Reliance Industries Limited

Growth is Life

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Unaudited Financial Results
Half-year Ended
September 30, 2016

November 4, 2016

My dear shareowners,

I am pleased to share with you the results of Reliance Industries Limited (RIL) for the half-year ended September 30, 2016.

RIL's consolidated financial performance continues to break previous records and stands as an affirmation of our robust business model with presence in the energy and materials businesses and consumer businesses. Our refining business achieved the highest ever half-yearly earnings in a volatile margin environment, underscoring our ability to optimize our assets across the value chain in response to market conditions. Our Petrochemicals segment also delivered record half-yearly profits, reflecting strong volume growth and product mix improvement on the back of robust domestic demand. Reliance Jio reached its first milestone of 16 million subscribers within the first month of operations, making it the fastest growing telecom company in the world.

Highlights of the half-year's performance (consolidated) are as follows:

- Revenue (turnover) decreased by 2.5% to ₹ 153,102 crore ($ 23.0 billion)
- PBDIT increased by 20.6% to ₹ 27,140 crore ($ 4.1 billion)
- Cash Profit (excl. exceptional items) increased by 20.2% to ₹ 20,454 crore ($ 3.1 billion)
- Net Profit (excl. exceptional items) increased by 29.5% to ₹ 14,319 crore ($ 2.1 billion)
- Gross Refining Margins (GRM) of $ 10.8/bbl for the half-year ended September 30, 2016

Now, I would like to share with you several key developments during the period.

For the half-year ended September 30, 2016, RIL achieved a turnover of ₹ 153,102 crore ($ 23.0 billion), a decrease of 2.5% on a Y-o-Y basis. The decline in revenue was a result of the fall of 22.2% in benchmark (Dubai) crude oil prices, which was however largely offset by higher volumes in the refining and petrochemicals business and robust growth in retail business. PBDIT registered a growth of 20.6%, and was at ₹ 27,140 crore ($ 4.1 billion) for the half-year period. RIL achieved net profit of ₹ 14,319 crore ($ 2.1 billion) during the first-half of FY 2016-17, an increase of 29.5% on Y-o-Y basis (excluding exceptional items).

For the first-half of FY 2016-17, our Refining and Marketing segment revenues decreased by 9.6% Y-o-Y to ₹ 117,095 crore ($ 17.6 billion), while EBIT was up by 17.7% Y-o-Y at ₹ 12,568 crore. The EBIT margin for the segment increased by 250 bps to 10.7%. The sharp increase in demand for transportation fuels and favourable middle distillate cracks helped us realize healthy refining margins. RIL's Gross Refining Margins (GRM) for the first-half was at $ 10.8/bbl as compared to $ 10.5/bbl in the corresponding period of the previous year. RIL's premium over regional benchmark (Singapore margin) widened to $ 5.7/bbl during the same period, which is nearly 2x the five year average of our premium over benchmark margin. The strong performance is a tribute to various initiatives taken by RIL, which include increasing the number of crudes that can be processed as well as having the flexibility to take advantage of the highest net back products. In addition, robust risk management coupled with opportunistic crude sourcing and lower energy costs have also helped realize margins. The robust operating performance was supported by continued growth in global oil demand, which is expected to grow at 1.3mb/d in 2016. RIL processed 34.8 MMT of crude in first-half of FY 2016-17, achieving an operating rate of nearly 112%. We continue to enhance value for our refining business by expanding our retail network in India. As of September 30, 2016, Reliance operated 1,100 outlets across the country and is achieving industry leading throughput per outlet.

During the first-half of FY 2016-17, revenue from the Petrochemicals segment increased by 2.5% Y-o-Y to ₹ 43,140 crore ($ 6.5 billion). EBIT for the period was at ₹ 6,223 crore, an increase of 28.3% on a Y-o-Y basis. The EBIT margin for the segment stood at 14.4%, an increase of 290 bps compared with the corresponding period of the previous year. A strong domestic demand growth for our products, pre-emptive inventory management and cost discipline helped realize high petrochemicals margins. The domestic polymer demand grew sharply by 11% during the first-half of FY 2016-17. Among all polymers, PVC witnessed the highest growth of 20% on a Y-o-Y basis, while PP and PE demand growth remained firm at 7% and 8% respectively. All three polymer deltas held firm during the first-half of FY 2016-17 and were significantly above five year averages.

In the polyester segment, integrated chain margins remained stable during the first-half of FY 2016-17. Improving demand environment helped RIL in successfully placing new PET and PTA output from its Dahej facility. Domestic polyester demand in the same period increased 6% Y-o-Y with signs of further improvement. In fact, during the second quarter of FY 2016-17 domestic polyester demand increased by 14% Y-o-Y with PET and PFY demand increasing by 28% and 14% respectively. Polyester demand is expected to improve in the coming quarters with festive demand and the onset of winter.

The oil and gas business achieved a turnover of ₹ 2,667 crore and an EBIT of ₹ -803 crore, registering sharp decline as compared with the previous year. Weak commodity prices, lower volumes in US Shale business and continuing natural decline in gas production from the KG-D6 block led to this drop in revenues and profitability.

Average production in the KG-D6 block was at 8.3 MMSCMD of gas and 3,364 BOPD of oil/condensate during the period. We are developing unconventional coal bed methane blocks (CBM) in Madhya Pradesh along with 300 kms. of pipeline to transport this gas to customers. Test gas production from Phase I activities of Sohagpur West Block are being carried out and Shahdol-Phulpur pipeline testing and commissioning activities are also underway.

Revenues from our US shale business decreased by 32.5% to ₹ 1,182 crore. Continuing weakness in realizations and widening of gas benchmark differentials resulted in EBIT of ₹ -866 crore during the first-half of the current year 2016 (January -June 2016). Overall production volumes remained subdued during the period and decreased by 14% to 85.9 BCFe. The overall macro environment remained volatile and challenging for the shale gas business. However, near term outlook for natural gas is improving with stronger power-burn with the retirement of coal plants, growing exports to Mexico, and greater LNG exports from the US.

Reliance Retail continued its growth momentum and strong profitability in the first-half of the current financial year. As on September 30, 2016, Reliance Retail operated 3,442 stores across 679 cities in India. Revenue for the first-half of FY 2016-17 grew by 54.8% Y-o-Y to ₹ 14,745 crore. EBIT for the retail business increased by 36.6% Y-o-Y to ₹ 310 crore. The increase in turnover was led by growth in digital, fashion and lifestyle, and petroleum products. Reliance Retail's 4G LTE smart phones under the 'LYF' brand received an overwhelming response in the market with over 3 million smart phones sold in the second quarter, acquiring a market share of 7% in a short period of time. Reliance Retail has the distinction of operating the largest chain of consumer electronics stores in India through a network of 1,917 Reliance Digital and Digital Express Mini stores.

On September 5, we commenced services of Reliance Jio. Jio is dedicated to realizing our Hon'ble Prime Minister's vision of a Digital India for 1.2 billion Indians and propel India into global leadership in the digital economy. As part of this initiative, we have created a compelling eco-system comprising a superior network, digital devices, applications and content platforms, service experience, and affordable tariffs. Jio has revolutionized the Indian telecom landscape by making voice calls for Jio customers absolutely free, for the lifetime, across India, to any network.

Jio has created a world record by crossing 16 million subscribers in its first month of operations (September 2016). This growth is faster than any other telecom operator or start-up in the world.

Jio has also redesigned the sign-up experience and made it 100% digital on the Aadhaar based eKYC process. We have kept customers at the forefront of the Jio experience and have introduced paper-less activation across 4,100 cities and towns, which means customers can now complete the SIM activation process in only a matter of minutes. Recently, Jio also received confirmation from Telecom Regulatory Authority of India (TRAI) that the tariff plans offered by it are non-predatory, non-discriminatory, and fully compliant with regulatory norms of IUC compliance.

Our telecom customers of India are facing severe service quality issues owing to the inadequate release of points of interconnection (POI) by incumbent mobile operators to Jio. While Jio has rolled out a state-of-the-art network, the benefits of superior voice technology have been denied to the public at large due to POI congestion. The Company hopes that the incumbent operators will soon enhance the POI's sufficiently to meet their license obligation of Quality of Service (QoS) and maintain these parameters on an ongoing basis.

Moving forward, we have a full array of actions in place to accelerate our earnings growth path. Our commitment to our growth trajectory is unwavering and I am confident we have the right people in place and the right strategy to deliver. Our projects in the hydrocarbon chain are at advanced stages of mechanical completion and pre-commissioning activities. These projects will further strengthen our position as a leading operator in the energy and materials businesses.

Outstanding debt as on September 30, 2016, was ₹ 189,132 crore ($ 28.4 billion), while cash and cash equivalents were at ₹ 82,533 crore ($ 12.4 billion). The capital expenditure for the half-year ended September 30, 2016, was ₹43,900 crore ($ 6.6 billion). Capital expenditure was principally on account of ongoing expansions projects in the petrochemicals and refining business at Jamnagar, Dahej, and Hazira as well as Jio Infocomm and US Shale gas projects.

RIL retained its domestic credit ratings of "CRISIL AAA" from CRISIL and "Ind AAA" from India Rating and an investment grade rating for its international debt from Moody's as "Baa2" and "BBB+" from S&P.

The Unaudited Financial Results, Unaudited Segment Information for the quarter/half-year ended September 30, 2016 and the Unaudited Statement of Assets and Liabilities as of September 30, 2016 of the Company are attached.

I take this opportunity to wish you and your family members a very Happy Deepawali and a Prosperous New Year.

With Best Wishes,

Sincerely,

Mukesh D. Ambani
Chairman and Managing Director

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / HALF-YEAR ENDED SEPTEMBER 30, 2016

(₹ in crore, except per share data)

Sr. No.	Particulars	Quarter ended			Half-year ended		Year ended
		30 Sep'16	30 June'16	30 Sep'15	30 Sep'16	30 Sep'15	31 Mar'16
1	**Income from operations**	**81,651**	**71,451**	**74,490**	**153,102**	**156,999**	**293,442**
2	**Expenses**						
	(a) Cost of materials consumed	43,134	37,469	41,191	80,603	91,496	158,199
	(b) Purchases of stock-in- trade	10,893	8,143	6,833	19,036	14,064	28,055
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(121)	(2,554)	1,375	(2,675)	(290)	2,584
	(d) Excise duty and service tax recovered	5,490	6,461	4,158	11,951	10,052	19,316
	(e) Employee benefits expense	2,017	2,111	1,713	4,128	3,628	7,420
	(f) Depreciation, amortization and depletion expense	2,774	2,725	2,842	5,499	5,593	11,589
	(g) Other expenses	9,062	8,598	9,919	17,660	18,789	36,157
	Total Expenses	**73,249**	**62,953**	**68,031**	**136,202**	**143,332**	**263,320**
3	**Profit from operations before other income, finance costs and exceptional items**	**8,402**	**8,498**	**6,459**	**16,900**	**13,667**	**30,122**
4	Other Income	2,393	2,378	1,460	4,771	3,044	7,437
5	**Profit from ordinary activities before finance costs and exceptional items**	**10,795**	**10,876**	**7,919**	**21,671**	**16,711**	**37,559**
6	Finance costs	893	1,206	993	2,099	1,908	3,695
7	**Profit from ordinary activities after finance costs but before exceptional items**	**9,902**	**9,670**	**6,926**	**19,572**	**14,803**	**33,864**
8	Exceptional items	-	-	4,310	-	4,310	4,382
9	**Profit from ordinary activities before tax**	**9,902**	**9,670**	**11,236**	**19,572**	**19,113**	**38,246**
10	Tax expense	2,708	2,581	2,001	5,289	3,962	8,844
11	**Net Profit for the period**	**7,194**	**7,089**	**9,235**	**14,283**	**15,151**	**29,402**
12	Share of profit / (loss) of associates and joint ventures	(18)	(12)	96	(30)	195	249
13	Minority interest (profit) / loss	30	36	14	66	23	(107)
14	**Net Profit after taxes, minority interest and share in profit / (loss) of associates and joint ventures**	**7,206**	**7,113**	**9,345**	**14,319**	**15,369**	**29,544**
15	**Other Comprehensive Income (including relating to associates and joint ventures (after tax)) (OCI)**	**627**	**351**	**969**	**978**	**1,170**	**648**
16	**Total Comprehensive Income (after tax)**	**7,833**	**7,464**	**10,314**	**15,297**	**16,539**	**30,192**
17	Paid up Equity Share Capital, Equity Shares of ₹ 10/- each	2,951	2,950	2,946	2,951	2,946	2,948
18	Reserves excluding Revaluation Reserves						235,878
19	Earnings per share (Face value of ₹ 10) (Not Annualised)						
	(a) Basic	24.4	24.1	31.7	48.5	52.2	100.3
	(b) Diluted	24.4	24.1	31.7	48.5	52.1	100.1
20	Capital Redemption Reserve / Debenture Redemption Reserve	1,217	1,217	1,212	1,217	1,212	1,217
21	Net Worth	253,892	246,363	228,715	253,892	228,715	238,730
22	(a) Debt Service Coverage Ratio	0.88	2.79	5.68	1.34	2.41	1.97
	(b) Interest Service Coverage Ratio	12.07	9.01	12.41	10.31	11.12	11.42
	(c) Debt – Equity Ratio	0.74	0.75	0.75	0.74	0.75	0.75

Notes:

1. Result for the quarter / half year ended September 30, 2016, are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, result for the quarter ended September 30, 2015, half-year ended September 30, 2015 and previous year ended March 31, 2016, have been restated to comply with Ind AS to make them comparable.

2. The Government of India (GOI), by its letters dated May 2, 2012, November 14, 2013, July 10, 2014 and June 3, 2016, has communicated that it proposes to disallow certain costs which the Production Sharing Contract (PSC), relating to Block KG-DWN-98/3 entitles the Company to recover. Based on legal advice received, the Company continues to maintain that a Contractor is entitled to recover all of its costs under the terms of the PSC and there are no provisions that entitle the Government to disallow the recovery of any Contract Cost as defined in the PSC. The Company has already referred the issue to arbitration and already communicated the same to GOI for resolution of disputes. Pending decision of the arbitration, the demand from the GOI of $ 148 million (for ₹ 987 crore) being the Company`s share (total demand $ 247 million) towards additional Profit Petroleum has been considered as contingent liability.

3. The listed non-convertible debentures of the Company aggregating ₹ 1,270 crore as on September 30, 2016, are secured by way of first mortgage/charge on the Company's certain properties and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

   The listed non-convertible debentures of the subsidiary Reliance Jio Infocomm Limited aggregating ₹ 12,500 crore as on September 30, 2016, are secured by way of pari passu charge on certain movable properties of Reliance Jio Infocomm Limited and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

4. Details of secured non-convertible debentures are as follows:

Sr. No.	Particulars	Previous Due Date (April 1, 2016 till September 30, 2016)		Next Due Date (October 1, 2016 till March 31, 2017)	
		Principal	**Interest**	**Principal**	**Interest**
	Reliance Industries Limited				
1	PPD 177	-	-	November 24, 2016	November 24, 2016
2	PPD 179 Tranche 3	-	-	-	December 8, 2016
3	PPD 180 Tranche 1	-	May 7, 2016	-	-
	Reliance Jio Infocomm Limited				
1	PPD1	-	September 15, 2016	-	-
2	PPD2	-	-	-	October 4, 2016
3	PPD3	-	June 16, 2016	-	-
4	PPD4	-	-	-	November 18, 2016
5	PPD5 (Option 1)	-	-	-	January 23, 2017
6	PPD5 (Option 2)	-	-	-	January 23, 2017
7	PPD6	-	August 1, 2016	-	-
8	PPD7 (Option 1)	-	August 3, 2016	-	-
9	PPD8	-	May 2, 2016 August 1, 2016	-	October 31, 2016 January 30, 2017

   Interest and Principal have been paid on the due dates.

5. Formulae for computation of ratios are as follows –

   Debt Service Coverage Ratio = Earnings before interest and tax / (Interest Expense + Principal Repayments made during the period for long term loans)

   Interest Service Coverage Ratio = Earnings before interest and tax / Interest Expense

   Debt / Equity Ratio = Total Debt / Equity

6. **Transition to Ind AS:**

The Company has adopted Ind AS with effect from April 1, 2016, with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at April 1, 2015, and all the periods presented have been restated.

RECONCILATION OF PROFIT AND RESERVE BETWEEN IND AS AND PREVIOUS INDIAN GAAP FOR EARLIER PERIODS AND AS AT MARCH 31, 2016

(₹ in crore)

Sr. No.	Nature of adjustments	Note ref.	Profit Reconciliation			Reserve Reconciliation
			Quarter ended	Half-year ended	Year ended	As at
			30 Sep'15	30 Sep'15	31 Mar'16	31 Mar'16
	Net Profit before OCI / Reserves as per Previous Indian GAAP		**6,720**	**12,942**	**27,630**	**240,703**
1	Change in accounting policy for Oil & Gas Activity - From Full Cost Method (FCM) to Successful Efforts Method (SEM)	I	(1,100)	(1,035)	(1,270)	(39,570)
2	Fair valuation as deemed cost for Property, Plant and Equipment	II	4,058	4,058	3,959	45,272
3	Fair Valuation for Financial Assets	III	(162)	(425)	(230)	4,188
4	Deferred Tax	IV	(112)	(52)	(311)	(13,665)
5	Others	V	(59)	(119)	(234)	(215)
	Total		**2,625**	**2,427**	**1,914**	**(3,990)**
	Net profit before OCI / Reserves as per Ind AS		**9,345**	**15,369**	**29,544**	**236,713**

Notes:

I. **Change in accounting policy for Oil & Gas Activity – From Full Cost Method (FCM) to Successful Efforts Method (SEM):** The impact on account of change in accounting policy from FCM to SEM is recognised in the Opening Reserves on the date of transition and consequential impact of depletion and write-offs is recognised in the Profit and Loss Account.

Major differences impacting such change of accounting policy are in the areas of:

- Expenditure on surrendered blocks, unproved wells, abandoned wells, seismic and expired leases and licenses which has been expensed under SEM.
- Depletion on producing property in SEM is calculated using Proved Developed Reserve, as against Proved Reserve in FCM.

II. **Fair valuation as deemed cost for Property, Plant and Equipment:** The Company and its subsidiaries have considered fair value for property, viz land admeasuring over 33,000 acres, situated in India, with impact of ₹ 51,101 crore and gas producing wells in USA Shale region with impact of ₹ (-) 5,829 crore in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. The consequential impact on depletion and reversal of impairment is reflected in the Profit and Loss account.

III. **Fair valuation for Financial Assets:** The Company has valued Financial Assets (other than investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account or Other Comprehensive Income, as the case may be.

IV. **Deferred Tax:** The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

V. **Others:** Other adjustments primarily comprise of -

a. Attributing time value of money to Assets Retirement Obligation: Under Ind AS, such obligation is recognised and measured at present value. Under previous Indian GAAP it was recorded at cost. The impact for the periods subsequent to the date of transition is reflected in the Profit and Loss account.

b. Loan processing fees / transaction cost: Under Ind AS such expenditure are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Profit and Loss account.

Further transition adjustments may be required to the financial statements as at March 31, 2016, including those arising from new or revised standards or interpretations issued by the Ministry of Corporate Affairs or changes in use of one or more optional exemptions from full retrospective application of certain Ind AS standards.

7. The Company retained its domestic credit ratings of "CRISIL AAA" from CRISIL and "Ind AAA" from India Rating and an investment grade rating for its international debt from Moody's as Baa2 and BBB+ from S&P.

Subsidiary Reliance Jio Infocomm Limited retained its credit ratings of "AAA (SO)/ Stable" by CRISIL and "CARE AAA (SO)" by CARE for series PPD 1 and series PPD 2 and "CRISIL AAA/Stable" by CRISIL and "ICRA AAA/ Stable" by ICRA limited for all other series.

8. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their respective meetings held on October 20, 2016. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.

UNAUDITED CONSOLIDATED BALANCE SHEET

(₹ in crore)

Sr. No.	Particulars	As at September 30, 2016	As at March 31, 2016
A	**ASSETS**		
1	**Non- Current Assets**		
	(a) Property, plant and equipment	159,246	158,440
	(b) Capital work-in-progress	205,571	174,289
	(c) Goodwill	4,919	4,254
	(d) Other Intangible assets	22,862	22,982
	(e) Intangible Assets under Development	77,202	67,135
	(f) Financial Assets		
	(i) Investments	38,703	41,055
	(ii)Loans	2,253	2,058
	(g) Other Non-current assets	8,975	15,073
	Total Non-Current Assets	**519,731**	**485,286**
2	**Current Assets**		
	(a) Inventories	51,624	46,486
	(b) Financial Assets		
	(i) Investments	43,655	42,503
	(ii) Trade Receivables	6,197	4,488
	(iii) Cash & Bank Balance	5,359	11,028
	(iv) Loans	693	861
	(v) Others Financial Assets	6,941	6,186
	(c) Other Current Assets	17,587	15,902
	Total Current Assets	**132,056**	**127,454**
	TOTAL ASSETS	**651,787**	**612,740**

(₹ in crore)

Sr. No.	Particulars	As at September 30, 2016	As at March 31, 2016
B	**EQUITY & LIABILITIES**		
1	**Equity**		
	(a) Equity Share capital	2,951	2,948
	(b) Other Equity	251,871	236,713
	Equity attributable to shareholders	**254,822**	**239,661**
2	**Non - Controlling Interest**	3,004	3,008
	Total Equity	**257,826**	**242,669**
3	**Liabilities**		
	Non - Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	154,548	141,536
	(ii) Other Financial Liabilities	3,086	2,236
	(b) Deferred Payment Liabilities	14,077	13,310
	(c) Deferred Tax Liabilities (net)	26,618	26,608
	(d) Long Term Provisions	1,282	1,231
	Total Non-Current Liabilities	**199,611**	**184,921**
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	26,634	23,752
	(ii) Trade Payables	67,512	60,550
	(iii) Other Financial Liabilities	83,339	89,189
	(b) Other Current Liabilities	15,037	9,865
	(c) Short Term Provisions	1,828	1,794
	Total Current Liabilities	**194,350**	**185,150**
	TOTAL EQUITY AND LIABILITIES	**651,787**	**612,740**

UNAUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER / HALF-YEAR ENDED SEPTEMBER 30, 2016

(₹ in crore)

Sr. No.	Particulars	Quarter ended			Half-year ended		Year ended
		30 Sep ' 16	30 June' 16	30 Sep' 15	30 Sep' 16	30 Sep' 15	31 Mar' 16
1	**Segment Revenue**						
	- Petrochemicals	22,422	20,718	21,239	43,140	42,097	82,410
	- Refining	60,527	56,568	60,768	117,095	129,497	234,945
	- Oil and Gas	1,327	1,340	2,064	2,667	4,118	7,514
	- Organized Retail	8,079	6,666	4,956	14,745	9,528	21,075
	- Others	3,147	2,419	2,377	5,566	4,530	9,340
	Gross Turnover (Turnover and Inter Segment Transfers)	**95,502**	**87,711**	**91,404**	**183,213**	**189,770**	**355,284**
	Less: Inter Segment Transfers	13,851	16,260	16,914	30,111	32,771	61,842
	Turnover	**81,651**	**71,451**	**74,490**	**153,102**	**156,999**	**293,442**
2	**Segment Results**						
	- Petrochemicals	3,417	2,806	2,522	6,223	4,851	10,186
	- Refining	5,975	6,593	5,445	12,568	10,680	23,534
	- Oil and Gas	(491)	(312)	3,326	(803)	3,525	3,391
	- Organized Retail	162	148	114	310	227	504
	- Others	131	127	191	258	442	1,104
	Total Segment Profit before Interest and Tax	**9,194**	**9,362**	**11,598**	**18,556**	**19,725**	**38,719**

(₹ in crore)

Sr. No.	Particulars	Quarter ended			Half-year ended		Year ended
		30 Sep ' 16	30 June' 16	30 Sep' 15	30 Sep' 16	30 Sep' 15	31 Mar' 16
	(i) Interest Expense	(893)	(1,206)	(993)	(2,099)	(1,908)	(3,695)
	(ii) Interest Income	951	927	829	1,878	1,668	3,245
	(iii) Other Un-allocable Income (Net of Expenditure)	632	575	(102)	1,207	(177)	226
	Profit before Tax	**9,884**	**9,658**	**11,332**	**19,542**	**19,308**	**38,495**
	(i) Provision for Current Tax	(2,347)	(2,306)	(1,779)	(4,653)	(3,591)	(8,042)
	(ii) Provision for Deferred Tax	(361)	(275)	(222)	(636)	(371)	(802)
	Profit after Tax (including share of profit/(loss) of associates & JV)	**7,176**	**7,077**	**9,331**	**14,253**	**15,346**	**29,651**
3	**Segment Assets**						
	- Petrochemicals	99,625	93,363	63,728	99,625	63,728	89,740
	- Refining	172,195	175,273	185,683	172,195	185,683	164,824
	- Oil and Gas	41,496	44,759	43,920	41,496	43,920	43,644
	- Organized Retail	10,968	10,742	8,359	10,968	8,359	10,023
	- Others	178,595	167,962	123,310	178,595	123,310	153,605
	- Unallocated	148,908	152,685	147,650	148,908	147,650	150,904
	Total Segment Assets	**651,787**	**644,784**	**572,650**	**651,787**	**572,650**	**612,740**
4	**Segment Liabilities**						
	- Petrochemicals	17,418	15,883	12,288	17,418	12,288	14,189
	- Refining	63,078	70,095	62,221	63,078	62,221	61,229
	- Oil and Gas	42,648	44,491	45,507	42,648	45,507	43,322
	- Organized Retail	5,777	5,312	3,612	5,777	3,612	4,332
	- Others	112,552	106,793	78,508	112,552	78,508	92,578
	- Unallocated	410,314	402,210	370,514	410,314	370,514	397,090
	Total Segment Liabilities	**651,787**	**644,784**	**572,650**	**651,787**	**572,650**	**612,740**

Notes to Segment Information (Consolidated) for the Quarter ended September 30, 2016

1. As per Indian Accounting Standard 108 'Operating Segment' (Ind AS 108), the Company has reported 'Segment Information', as described below:

   a) The **petrochemicals** segment includes production and marketing operations of petrochemical products namely, High density Polyethylene, Low density Polyethylene, Linear Low density Polyethylene, Polypropylene, Polyvinyl Chloride, Polyester Yarn, Polyester Fibres, Purified Terephthalic Acid, Paraxylene, Ethylene Glycol, Olefins, Aromatics, Linear Alkyl Benzene, Butadiene, Acrylonitrile, Poly Butadiene Rubber, Styrene Butadiene Rubber, Caustic Soda and Polyethylene Terephthalate.

   b) The **refining** segment includes production and marketing operations of the petroleum products.

   c) The **oil and gas** segment includes exploration, development and production of crude oil and natural gas.

   d) The **organized retail** segment includes organized retail business in India.

   e) Other business segments including broadband access & media which are not separately reportable have been grouped under the **others** segment.

   f) Other investments / assets and income from the same are considered under **unallocable**.

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / HALF-YEAR ENDED SEPTEMBER 30, 2016

(₹ in crore, except per share data)

Sr. No.	Particulars	Quarter ended			Half-year Ended		Year ended
		30 Sep' 16	30 June' 16	30 Sep' 15	30 Sep' 16	30 Sep' 15	31 Mar' 16
1	**Income from operations**	**64,344**	**59,493**	**64,515**	**123,837**	**135,927**	**251,241**
2	**Expenses**						
	(a) Cost of materials consumed	39,506	35,801	39,976	75,307	88,952	152,769
	(b) Purchases of stock-in- trade	1,944	802	1,134	2,746	2,434	4,241
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(292)	(1,734)	1,957	(2,026)	54	4,171
	(d) Excise duty and service tax recovered	4,767	5,997	3,698	10,764	9,293	18,083
	(e) Employee benefits expense	1,016	1,251	940	2,267	2,157	4,262
	(f) Depreciation, amortization and depletion expense	2,029	1,950	2,085	3,979	4,095	8,590
	(g) Other expenses	6,848	6,559	7,225	13,407	14,278	28,368
	Total Expenses	**55,818**	**50,626**	**57,015**	**106,444**	**121,263**	**220,484**
3	**Profit from operations before other income and finance costs**	**8,526**	**8,867**	**7,500**	**17,393**	**14,664**	**30,757**
4	Other Income	2,280	2,033	1,683	4,313	3,399	7,821
5	**Profit from ordinary activities before finance costs**	**10,806**	**10,900**	**9,183**	**21,706**	**18,063**	**38,578**
6	Finance costs	633	924	723	1,557	1,340	2,562
7	**Profit from ordinary activities before tax**	**10,173**	**9,976**	**8,460**	**20,149**	**16,723**	**36,016**
8	Tax expense	2,469	2,428	1,926	4,897	3,820	8,590
9	**Net Profit for the Period**	**7,704**	**7,548**	**6,534**	**15,252**	**12,903**	**27,426**
10	Other comprehensive income (after tax)	654	258	968	912	1,265	696
11	**Total comprehensive income (after tax) (OCI)**	**8,358**	**7,806**	**7,502**	**16,164**	**14,168**	**28,122**
12	Paid up Equity Share Capital, Equity Shares of ₹ 10/- each	3,243	3,242	3,238	3,243	3,238	3,240
13	Reserves excluding Revaluation Reserves						250,155
14	Earnings per share (Face value of ₹ 10) (Not Annualised)						
	(a) Basic	23.8	23.3	20.2	47.0	39.9	84.7
	(b) Diluted	23.7	23.2	20.1	47.0	39.8	84.5
15	Capital Redemption Reserve / Debenture Redemption Reserve	1,165	1,165	1,165	1,165	1,165	1,165
16	Net Worth	269,689	261,297	242,985	269,689	242,985	253,348
17	(a) Debt Service Coverage Ratio	1.11	3.09	7.06	1.63	4.45	5.39
	(b) Interest Service Coverage Ratio	17.07	11.80	12.71	13.94	13.48	15.06
	(c) Debt – Equity Ratio	0.38	0.40	0.40	0.38	0.40	0.42

Notes:

1. Result for the quarter / half-year ended September 30, 2016, are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, result for the quarter ended September 30, 2015, half-year ended September 30, 2015 and previous year ended March 31, 2016, have been restated to comply with Ind AS to make them comparable.

2. The Government of India (GOI), by its letters dated May 2, 2012, November 14, 2013, July 10, 2014 and June 3, 2016, has communicated that it proposes to disallow certain costs which the Production Sharing Contract (PSC), relating to Block KG-DWN-98/3 entitles the Company to recover. Based on legal advice received, the Company continues to maintain that a Contractor is entitled to recover all of its costs under the terms of the PSC and there are no provisions that entitle the Government to disallow the recovery of any Contract Cost as defined in the PSC. The Company has already referred the issue to arbitration and already communicated the same to GOI for resolution of disputes. Pending decision of the arbitration, the demand from the GOI of $ 148 million (for ₹ 987 crore) being the Company`s share (total demand $ 247 million) towards additional Profit Petroleum has been considered as contingent liability.

3. The listed non-convertible debentures aggregating ₹ 1,270 crore as on September 30, 2016 are secured by way of first mortgage/ charge on the Company's certain properties and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

4. Details of secured non-convertible debentures are as follows;

Sr. No.	Particulars	Previous Due Date (April 1, 2016 till September 30, 2016)		Next Due Date (October 1, 2016 till March 31, 2017)	
		Principal	**Interest**	**Principal**	**Interest**
	Reliance Industries Limited				
1.	PPD 177	-	-	November 24, 2016	November 24, 2016
2.	PPD 179 Tranche 3	-	-	-	December 8, 2016
3.	PPD 180 Tranche 1	-	May 7, 2016	-	-

Interest and Principal have been paid on the due dates.

5. Formulae for computation of ratios are as follows –

Debt Service Coverage Ratio = Earnings before interest and tax / (Interest Expense + Principal Repayments made during the period for long term loans)

Interest Service Coverage Ratio = Earnings before interest and tax / Interest Expense

Debt / Equity Ratio = Total Debt / Equity

6. **Transition to Ind AS:**

The Company has adopted Ind AS with effect from April 1, 2016, with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at April 1, 2015, and all the periods presented have been restated.

RECONCILATION OF PROFIT AND RESERVE BETWEEN IND AS AND PREVIOUS INDIAN GAAP FOR EARLIER PERIODS AND AS AT MARCH 31, 2016

(₹ in crore)

Sr. No.	Nature of adjustments	Note ref.	Profit Reconciliation			Reserve Reconciliation
			Quarter ended	**Half-year ended**	**Year ended**	**As at**
			30 Sep' 15	**30 Sep' 15**	**31 Mar' 16**	**31 Mar' 16**
	Net Profit before OCI / Reserves as per Previous Indian GAAP		**6,561**	**12,879**	**27,417**	**236,944**
1	Change in accounting policy for Oil & Gas Activity - From Full Cost Method (FCM) to Successful Efforts Method (SEM)	I	77	229	279	(20,114)
2	Fair valuation as deemed cost for Property, Plant and Equipment	II	-	-	-	41,292

(₹ in crore)

Sr. No.	Nature of adjustments	Note ref.	Profit Reconciliation			Reserve Reconciliation
			Quarter ended	Half-year ended	Year ended	As at
			30 Sep' 15	30 Sep' 15	31 Mar' 16	31 Mar' 16
3	Fair Valuation for financial assets	III	47	(72)	167	4,110
4	Deferred Tax	IV	(103)	(52)	(306)	(11,947)
5	Others	V	(48)	(81)	(131)	(130)
	Total		**(27)**	**24**	**9**	**13,211**
	Net profit before OCI / Reserves as per Ind AS		**6,534**	**12,903**	**27,426**	**250,155**

Notes:

I. **Change in accounting policy for Oil & Gas Activity – From Full Cost Method (FCM) to Successful Efforts Method (SEM):** The impact on account of change in accounting policy from FCM to SEM is recognised in the Opening Reserves on the date of transition and consequential impact of depletion and write -offs is recognized in the Profit and Loss Account.

Major differences impacting such change of accounting policy are in the areas of:

- Expenditure on surrendered blocks, unproved wells and abandoned wells, which has been expensed under SEM.
- Depletion on producing property in SEM is calculated using Proved Developed Reserve, as against Proved Reserve in FCM.

II. **Fair valuation as deemed cost for Property, Plant and Equipment:** The Company have considered fair value for property, viz land admeasuring over 30,000 acres, situated in India, with impact of ₹ 41,292 crore in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

III. **Fair valuation for Financial Assets:** The Company has valued financial assets (other than Investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account or Other Comprehensive Income, as the case may be.

IV. **Deferred Tax:** The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

V. **Others:** Other adjustments primarily comprise of -

a. Attributing time value of money to Assets Retirement Obligation: Under Ind AS, such obligation is recognised and measured at present value. Under previous Indian GAAP it was recorded at cost. The impact for the periods subsequent to the date of transition is reflected in the Profit and Loss account.

b. Loan processing fees / transaction cost: Under Ind AS such expenditure are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Profit and Loss account.

Further transition adjustments may be required to the financial statements as at March 31, 2016, including those arising from new or revised standards or interpretations issued by the Ministry of Corporate Affairs or changes in use of one or more optional exemptions from full retrospective application of certain Ind AS standards.

7. The Company retained its domestic credit ratings of “CRISIL AAA” from CRISIL and “Ind AAA” from India Rating and an investment grade rating for its international debt from Moody’s as Baa2 and BBB+ from S&P.

8. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their respective meetings held on October 20, 2016. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.

UNAUDITED STANDALONE BALANCE SHEET

(₹ in crore)

Sr. No.	Particulars	As at September 30, 2016	As at March 31, 2016
A	**ASSETS**		
1	**Non- Current Assets**		
	(a) Property, Plant and Equipment	131,916	132,662
	(b) Capital Work-in-Progress	109,800	96,994
	(c) Intangible Assets	14,725	14,881
	(d) Intangible Assets under Development	14,796	14,014
	(e) Financial Assets		
	(i) Investments	116,891	115,134
	(ii) Loans	10,368	11,812
	(f) Other Non-current Assets	2,638	4,394
	Total Non-Current Assets	**401,134**	**389,891**
2	**Current Assets**		
	(a) Inventories	32,777	28,034
	(b) Financial Assets		
	(i) Investments	43,284	42,116
	(ii) Trade Receivables	4,234	3,495
	(iii) Cash & Bank Balance	4,412	6,892
	(iv) Loans	6,808	4,973
	(v) Others Financial Asset	2,625	2,654
	(c) Other Current Assets	5,156	4,038
	Total Current assets	**99,296**	**92,202**
	TOTAL ASSETS	**500,430**	**482,093**
B	**EQUITY & LIABILITIES**		
1	**Equity**		
	(a) Equity Share capital	3,243	3,240
	(b) Other Equity	266,494	250,155
	Total Equity	**269,737**	**253,395**
2	**Liabilities**		
	Non - Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	80,004	77,504
	(b) Deferred Tax Liabilities (net)	25,620	25,106
	(c) Long Term Provisions	1,119	1,066
	Total Non Current Liabilities	**106,743**	**103,676**
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	16,419	14,490
	(ii) Trade Payables	58,999	54,521
	(iii) Other Financial Liabilities	34,454	46,493
	(b) Other Current Liabilities	12,822	8,348
	(c) Short Term Provisions	1,256	1,170
	Total Current Liabilities	**123,950**	**125,022**
	TOTAL EQUITY AND LIABILITIES	**500,430**	**482,093**

UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER / HALF-YEAR ENDED SEPTEMBER 30, 2016

(₹ in crore)

Sr. No.	Particulars	Quarter ended			Half-year ended		Year ended
		30 Sep' 16	30 June' 16	30 Sep' 15	30 Sep' 16	30 Sep' 15	31 Mar' 16
1	**Segment Revenue**						
	- Petrochemicals	21,293	19,409	19,851	40,702	39,403	76,982
	- Refining	51,838	48,946	51,265	100,784	112,623	202,504
	- Oil and Gas	701	783	1,166	1,484	2,366	4,259
	- Others	305	234	278	539	474	1,086
	Gross Turnover (Turnover and Inter Segment Transfers)	**74,137**	**69,372**	**72,560**	**143,509**	**154,866**	**284,831**
	Less: Inter Segment Transfers	9,793	9,879	8,045	19,672	18,939	33,590
	Turnover	**64,344**	**59,493**	**64,515**	**123,837**	**135,927**	**251,241**
2	**Segment Results**						
	- Petrochemicals	3,464	2,901	2,511	6,365	4,960	10,264
	- Refining	5,901	6,581	5,399	12,482	10,522	23,201
	- Oil and Gas	24	48	137	72	371	373
	- Others	90	99	56	189	119	295
	Total Segment Profit before Interest and Tax	**9,479**	**9,629**	**8,103**	**19,108**	**15,972**	**34,133**
	(i) Interest Expense	(633)	(924)	(723)	(1,557)	(1,340)	(2,562)
	(ii) Interest Income	1,072	1,128	1,093	2,200	2,148	4,169
	(iii) Other Un-allocable Income (Net of Expenditure)	255	143	(13)	398	(57)	276
	Profit before Tax	**10,173**	**9,976**	**8,460**	**20,149**	**16,723**	**36,016**
	(i) Provision for Current Tax	(2,217)	(2,192)	(1,750)	(4,409)	(3,472)	(7,802)
	(ii) Provision for Deferred Tax	(252)	(236)	(176)	(488)	(348)	(788)
	Profit after Tax	**7,704**	**7,548**	**6,534**	**15,252**	**12,903**	**27,426**
3	**Segment Assets**						
	- Petrochemicals	94,861	88,572	60,686	94,861	60,686	86,280
	- Refining	171,116	174,266	181,643	171,116	181,643	163,123
	- Oil and Gas	24,990	25,234	23,308	24,990	23,308	24,467
	- Others	62,778	59,047	46,877	62,778	46,877	58,977
	- Unallocated	146,685	150,954	140,477	146,685	140,477	149,246
	Total Segment Assets	**500,430**	**498,073**	**452,991**	**500,430**	**452,991**	**482,093**
4	**Segment Liabilities**						
	- Petrochemicals	15,379	13,902	10,044	15,379	10,044	12,205
	- Refining	60,821	67,790	59,555	60,821	59,555	59,900
	- Oil and Gas	4,599	4,653	3,641	4,599	3,641	4,457
	- Others	638	558	913	638	913	687
	- Unallocated	418,993	411,170	378,838	418,993	378,838	404,844
	Total Segment Liabilities	**500,430**	**498,073**	**452,991**	**500,430**	**452,991**	**482,093**

Notes to Segment Information (Standalone) for the Quarter ended September 30, 2016

1. As per Indian Accounting Standard 108 'Operating Segment' (Ind AS 108), the Company has reported 'Segment Information', as described below:

    a) The **petrochemicals** segment includes production and marketing operations of petrochemical products namely, High density Polyethylene, Low density Polyethylene, Linear Low density Polyethylene, Polypropylene, Polyvinyl Chloride, Polyester Yarn, Polyester Fibres, Purified Terephthalic Acid, Paraxylene, Ethylene Glycol, Olefins, Aromatics, Linear Alkyl Benzene, Butadiene, Acrylonitrile, Poly Butadiene Rubber, Styrene Butadiene Rubber, Caustic Soda and Polyethylene Terephthalate.

    b) The **refining** segment includes production and marketing operations of the petroleum products.

    c) The **oil and gas** segment includes exploration, development and production of crude oil and natural gas.

    d) The smaller business segments not separately reportable have been grouped under the **others** segment.

    e) Other investments / assets and income from the same are considered under **unallocable**.

For Reliance Industries Limited

Mukesh D. Ambani
Chairman & Managing Director

October 20, 2016