a very high throughput, almost 96%, 97%. Because we had the shutdown, let us say we lost some capacity. But other than that, we were almost close to 100%. Just in April, we had some bit of an issue, but otherwise we were able to operate the refinery throughout at close to 100%.

Even the secondary units, which are the big ones which give the margin, like the gasoline and diesel and all that, we could run all our secondary units also at high throughputs. Alky, of course, I mentioned that because of the higher LPG, which was required, there has been a reduced production. And also on gas, you must be recalling that the government actually regulated the gas available because they wanted to make it available to the city gas distribution and things like that. So, we could actually maximize our gasifier throughput, which helped us reduce our reliance too much on gas. Of course, we had to burn some of the fuels, but this helped us during this period of tightness.

On the feedstock, what did we do when the SOH was closed? Obviously, we had to scout around. We were agile, and we could diversify our basket to Latin America and besides AG crude. And then later in this period, we actually found that some of the AG crudes were discounted, so we could also source some AG crudes gainfully. And in respect of petroleum products also, because the cracks ran up significantly, we did take certain logistical advantages because we chartered a lot of vessels. We could take advantage of that and actually move the cargoes a bit to gain from the better margins that were available in the market. We met all our contractual commitments.

Having said that, wherever there was flexibility, we moved to more advantageous markets. This is the price of Brent crude oil. Between last quarter and current quarter, we are talking of an increase from $68 a barrel to $104.5 average. Of course, there were days in between when the prices went significantly higher than this because of the SOH closure. Why exactly? What happened in the Middle East was besides crude, also product, LPG got affected, and then also a significant amount of naphtha comes from the SOH. All this got suspended during the SOH closure.

And also, most of the Middle East countries had to cut their production because of the inability to evacuate the crude. Only a few countries like Saudi Arabia, from Yanbu, and then some crude from UAE, which is connected to the pipeline to Fujairah, that could move out. And then Oman, of course, is outside the SoH, Strait of Hormuz, so they could export. But otherwise, Middle East production almost came down by about 12 million during this period. Of course, it was varying, there was some production because they were still consuming for their own requirement. Even refining capacity was down because those products could not be evacuated.

Of course, the ceasefire announcement helped some improvement in the traffic. We were thinking it is getting normal, but of course, all of you have read about the recent hostilities again that have started, because of which it is virtually closed. A few ships may be slipping through, but by and large, the flow is affected. I mentioned about the refining capacity utilization, it dropped everywhere, but we could maintain a high throughput level operating rate.

Oil demand, as a consequence of the very high prices that we have seen, particularly for petroleum products, Asia Pacific particularly took a brunt of these high prices. The impact was more in this

region, Africa, as well as Asia Pacific, where many countries actually did not do their normal buying. Of course, India was isolated from this. So, we saw our demand reasonably strong, whereas other countries actually scaled down their imports. And that is why the demand has actually declined. If the prices remain like this, of course, we will have to see how it goes. But the projection is for demand to be a little lower during the current year, but rebound next year once things stabilize. So, gasoline dropped by about 0.5 million barrels a day, diesel by about close to 1 million barrels per day, and jet/kero by 0.15 million barrels.

Now, looking at the cracks, of course, I mentioned that the cracks went up significantly from $10 for petrol, which we saw in Q1 '26, up to $26 in the current quarter that has just passed by, and gas oil from $16 to $63 and ATF from $14 to $62. I was mentioning in the very first slide that this could reflect as the margin should have been higher or the profitability should have been higher. But I told you that there were challenges also on the crude oil, freight, and other reasons.

Domestic oil demand was reasonably healthy, we have seen from 10.8 it has gone to 11.4 again for petrol and for diesel from 25 to 25.7, and ATF from being more or less stable at about 2.3. And two products which really saw a reduction was LPG and naphtha. This is because LPG was managed, the demand was managed because all the consumers were asked to move to other alternative fuels, either electric induction or some other possibilities, and then more and more of piped natural gas. So, this was the emphasis. And then many of the commercial establishments were restricted from use. There was rationing. All these things actually caused the LPG to go down. Naphtha also, because many of the petrochemical units and all also were affected because of lack of feedstock. This caused the overall demand in the country to go down. But if you look at the fuels particularly, in India, it has been robust because we have been insulated from the price rise.

So, MS growth because of car sales have been growing pretty strong. So that has helped in the petrol growing. Diesel, of course, we have the -- one is of course, mining, railway, the construction industry, and agricultural demand also. Actually, the monsoon was slightly delayed. Maybe we will see the impact a little later in June. We have had a deficit. So, there is some pickup in the demand for diesel. ATF, of course, there were a lot of flight cancellations. So, it has been marginal, or it's been flat rather.

So RBML, they had to weather the impact of this SoH closure, and the prices at the retail level were not increased, so that did cause some pain. Things are looking up, and they are much better now. And if you look at the market share effectiveness, our retail outlets are new format, and we try to have a lot of efficiency built in. So, our effectiveness as compared to the competition for petrol is about 1.7 times. So, we do on the same outlet, we are better than the competition by 1.7 times, and same way for diesel, almost 2.4. Those are the kinds of effectiveness that we have. So, with a lower number of retail outlets, we are able to do better.

Outlets itself is about 2,221. As compared to the last year, it is almost more than 230 to 240 outlets higher. Charge points, CBG, CNG stations, and convenience stores, that is something which we are continuously building on. And also, on e-mobility, CBG and CNG, we are continuing to build. Of course, this is on a low base, so the numbers of 52% growth and 68% growth are pretty impressive. But yes, we are working on all these fronts.

Going forward, how does it look like? We have, of course, seen a gradual increase in the SoH, but probably over the last few days, things have dramatically changed. So, we will have to wait and see how this pans out. But what we notice is some of the producers inside the Gulf, because they have been affected for so long, are willing to take some risks and bring the vessels out. So, we are

keeping a watch on this. We will monitor and see how to effectively source oil.

I talked about the oil demand. It is -- definitely, many countries have reduced their imports, and therefore the demand is down. But a rebound is expected next year. Another important factor is if you look at why the crude prices did not go up despite the SoH closure and 12 million barrels, like out of 100 million barrels of production, 12 million barrels not being available, even for a short period of time, would have caused the price to definitely spike and remain at above 100 for a long, long time. That is what history has shown us, but almost 5 million barrels of that has actually come into the market through releases by particularly the IEA countries, and China has been notably absent from importing oil during this crisis. They have returned in a small way, but they have been absent. So that also actually helped the prices remain low, as in when the countries begin to import and replenish their stocks, we may actually see support for the prices going forward.

And of course, refinery margins, we believe, can be robust because if you look at the Middle East, there is definitely a loss of capacity in Kuwait and Bahrain. Most of the refineries are badly affected. Then in Qatar, gas is affected. It will not come back soon, which impacts the diesel market and therefore the refining margin. But importantly, Russia has lost more than 40% of its capacity. And what we find is that the Ukrainian ability to penetrate deep into Russia and take out refineries almost at will, okay, is causing a lot of pain in the market in terms of supply and demand.

And Russia has already banned the export of gasoline and jet, some time back. More recently, they have also banned the export of diesel. So that shows the seriousness of the thing. And 43% -- 14% [Phonetic] of Russian capacity is not small, okay? It is several million barrels. They are the like third-largest refiner in the entire world, and they have lost significant capacity. So, all these point towards reasonably strong cracks in our view, and that is what the market suggests.

And what we will be working on is, of course, high asset utilization, that is what we would like to do, ensure that the refineries are operating reliably. And then the trading teams will be agile to source the oil under all different circumstances, whatever it may be there, go out anywhere and get the oil so that we operate the refineries fully. And we have a pretty integrated chain, so how exactly we would like to, you know, meet the requirement. Already we are started to increase our petchem production. So, all this we will do, and we believe these are the steps we will take to navigate this difficult, challenging, but -- and volatile market.

So, sorry, I think I went to the end. Yeah, Amit.

Amit Chaturvedi - President - Petrochemicals & O2C, Reliance Industries Limited
Thanks, Srini. So last quarter was an absolute roller coaster quarter. The volatility in prices of raw materials was absolutely phenomenal. And that also led to the volatility in the prices of products as well. And crude oil prices changing 5% to 10% in a day was completely unheard of. And that was happening so regularly during this quarter that it became the operations really, really difficult and challenging. While the Naphtha went up 61%, $903, during the quarter, it even crossed $1,000 a tonne. And even at that reported price, there were significant premiums of almost like $100 a tonne. And the availability was still a constraint. And add to that significantly higher freight rates, the cost of making ethylene from Naphtha shot up like anything that resulted in a lot of capacities going under operating in the whole of region within the country also. Add to this the LPG control order that also restricted availability of LPG as feed for ethylene.

And finally, availability of natural gas also was restricted severely as gas from Qatar got blocked because of the Hormuz blockage, which meant that a couple of capacities which were being where

natural gas was being used as a feed for ethylene also got impacted badly. The situation in US was different because the oil prices were high, their oil production was high, their associated gas production was high, and the ethane prices therefore were softer.

Polyethylene, typically in our markets, all the supplies from Middle East were blocked, the biggest sources of polyethylene, and that resulted in prices and deltas with Naphtha shooting up sharply. PP also, the prices were very firm, although like deltas were up only 3%. PVC was a completely different story. China has a huge capacity of PVC, which is coal-based and they upped the operating rates of those plants, which meant that the availability of EDC remained in plenty. Whereas the availability of EDC, mainly from Middle East sources, was hampered because of the Hormuz blockage, and therefore the delta of PVC was actually lower by 10%.

Polyester chain, PT and paraxylene operations were hampered in the biggest region, which is China. The simple reason was the availability of crude was restricted, and the priority was being given to fuels. So the deltas for polyester chain went up despite a sharp decline in the MEG delta. Ethane has always been an evergreen feed, and in this particular quarter, it was -- it got even more highlighted. The naphtha cracking margins have been weak for the last couple of years. This year -- this quarter was no different, but the delta of ethane and naphtha cracking was phenomenally higher, if you see the last part of the data. And because -- for us, almost like 70% of the ethylene, the feed is ethane. We were significantly in an advantaged position for the business.

The demand of products was impacted badly because of multiple reasons. One reason, of course, primary reason was the prices were high. Number two, the availability was restricted. All the supplies from Middle East were severely hampered. Three, even the consumption was hampered because LPG supplies were not there, natural gas supplies to industry were also curtailed. So, all in all, polymer demand was down 22%, and as I mentioned earlier, for the reasons PVC was least affected and polyethylene was the highest affected product out of the three.

Polyester side also the demand was impacted filament and staple. Here, there was one more factor, which was like the LPG availability also meant that the food supplies to a lot of casual labor which work in the polyester downstream industry in the spinning area was impacted, and there was a kind of a mini exodus of that labor from main producing areas like Surat, etc., to their villages. Also, the gas supplies again in this area was also restricted, which meant that the operating rates in the downstream were curtailed, and that resulted in low demand for its staple and filament.

Coming to the situation now, we see that the FTAs, especially the UK FTA, which has been signed recently, we believe -- we expect that it will give a flip to the textile and the polyester export opportunities. There are new capacities of crackers in China, which are expected to come, although like they have got slightly delayed of late, but they will definitely keep the pressure on the operating rates up. For us, I mean our advantage ramins, ethane remains a big advantage that gives us a significant flip in terms of the cost position. Our effort will all be there to keep our operating rates high. We have talked about this earlier in these interactions that we had ordered three new ships for ethane. We have already got delivery of first of them. As we are talking, it is reaching the US ports to get loaded, and by next month we should be getting it.

So that will -- that delivery and the subsequent two ships are also likely to get delivered in next couple of months. And what this will mean is that our competitiveness with respect to naphtha cracking will further increase. We had got impacted earlier, I had talked about it in earlier interactions that because of the Suez blockage, our ships were going through Cape of Good Hope, and that had partly reduced the availability of ethane for us, which will get compensated with this

change. So disciplined operations and optimization of feedstock is going to be our strategy going forward. Thank you.

Sanjay Barman Roy - President - Exploration & Production, Reliance Industries Limited
Good evening, everyone. Just as a recap of the quarter gone by. So, revenues were higher by almost 3.2% year-on-year. And mainly, we have been trying to manage -- offset the natural decline in KGD6. But we have seen higher price realization from condensate, nearly $107 per barrel, so that has been a big driver. And secondly, we have seen better performance in the CBM campaign to wells. So now we have crossed 1 million standard cubic meters of gas. So, this is a turnaround story in CBM that we are seeing. That is encouraging us to do more campaigns as we go along.

Overall, in KGD6, whilst there is a natural decline, it is lower than what we had expected. So, we have a plan to offset this natural decline, which I will talk about shortly. In terms of price realization, yes, the ceiling price is lower by almost $1.14. And that is what is capping off the upside compared to the elevated prices that we are currently seeing. However, we do expect, because of the elevated prices of energy and commodities all around, we expect in the second half the prices to go up, reflecting the elevated prices that we are currently seeing.

CBM obviously benefits by not having a price ceiling, so we obviously have realized a lot better in CBM. On the production, as you can see, there is a steady decline, but two things are going to happen. One is we are getting a rig next month. We are looking at some initial exploration activities in the KG Basin to accrete reserves. But thereafter, we have a multi-year, multi-well campaign essentially to set off the natural decline. There are some additional opportunities we are seeing within the existing fields, and we are ensuring that the rig is there to undertake those wells. In CBM, again, like I said, we will continue with the multilateral program, the 40-well program, and this we expect to undertake in both the blocks with time to come.

In terms of gas prices, yes, we have seen gas prices, when the war was underway, being much higher because of the stranded volumes in the Strait of Hormuz. When the ceasefire happened, it eased off, and we saw prices come down. But again, it is still much higher than the pre-war levels. And with what we are seeing now, the likelihood is, as long as this escalation remains, prices will continue to remain elevated. So how does that position us in CBM? Yes, we can get better price realization. In KGD6, we have a ceiling price, but again the ceiling price is expected to go up by at least $1. That is our expectation based on the calculations from where -- what we are seeing in the first half. So, in the second half, we should see at least $1 upside from here.

This, the whole -- if you go back about 6 to 12 months back, we were all worried about the possibility of the glut. I think what has happened as a consequence of the events that have unfolded, that effect has been to some extent offset by the current escalations that are there. In India, obviously, the consumption mirrored the supply. To that extent, year-on-year, 10% lower. But again, India has had ways of looking at sourcing the gas through other destinations besides what was coming from Middle East earlier. To set out -- to manage that, we are looking at North American supplies from Nigeria, Oman, and so on.

In terms of the policy circular that had been issued by the government for prioritizing the gas from the PSC blocks, which is essentially to CGD and to fertilizers and so on. That has been rolled back. And again, we have to see how things shape up, but it doesn't affect the price realization as far as we are concerned. Anyways, we are maximizing on -- in terms of the contracts we have, we are maximizing the value based on the ceiling price. As such, like I mentioned, currently the ceiling price

is $8.9, which is almost $1.14 lower than what it was the previous half. But again, we expect this to trend upwards and go towards $9.9 in the second half. That is the outlook. So, thank you.

Karan Suri - Senior Vice President - New Energy, Reliance Industries Limited
Good evening, everyone. This last quarter has been from our perspective about the disciplined execution at scale. Across our various projects, renewable generation projects, manufacturing, and green fuels, multiple programs are progressing at rapid speed and in parallel. First, on downstream, we already executed the large green ammonia contract with Samsung C&T, which demonstrates the commercial traction of our ecosystem. And we continue being in discussions with various strategic partners to tie up our balance capacity.

Getting to Kutch Renewable Ecosystem, which is probably one of the largest globally, we continue to progress well. The execution on the ground, the engineering is progressing well. The project development continues to progress. We expect to start installation after the monsoons in Kutch. And as the transmission network gets ready, we will start supplying power from Kutch this year. We continue to keep preparing for execution at scale, which we have announced at 55 megawatts of solar PV per day and 150 megawatts of battery installations per day at the peak capacity. All of this round-the-clock power ultimately comes to Jamnagar to feed our refinery, our new energy projects. The data center, which is again scaling up at speed, we provide the green power for that. As well as the entire green fuel complex that we are building in Jamnagar.

Additionally, and along with the Kutch, we also started executing our generation assets at multiple locations across the country for captive as well as C&I requirements. Coming back to Jamnagar and the Green Energy Giga Complex, we continue to make good progress. Already achieved a production of around 1 gigawatt peak of solar modules along with our solar cells, all ALMM certified. And we are on track, and I have got a few pictures to also demonstrate that, to achieve 20 gigawatt annual capacity for our solar PV manufacturing in an integrated fashion.

Our battery manufacturing is also progressing well. We will achieve 40-gigawatt-hour capacity this year, and we have announced the scale-up through our AGM up to 120-gigawatt-hour capacity, which effectively positions us as one of the largest globally when it comes to energy storage capacity. Across what differentiates Reliance is effectively this integration across the value chain, coupled with our world-class engineering and our manufacturing excellence. And this integrated platform positions us to be one of the lowest-cost electricity and energy producers globally and serving India's requirements as well as export and also providing our self-sufficiency in energy for India.

A few quarters back, I presented an aerial view of Jamnagar site. I am just repeating it here to demonstrate what we are building in Jamnagar, which, to be frank, is very few companies globally can even aim for. What is demonstrated on the picture is not an individual factory or a building, but effectively a fully integrated manufacturing ecosystem for solar PV manufacturing from polysilicon to wafers, to cell, to modules, to glass, all at a single location. What it delivers is effectively the lowest cost across logistics, supply chain efficiency, inventory management, material traceability, quality management, and lowest cost of the production. There is no other site in the world which can command or claim for similar integration across the value chain at scale what we are being able to deliver.

Starting with our wafer pilot plant, which is fully executed, and now we have moved to gigascale manufacturing and commissioning. In the next few quarters, a few slides or a few pictures on the

slide from Ingot Pullers to a fully grown ingot in our pilot plant. Polysilicon, which is effectively the most critical part of the entire solar value chain, and where we continue to progress well in our construction and now are nearing towards the completion of the construction and handover of the facilities for startup activities and commissioning. Solar cell, we have already announced that we have commissioned a few lines of solar cell and continue to expand that capacity each quarter. This is one of the most technologically advanced solar cell manufacturing in the world with HJT technology, but more importantly, the level of automation, the level of integration is unparalleled, delivering effectively the highest quality solar cell with the highest efficiency and the utility-scale size.

Again, a few pictures on the solar cell. Solar PV module, again, we have already announced. We have walked you through various demonstrated pictures, including through our AGM presentations. A few additional pictures here. Again, PV module continues to be one of the most automated module manufacturing at this scale in the world. The last few pictures I want to leave you is with the battery gigafactory. We already had shown you the progress on the container and demonstrated the progress on the ground. But on the right side, you are also looking at the battery cell manufacturing. Just to make a note, this battery cell manufacturing has a capacity of around 40 gigawatt hour. And what you see on the slide is a 400-meter width and nearly one kilometer of length of this battery cell. We are going to commission it this year. These are effectively the slides I wanted to present on the New Energy, which effectively over the last few quarters, our focus has moved from strategy to tangible execution, demonstrated progress on the ground at scale across our integrated portfolio of renewable generation assets, manufacturing, and green fuels.

Our focus is now towards achieving integration at scale and cost leadership, which is what we continue to drive towards. Thank you.

Questions & Answers

Manish Adukia - Analyst, Goldman Sachs
Hi. Manish Adukia, Goldman Sachs. A couple of questions on telecom and one on retail. On telecom, Anshuman, digital services revenue growth of 20% in your opinion are you happy with that growth run rate given just the base of that business? I mean, your connectivity business until like a few quarters ago was growing at high teens to 20% despite a much larger base, and digital services coming off a low base is already a 20% growth. Do you see possibility of this growth accelerating in the foreseeable future, and if so, what could drive that acceleration?

And from a margin profile perspective, today that piece operates at a lower margin compared to your connectivity business. As that business scales up, do you think there is room for margins to converge to your connectivity business for that business, and how do you see that? That is the question, please.

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
So I'll be a bit careful in answering that because you know we are in the process, and I don't want to give any forward-looking kind of statements, but firstly, yeah, that growth number is increasing. So there is scope for far more monetization on the digital services. And you know the point I was making was it is higher than connectivity, and it's -- it's growing, but there is scope for a lot more there, of course and because of all the products and technologies that we have developed. And the margin also is a function really of the revenue itself.

As the revenue grows, the operating leverage and something like that, where you've got a team sitting and making IP, that cost will get -- with revenues growing, that cost does not go up. In fact, normally tech services and products would have much higher margin than connectivity. But for now we are investing in those and the margin is therefore still low or lower than connectivity. It should pick up. And just to going back to your question about high-teen growth in the connectivity, yes, whenever there are tariff increases and the flow-on impact of that, it happens that way. But otherwise, it's regular without the tariff increase, you've seen the growth trends over the last few quarters.

Manish Adukia - Analyst, Goldman Sachs
Thank you. My second question on the ARPU number for the quarter. On a quarter-on-quarter basis, we have seen about a percent or less than a percent growth. This is despite mix improving in the favor of fixed broadband, an extra day in the quarter, wireless probably seeing data consumption increase, and despite that, if the ARPU growth is less than a percent quarter, which means underlying ARPU is actually under pressure, what explains that? Why would ARPU underlying not be improving despite all these positive tailwinds?

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
It's not the underlying ARPU is not under pressure. We are still in the -- in that ARPU mix improving, if you are referring to homes, etc., as you would have seen, noticed, we are promoting that service. Therefore, the ARPU is not necessarily higher there than mobility. So that is one impact that we see. Otherwise, as I have spoken in the past as well, on a purely organic basis without any tariff action, we have been having a 4% to 5% kind of tariff -- ARPU improvement is what we've seen practically happen on the ground. So, it is not because of any pressure in the ARPU. And that much should happen, and I think we have more or less in a similar trend, except that we have some of those promotional offers going in for the Homes business at this point in time.

Manish Adukia - Analyst, Goldman Sachs
Thank you. Just my last question to maybe Dinesh on Quick commerce. In this presentation, you certainly spent quite a bit of time on digital commerce. In terms of JioMart in particular, given just the investments you have called out in dark stores. One, how long do you expect these investments to continue, and how would you measure success in this business? In your opinion, like what would you let us say two to three years now you of course called out would be overall retail business EBITDA doubling, but beyond that, specifically in the quick commerce business, what are the kind of targets, if any, you are looking at? And in the context of high competitive intensity in that space, if you can again maybe remind us of one or two places where you are differentiated versus your competition or what could help you do better in terms of profitability or growth versus competition?

Dinesh Taluja - Chief Financial Officer and Head of Corporate Development, Reliance Retail
Sure. So I think we kind of -- without getting into specific numbers we will continue our expansion of our dark store network. At least next 12 months, I think that will -- in the next nine to 10 months it will continue. We are focusing on expanding the network, going deeper into the markets so that investment will happen. The fixed cost investment is not very high, but when you go, capex is not very high, but when you go, you set up a dark store, you add the fixed cost, and then the order ramp-up, etc., happens over a period of time, right? But as I said, we will be quite disciplined. We are taking a view on which markets it makes sense where there is enough demand, markets are already.

So, we are going that way, and we will be quite disciplined about it. Where our assumptions on the profitability do not hold up, we will scale back from those markets. So, we will go in a quite disciplined manner, just not chase volume growth or some vanity metric on number of orders. That is something we will not do, but what we have said is we are consciously making investments in that business, which is showing up a short-term pressure on margins. Absolute numbers will increase as I have outlined. The percentages for the short term could come down, because we are investing in that business and there is a cost to serve, which is over and above that, right?

Your next question about, what is our advantage? So I think there are two or three things which -- we have which differentiate us, right? One is we have a lot of customer data, right? And within retail itself, we do understand what the customers, who the customers are, where they are, what their behavior is, because we have transaction data over the last 20 years, almost 400 million customers are part of our loyalty program, right? So that is our big differentiator.

Understanding of the right assortment what sells, right? There is a bit of science in that. We do have again a lot of data. We do have a very strong process to understand when we go to a new market, what kind of assortment sells there, right? There are some differences between quick commerce and stores in terms of the way purchasing behavior people have, so we are appreciating that, and we are learning that, but I think there is a big advantage in terms of the knowledge base that we have built. We are present in over 1,000 markets in grocery, so that is, I think, second.

Third is we are able to leverage our existing infrastructure as well, which is a big advantage to us. While when I open a dark store, new dark store, it is an added cost, but when I open a dark store within a store, that is not incremental cost for me. The fourth part, I would say, is because supplier relationships that we have and the scale that we have that gives us better margin, right? So that is again another advantage. I do know for a fact, you know, our terms of trade are significantly better than so for other peers, so that is something that again provides a competitive advantage where I can price a -- give a very good price to the customer while still maintaining my margin. So I would say these are three or four things which will help us differentiate ourselves.

Vivekanand Subbaraman - Analyst, Ambit Private Limited
Yeah. Yep. Hi, I'm Vivekanand from Ambit. Two questions. So one is on retail. Dinesh, the guidance that you shared on 2x EBITDA over the next three years, how confident are you, and what are the intermediate checkpoints for the next three-year journey that you look at given your investment appetite to ramp up online commerce? That's my first question.

Dinesh Taluja - Chief Financial Officer and Head of Corporate Development, Reliance Retail
Sure. Sure. So, right, it is a target that we are taking, that is our ambition. We wouldn't be putting it out unless we were confident about it. We feel reasonably confident. Yeah, it is a bit, it is a stretch, but we feel confident that we should be able to achieve that. In terms of the milestones, as I said, right, revenue growth this year, the share of online will grow, right? A lot of growth because there is a natural limitation to how much you can grow your offline revenues, right?

And in today's world, you don't need to necessarily set up a lot of stores everywhere to serve the customer. You have a few stores, and then you can supply to the customers at their home, right? So revenue growth will come. Revenue growth will come, and scale comes up -- by definition, operating leverage will come, right? That should lead to incremental positive EBITDA, right? As far as our absolute EBITDA is going up, we are happy. And that's why, if you look at it, we have not put any margin target. What we are saying is we are looking to double our absolute EBITDA number.

Vivekanand Subbaraman - Analyst, Ambit Private Limited
Okay. Very clear. Thanks. The second one is for Anshuman. That's my last question. So Anshuman, can you help us understand how you look at the platform services revenue? Is it by the kind of sector they are from or large versus small corporate? Is it retail versus, let's say, B2C versus B2B? How do you look at the platform revenue internally when you target mining customers? And on a related note, do you have some sort of an order book here? Is there a gestation period for this revenue to come to you, and what is the decision-making cycle like? Thanks.

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
Look, I'm going to be generic here. We have different products and services for different customer segments, enterprises, B2C, even within that industry verticals. In the past, we've spoken about industry vertical and vertical-based offerings that we've got. So the teams are made for those products and services and verticals for -- in whichever is the best manner to --for those products and services to be taken to market. And that's the way we really review it as well. So there are teams which are focusing on different aspects about the product. Of course, we have targets, we have plans, and we then monitor against those. I don't think I'll be able to say anything more beyond that at this, given this period.

Vivekanand Subbaraman - Analyst, Ambit Private Limited
Sure. Thank you very much and all the best.

Balaji Subramanian - Analyst, IIFL Capital Services Limited
Balaji from IIFL. Anshuman, I have two questions. So one is on this 1600 LEO satellites that you intend to launch over a period of time. If my memory serves me right, maybe a few months back, your stance was that satellite would be more of a complementary technology, especially in India where broadband prices are cheap and the coverage is ubiquitous. So you know what has really changed in this time? The other one would be what would be the kind of investments that you are looking at in the next five to 10 years on these satellite rollouts, and how would you plan to monetize those?

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
So I'll only answer the first one. Complementary technologies also need to be focused on, and we have to work on, you know, every technology that is available, and we'll invest when the economics is proven. How much we'll invest, what the outlook is, etc., again, not possible to speak about at this point in time. You've seen the facts. We have kind of the application, and we have spoken about that a little bit in the DRHP. Beyond that, at this point I don't think we should be talking.

Balaji Subramanian - Analyst, IIFL Capital Services Limited
This would entail serving global customers as well because a satellite is something which is not -- you can't tie it down to a particular country.

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
You guys know the business as well as most people do, if not better. Yeah, so if it's a LEO constellation, we have to figure out the geographical spread as well.

Balaji Subramanian - Analyst, IIFL Capital Services Limited
Thanks. Thanks.

Unidentified Speaker
Yeah. Aditya?

Aditya Suresh - Analyst, Macquarie Group
Aditya Suresh from Macquarie. Anshuman, you're the man at the moment. So two questions for you again. First is on the prospectus, you speak about the large potential in the overseas markets. Whilst acknowledging the large potential, maybe if you can speak about, like, how should we think about what's addressable over the next two years? Whether it be FWA, you are taking your JioBharat, overseas, UBR, whatever it is, right? Whatever you can comment on the addressable opportunity in the near term, that'll be fantastic.

Second is can you maybe comment about the leadership changes in Jio which have come through? And third was on the Meta partnership, how is that progressing?

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
So, on the first one, really we can't say anything beyond what is written in the DRHP. We've spoken of products and services which we think can be taken to other markets. There is some bits of the addressable market covered in the industry expert report. Beyond that, I don't think we can comment at this point in time. On the second question around management changes, right, routine in nature, you all have seen Pankaj Pawar being involved with Jio pretty much from day one, in fact even before that. And he's been running the connectivity business and a fair chunk even of the digital services businesses and those are being monetized a lot more now, and those are going to the market. So it was kind of natural, and KT is focusing on the intelligence. He's leading the intelligence AI initiatives for the group.

So it was just kind of logical, and now was a good time because we had to frame the whole org. So you shouldn't read too much into it. Pankaj has been driving the telecom business and also the monetization of the digital services business for a while now. And you all have seen him in action for several years. He's been the MD of RJIL, the connectivity business, for a fair bit of time, and he was on the board of JPL as well.

And on the third one, the Meta partnership, the partnership we're doing lots of things with them, and we always keep on doing that. We try to explore areas where we can work together. The recent one that we announced, that's not from Jio, that's actually from Reliance. And the intelligence business of Reliance is the development of a data center, 168 megawatt data center in Jamnagar, where we as a group would be providing end-to-end services.

So that's not only just building the data center building but managing end-to-end, providing network, power, connectivity, managed services completely end-to-end. So we are very excited about that project. And if that -- in fact, we think that's a big opportunity for not only for us, for the country, and it will get scaled up a lot more, and there'll be benefits for all of our various businesses, and there'll be benefits for Meta as well, for the first time diversifying in a big way away from -- not away US is their priority, but looking at a different market to develop this kind of critical infrastructure.

Puneet Gulati - Analyst, HSBC Securities
Hi, this is Puneet from HSBC. Thanks. Just continuing on the Meta part, when do you think the first 168 megawatts is likely to come up, and will you do it out of your own balance sheet or are you looking for partners there?

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
A little early to answer the second part. We are doing it on our own balance sheet, and it is part of the intelligence business, and we will figure out that whole business will also evolve. We believe it is going to be fairly large. We have the balance sheet capacity at this point in time with the group to fund it, but we will see how it really evolves. There is a clear timeline for the commissioning of that project. It is commercially sensitive, therefore, I am not going to speak about it, but it is much faster than what traditionally data centers have taken in India, and we have a clear plan between Meta and us to be able to deliver it in that time period.

Puneet Gulati - Analyst, HSBC Securities
And this entire 168 coming all at one shot, it's not in [Speech Overlap]

Anshuman Thakur - Head of Strategy, Reliance Jio Infocomm Limited
That will come in, all in one shot. Yes.

Puneet Gulati - Analyst, HSBC Securities
Okay. Secondly, if you can also talk about, you know, the capex plan for the year, you've done about INR39,000 crore in the first quarter. How should we think about the full-year capex plan and some direction into where it is incrementally going in the business?

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
I think we stayed away from commenting very specifically on capex, but generally, you know, what is our overall framework in terms of what is the EBITDA to debt and all those ratios. So that's one aspect of it. And you could recall I've always also highlighted, you know, we look at our international credit ratings, you know, where we stand with S&P and Moody's and so on. So, we have all these factors, and therefore, everything that we do from capex, etc., is all looked through this prism of rankings and ratings. So, what that means is that it gives, you can call it, flexibility, you can say that we have a way in which you can face programs, face capex.

And to your questions, maybe even evaluate partners at the appropriate time. So, a lot more of options absolutely available across these projects. So yeah, stopping short of saying what is exactly the set of numbers that we will do, but you also know broadly how the larger capex in Jio, etc., have scaled down, you know what we talked about in the context of retail, yeah, specific to hyper local one. But as Dinesh explained, the investment is more in the nature of, yeah, trading off EBITDA or EBITDA margins rather than a very specific physical capital. So, yeah, long-winded answer, but it is just to lay the context.

Puneet Gulati - Analyst, HSBC Securities
Okay. Thank you. And lastly, on the consumer piece, you know, you talked about [Technical Issues] EBITDA. There was also an expectation of a much higher growth rate on the revenue side. Are you satisfied with what you're doing right now, or is there something else that you need to do? And also in the same business, both the retail part, actually.

Dinesh Taluja - Chief Financial Officer and Head of Corporate Development, Reliance Retail
Retail?

Puneet Gulati - Analyst, HSBC Securities
Retail.

Dinesh Taluja - Chief Financial Officer and Head of Corporate Development, Reliance Retail
So, see revenue growth in the context of the market, if you look at this quarter, it's healthy double digits, all the consumption baskets are doing well. That's a good thing. So I think as we are looking up at scaling up of digital commerce, right, that can be scaled disproportionate, it's not limited to, you know, setting up stores takes time physically, right? You have to set up each and every store. Online can be scaled up much faster. So as the share of online grows, one would expect revenue growth to accelerate from where it is today.

Puneet Gulati - Analyst, HSBC Securities
Understood. Thank you so much.

Probal Sen - Analyst, ICICI Securities Limited
Yeah. Hi. So this is Probal here from ISEC. Three questions. Firstly, on the energy front, in terms of the refining business, is it possible to quantify how the LPG-to-propylene mix has sort of moved in the sense that how much has our LPG yield improved if we look at the quarterly run rate and how much is propylene volumes probably fallen, even if you can get a rough range for the last couple of quarters?

Amit Chaturvedi - President - Petrochemicals & O2C, Reliance Industries Limited
Are you asking how much propylene was dumped into LPG? Is that the question?

Probal Sen - Analyst, ICICI Securities Limited
Roughly, yes. I mean, if we can get a sense.

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
You don't have to get into completely different ones.

Probal Sen - Analyst, ICICI Securities Limited
You can't answer, or you don't want to answer, just say that.

Amit Chaturvedi - President - Petrochemicals & O2C, Reliance Industries Limited
Actually, it's a very complicated answer because there was some propylene which got directly dumped into the LPG, and there was some propane which got dumped into LPG and that propane would have also generated some ethylene and some propylene when it was going to ROGC. So it's a complicated answer and difficult to put a number onto it, but it was substantial. And despite that limitations of feedstock in our system, we were able to perform much better financially because our cost of, I mean, cost of cracking cracked ethylene and propylene versus the market price, the delta had opened up substantially because the pricing of the polymers was actually linked to the naphtha, and our cost structure remained where it was.

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
Amit, can I just say that? So we were following a government order in terms of what it is. And I think the easiest way for me to highlight is, you can also see the production meant for sale, and you can see the component of how much of the polymer production has got impacted. That's probably the nearest we can come in terms of quantifying.

Probal Sen - Analyst, ICICI Securities Limited
Got it, sir. That brings me to the second question, what you just mentioned about ethylene cracking advantage. So, you know, typically, and I'm sorry if you've already covered this in the presentation,

what is the kind of mix? Today, we are at in terms of ethylene, naphtha, and ROGC, if one were to look at it in terms of percentage?

Amit Chaturvedi - President - Petrochemicals & O2C, Reliance Industries Limited
So, ethylene and ROGC -- sorry, ethane and ROGC put together constitute about 70% of our ethylene.

Probal Sen - Analyst, ICICI Securities Limited
Got it. And sir, with the additional ethane that we are tying up in terms of the additional VLECs, is that mix going to move even more towards ethane and ROGC if these pricing trends, let's say, continue?

Amit Chaturvedi - President - Petrochemicals & O2C, Reliance Industries Limited
Yes, a little more. A little more, yeah.

Probal Sen - Analyst, ICICI Securities Limited
Got it.

Amit Chaturvedi - President - Petrochemicals & O2C, Reliance Industries Limited
It will increase further.

Probal Sen - Analyst, ICICI Securities Limited
Got it. And the third question was just on retail, sir. Is it possible to quantify roughly the orders that we are getting on -- from the digital hyperlocal segment compared to let's say, competitors, or a range that you want to mention?

Dinesh Taluja - Chief Financial Officer and Head of Corporate Development, Reliance Retail
See, we don't disclose the number of orders. I guess what we disclose is how we are going on a year-on-year basis, and the growth continues to be healthy. If you look at over the last several quarters, now, I guess three to four quarters at least, we have maintained 100% plus growth in the number of orders.

Probal Sen - Analyst, ICICI Securities Limited
Got it. Thank you very much.

Unidentified Participant
Yeah. So you know, just wanted to decompose the O2C performance to understand how the trajectory would be, say now or this quarter. So is it fair to say that crude availability challenge is lesser right now, number one? Number two, there would be some kind of impact due to inventory losses last quarter because of a rather dramatic move down in crude price towards the end of the quarter. So that you know, pressure will be lesser this time. And finally, on the ethane part, because of the increase in days of voyage due to the change in route. How much were you finally importing instead of the 1.5 million tonne? I think that was the original contract, right? And what would you start doing it now once you have these ships?

Srinivas Tuttagunta - Chief Operating Officer, Refining & Marketing, Reliance Industries Limited
Regarding crude and inventory valuation, what you mentioned, see, there is too much of a hypothesis in this. If you ask me what will be the availability, normally crude is purchased maybe 45 to 50 days in advance. So immediately, it is not a concern. If you ask me beyond that, I really do not

know, okay? I can give you some answer, but no one can say with any degree of confidence how this is moving. What we are tasked is, get the crude somehow, which we will be working towards. Valuation also, I mean, a few days back, what was the price, and today it is $85 plus, and it is $70 plus. I am sorry, but it is too hypothetical for me to really give an answer on what is likely to happen in future and things like that.

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
Maybe to add, I guess, a week back, if you had said this crude availability going to be very easy, the answer would have been...

Unidentified Participant
No, no, I'm saying that it was very challenging last week.

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
No, no, till things improved and therefore till last week, if the conversation was one would have said yeah, but now back to where it is, so the challenges will, can be as -- challenges can be as much as what we saw in the first quarter. But as you know, we have seen the toughest time in terms of being able to access and get that kind of crude from all over the world. So the team is very confident, you know, of being able to handle all of this volatility.

Amit Chaturvedi - President - Petrochemicals & O2C, Reliance Industries Limited
So, our original volume that we had designed the system was for about 1.6 million tonnes. And because of Suez getting blocked, we were short by about 7% to 8% kind of number. And with new ships coming in, we will not only catch up that, but we will go beyond that, and with all the three ships -- when all the three ships are there we will be substantially higher than that number.

Unidentified Participant
Okay. Maybe, Srikanth, what I was trying to get onto with some of these pressure points getting highlighted that, of course, it depends on how worse the situation becomes and whether it improves, etc. But the current run rate of profitability for this particular month so far would be far better than where the last quarter was. I mean, is that a fair understanding? I know the current run rate may not represent anything because it might change by the weekend. So, yeah.

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
No, that's a very sophisticated way of asking that question. But no, overall, I don't think even assuming one were to answer that, that will give us any more clarity and confidence about how the quarter can look. You know, everything is based on assumptions. So yeah, plus there is so many other things, as what we talked about in the context of some of these measures on upstream was removed. But you know, we don't know how that will evolve. We don't know what will be the under recovery. So a lot of imponderables are there.

So I don't want to even hazard. But the fact remains, what are the facts that remain is that refining and broadly structurally it is short, and you are seeing the -- those aspects very much right through any kind of resolution also, but cracks have behaved in a certain way. Also, on some of the capacities as Amit talked about, both on the polymer products, polyester products, there are some advantages. So I think structurally, yeah, we are in a good place right through, and some of these volatilities will live through that, and maybe it is beneficial too.

Unidentified Participant
Okay, just one last thing on FMCG. Any sense of profitability, I know the revenue numbers have been given, but anything on EBITDA maybe at least a trajectory? One. And secondly, for the essentials part, I think earlier, earlier presentations you've given revenue of independence as a brand. Where does that stand, and where, you know what is independence, and what is the others part of that essentials?

Unidentified Speaker
So, like we have announced the target continues to kind of, you know, grow leadership in all categories. And we have, anyway, announced the target is to kind of take this to INR1 lakh crores on FY30. We continue to kind of build on capacities, working to gain leadership. EBITDA, I would put it across since the concentration there. Yeah, we are breakeven on EBITDA terms, but the EBITDA will improve as a scale, and all the supply chain is kind of put it across. But yeah, right now the concentration is more on the market share. And on the daily essentials part, we have independence, we have equally Good Life also. So it's all put to in together.

Unidentified Participant
Also, any number of independence, like you used to give in the last two quarters?

Unidentified Speaker
So we can share that later. So this was the total number of the entire Staples category.

Unidentified Participant
Thank you.

Unidentified Speaker
Thank you.

Unidentified Speaker
Perfect. We'll take one last question.

Nitin Tiwari - Analyst, PhillipCapital
Yeah. Hi. Good evening. This is Nitin from PhillipCapital. Thanks for the opportunity. Just wanted to have some sense on the unit economics of operation in refining and petrochemical. You did mention about your advantages in terms of operating cost. So if you can give us some sense where those numbers stand, specifically how they have moved over the March quarter this quarter, and how do you expect it to be in the next few quarters? Because there have been a number of changes, our end users has come down, you've increased liquid fuel consumption and so on and so forth. So if you can give us some sense around that?

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
This is going to be tough, my friend. So, you know, first of all, even the deltas that you are seeing, $60 delta, mid distillates, etc. You have to ask yourself, are those accessible deltas, given the fact that there is a significant premium to buying crude, there is significant logistic cost in transporting, there are significant cost in insurance. So when you talk about unit economics, it becomes very tough to [Indecipherable]. All these costs have to be seen in the context of what deltas you are able to realize. So sometimes if the realization is good, you are able to afford this.

So I will find it impossible to even try and attempt to say what it is. We are trying to say and highlight

the volatility exactly to explain that it has been enormously challenging to be able to do. And in that context, you know, say INR17,000 crores, which is up, is a very strong performance. So -- and even assuming there were these numbers, it's not a steady-state number. So it's very, very, very tough for me to even attempt a crystallization of this number.

Nitin Tiwari - Analyst, PhillipCapital
Suppose if we exclude the raw material aspect from the entire cost economics and we focus only on your operating costs.

Srikanth Venkatachari - Chief Financial Officer, Reliance Industries Limited
No, but that's the point I'm saying, you know, when the refinery is what it is, nothing has changed. It is the -- it is the aspect of getting crude, it is the cost of getting crude, it is the placement, it is the realization of the premium. And yes, to the extent that if you are using a lot of liquid fuels, yeah, maybe your cost of fuel, cost of operating goes up. But in the broader context of what we have done with both the gasification project, as well as -- we are not using a lot of liquids, for example, for our costs. So all the other variability comes on the back of the other things that I talked to you about.