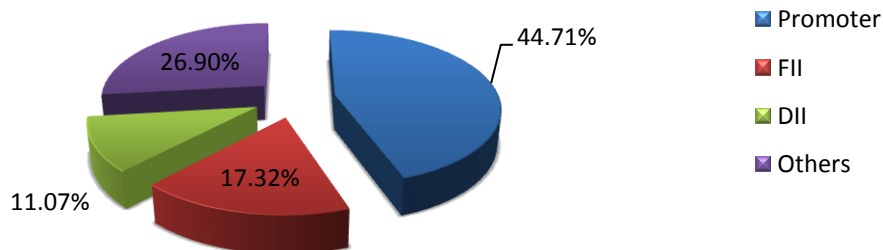




Stock details	
BSE Group	A
BSE Code	500325
CMP (Rs.)	838.40
Market Capitalization (Rs. In Cr)	274511
Face Value (Rs.)	10.00
Book Value (Rs.)	446.11
52 Wk High (BSE)	1187.00 (1 <sup>st</sup> November 2010)
52 Wk Low (BSE)	713.55 (26 <sup>th</sup> August 2011)

### Share Holding Pattern as on 30<sup>th</sup> September 2011



### Shareholding Pattern of More than 1 % as on 30<sup>th</sup> Sep, 2011:

Sl. No.	Name of the Shareholder	No. of Shares	Shares as % of Total No. of Shares
1	Life Insurance Corporation of India	235,109,204	7.18
2	Franklin Templeton Investment Funds	34,535,110	1.05
3	Reliance Chemicals Ltd	62,239,998	1.90
4	Reliance Polyolefins Ltd	61,194,924	1.87
	<b>Total</b>	<b>393,079,236</b>	<b>12.00</b>

**Financial Performance :**

Particulars (Rs in Cr.)	Q2 FY12	Q2 FY11	% chg y-o-y	Q1 FY12	% chg q-o-q	HY 12	HY 11	% chg
<b>Net Sales</b>	<b>78569</b>	<b>57479</b>	<b>36.69</b>	<b>81018</b>	<b>-3.02</b>	<b>159587</b>	<b>115707</b>	37.92
Raw Materials	63568	43554	45.95	65913	-3.56	129481	88240	46.74
Staff Cost	715	660	8.33	878	-18.56	1593	1277	24.75
Other Expenses	4442	3869	14.81	4301	3.28	8743	7452	17.32
<b>EBITDA</b>	<b>9844</b>	<b>9396</b>	<b>4.77</b>	<b>9926</b>	<b>-0.83</b>	<b>19770</b>	<b>18738</b>	5.51
Depreciation	2969	3377	-12.08	3195	-7.07	6164	6862	-10.17
Interest	660	542	21.77	545	21.10	1205	1083	11.27
Other Income	1102	672	63.99	1078	2.23	2180	1394	56.38
<b>PBT</b>	<b>7317</b>	<b>6149</b>	<b>18.99</b>	<b>7264</b>	<b>0.73</b>	<b>14581</b>	<b>12187</b>	19.64
Tax	1614	1226	31.65	1603	0.69	3217	2413	33.32
Rate (%)	22.1	19.9	11.06	22.1	0.00	22.1	19.9	10.87
<b>PAT</b>	<b>5703</b>	<b>4923</b>	<b>15.84</b>	<b>5661</b>	<b>0.74</b>	<b>11364</b>	<b>9774</b>	16.27
<b>EPS (INR/share)</b>	<b>17.4</b>	<b>15.1</b>	<b>15.23</b>	<b>17.3</b>	<b>0.58</b>	<b>34.7</b>	<b>29.9</b>	16.05

**Highlights of Half Years Performance :**

- Net Sales increased by 37.92% to Rs. 159587 crore
- Exports increased by 52.2% to Rs. 101872 crore
- PBDIT increased by 9.0% to Rs. 21950 crore
- Profit Before Tax increased by 19.6% to Rs. 14581 crore
- Cash profit increased by 4.6% to Rs. 17828 crore
- Net Profit increased by 16.27% to Rs. 11364 crore
- Gross Refining Margin at \$ 10.1/bbl for the quarter and \$ 10.2/bbl for the half year ended 30<sup>th</sup> September 2011
- Other Expenditure increased by 17.3% due to higher power & fuel expenses and exchange difference
- Other Income was higher by 56.38% on a year-on-year basis primarily due to higher average liquid investments



- Outstanding debt as on 30<sup>th</sup> September 2011 was Rs. 71399 crore compared to Rs. 67397 crore as on 30<sup>th</sup> March 2011. Net gearing as on 30<sup>th</sup> September 2011 was 5.4% as against 13.5% as on 30<sup>th</sup> March 2011. RIL had cash and cash equivalents of Rs. 61490 crore

### OIL AND GAS (EXPLORATION & PRODUCTION) BUSINESS:

Par (Rs in Cr.)	Q2 FY12	Q2 FY11	% chg y-o-y	Q1 FY12	% chg q-o-q	HY 12	HY 11	% chg
Segment Revenue	3563	4303	-17.20	3894	-8.50	7457	8968	-16.85
Segment EBIT	1531	1706	-10.26	1473	3.94	3005	3627	-17.15
EBIT Margin (%)	43	39.6	8.59	37.8	13.76	40.3	40.4	-0.25

### Oil and Gas Prices

For the quarter ended 30<sup>th</sup> September 2011 Brent prices were \$112/bbl as compared to \$77/bbl in the quarter ending September 30<sup>th</sup> 2010.

For the six months ended 30<sup>th</sup> September 2011 Brent prices were \$114/bbl as compared to \$78/bbl in September 2010.

### KG-D6 Operations:

Production from KG-D6 was 2.7 million barrels of crude oil, and 303.4 BCF of natural gas, a reduction of 42.1% and 20.3% respectively on a year-on-year basis. The reduction in production was mainly due to reservoir complexity. Production of gas condensate was 0.40 million barrels, an increase of 26.3% over the previous period.

Operational update-

- Cumulative gas sale of 1520 BCF since start of production.
- Cumulative gas sale of 146 BCF in Q2 FY12



**Panna - Mukta and Tapti (PMT):**

On a year –on-year basis (1H FY versus 1H FY 11), gas production from Panna –Mukta increased by 63% to 35.2 BCF and oil production increased by 39% to 5.2 million barrels of crude oil. This sharp increase was mainly due to the block achieving its normalized production which has been impacted due to shutdown in 1H FY11

Production from Tapti decreased due to a natural decline and was 39.8 BCF of natural gas and 0.5 million barrels of condensate, a decrease of 22.8% and 25.5% respectively

**International Operations (Shale Gas):**

The Joint Venture with Chevron and Pioneer commenced production this year. The gross JVs production as on September 30, 2011 was 210 MMSCFD of gas and 24.7 MBPD of condensate per day

**REFINING AND MARKETING BUSINESS:**

Par (Rs in Cr.)	Q2 FY12	Q2 FY11	% chg y-o-y	Q1 FY12	% chg q-o-q	HY 12	HY 11	% chg
Segment Revenue	68096	49672	37.09	73689	-7.59	141785	100203	41.50
Segment EBIT	3075	2192	40.28	3199	-3.88	6274	4227	48.43
Crude Refined (Mn Tonnes)	17.1	16.9		17		34.1	33.8	
GRM (\$/bbl)	10.1	7.9		10.3		10.2	7.7	
EBIT Margin (%)	4.5	4.4		4.3		4.4	4.2	

During the half year ended 30<sup>th</sup> September 2011, RIL refineries processed a record 34.1 million tonnes of crude oil achieving a utilization rate of over 110%. In comparison, average refinery utilization rate was 84.9% in North America, 75.5% in Europe and 85% in Asia



The Refining and Marketing segment achieved record revenue of Rs. 141785 crore an increase of 41% on a year-on-year basis. Higher prices accounted for 38% growth in revenue while increase in volume accounted for 3.5% growth in revenue

For HY 12, RIL achieved a GRM of \$ 10.2/bbl, an increase of 32% on a year-on-year basis

### **Petrochemical Business:**

Par (Rs in Cr.)	Q2 FY12	Q2 FY11	% chg y-o-y	Q1 FY12	% chg q-o-q	HY 12	HY 11	% chg
Segment Revenue	21066	15096	39.55	18366	14.70	39432	28999	35.98
Segment EBIT	2422	2197	10.24	2215	9.35	4637	4250	9.11
EBIT Margin (%)	11.5	14.6		12.1		11.8	14.7	
Production (Mn Tonnes)	5.7	5.4		5.5		11.2	10.3	

This was the highest ever half yearly EBIT for the petrochemicals business. EBIT margins for the half year ended 30<sup>th</sup> September 2011 were at 11.8% as compared to 14.7% in the corresponding period of the previous year due to the base effect of higher revenues. On a trailing quarter basis, EBIT margins reduced due to higher depreciation on account of capitalization of Exchange difference

The production from Crackers of ethylene increased by 17% to 929 thousand tonnes while the production of propylene increased by 15% to 382 thousand tonnes as compared to the corresponding period of the previous year. This was due to cracker turnaround at Hazira, Nagothane and Gandhar manufacturing sites during the corresponding period of the previous year. Polymer (PP, PE and PVC) production increased by 11% to 2.2 million tonnes

**In the near term, key earnings driver for RIL would be further strength in GRMs and recovery in petrochemical spreads**

**Disclaimer:**

**Analyst Holding: Yes**  
**Recommended to Clients: Yes**  
**Relationship with Management: No**

Persons into whose possession this document may come are required to observe these restrictions. This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients and Associates of arm research. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither arm research, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We and our affiliates, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. No part of this material may be duplicated in any form and/or redistributed without arm research's prior written consent.

**Contact us: [research@armresearch.in](mailto:research@armresearch.in)**  
**[pr@armresearch.in](mailto:pr@armresearch.in)**  
**Tel No: 022- 26394073/97**