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The Board of Directors and Audit Committee
Reliance Industries Limited
Maker Chambers IV, 3rd Floor, 222,
Nariman Point,
Mumbai 400021

The Board of Directors and Audit Committee
Reliance Strategic Investments Limited
9th Floor, Maker Chambers IV,
222, Nariman Point, Mumbai
400021

15 November 2022

Sub: Recommendation of equity share entitlement ratio for the proposed demerger ("Transaction") of the financial services undertaking from Reliance Industries Limited ("Demerged Company", "Client", "You") and its transfer to and vesting into Reliance Strategic Investments Limited ("Resulting Company")

Dear Sirs,

We refer to the engagement letter dated 11th October 2022 and addendum dated 15th November 2022 whereby Reliance Industries Limited ("RIL" or "Demerged Company") and Reliance Strategic Investments Limited ("RSIL" or "Resulting Company") has requested KPMG Valuation Services LLP ("KPMG" or "Valuer" or "us" or "we") to recommend an equity share entitlement ratio in connection with the proposed demerger ("Proposed Demerger" or "Transaction") of Financial Services Business (including its investment in Reliance Industrial Investments and Holdings Limited) (referred as "Demerged Undertaking" and more specifically defined below) from RIL and its transfer to and vesting into RSIL. RIL and RSIL shall collectively be referred to as "Parties" or "Clients" or "Companies".

SCOPE AND PURPOSE OF THE REPORT

We understand that RIL proposes to demerge and transfer the Demerged Undertaking to RSIL as specified in the proposed Scheme of arrangement. This is proposed to be achieved by way of a scheme of arrangement under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013 ("Proposed Scheme"). Under the Proposed Scheme, as consideration for the transfer of Demerged Undertaking, the shareholders of RIL will be issued equity shares of RSIL.

KPMG has been requested by the Clients to submit a letter recommending an equity share entitlement ratio, as at date of this report, in connection with the Transaction. We understand that this Share entitlement ratio Report ("Report") will be used by the Clients for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before, or shared with judicial, regulatory or government authorities, in connection with the Transaction.

The scope of our services is to arrive at the equity share entitlement ratio for the aforesaid Transaction in accordance with generally accepted professional standards and the standards prescribed by the Institute of Chartered Accountants of India.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. This final written Report shall supersede all previous oral, written, draft or interim advice, or reports and presentations, and no reliance will be placed by you on any such oral, draft or interim advice, reports or presentations other than at your own risk. No such previous versions of the Report should be relied on or used by you for any purpose. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



Demerged Undertaking

Demerged Undertaking means the undertaking of the Demerged Company pertaining to the Financial Services Business and shall include (without Limitation) investment in Reliance Industrial Investments and Holdings Limited ("RIIHL") including its subsidiaries, which terms have more specifically been defined in the Proposed Scheme.

SOURCES OF INFORMATION

In connection with preparing this Report, we have received the following information from the Parties:

- Shareholding pattern of the Parties as on 21st October, 2022;
- Interviews and discussions with the management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Arrangement received by Us on 15th November, 2022;
- Details of current and proposed corporate structure;
- Other information, explanations and representations that were required and provided by the Management;
- Such other analysis, review and enquires, as we considered necessary.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended equity share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Report and other information provided by the management.

A valuation of this nature is necessarily based on the information made available to us as of, the date hereof and the prevailing market conditions, if impacting the company. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information received from the Parties till 15th November, 2022 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of equity share entitlement ratio is not a precise science and the conclusions arrived at, in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single equity share entitlement ratio. While we have provided our recommendation of the equity share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the equity share entitlement ratio of the equity shares of RIL and the Demerged Undertaking. You acknowledge and agree that you have the final responsibility for the determination of the equity share entitlement ratio at which the Proposed Demerger shall take place and factors other than our Report will need to be taken into account in determining the equity share entitlement ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification the accuracy and completeness of information made available to us by RIL and RSIL. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory



matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by RIL and RSIL is accurate.

Our conclusions are based on these assumptions and information given by/ on behalf of the Parties. The Management of Parties has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors, incompleteness or inaccuracies in the information furnished by the Parties and its impact on the Report. Also, we assume no responsibility for technical information (if any) furnished by the Parties. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of Parties, their directors, employees or agents. In no circumstances shall the liability of the valuer, its partners, directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the provisional financial statements of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

This Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We have carried out valuation in accordance with the principles laid in ICAI Valuation Standards, as applicable to the purpose and terms of this engagement.

The fee for the Engagement is not contingent upon the results of the Report.

We owe responsibility to the Board of Directors of Parties, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Report. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without our prior consent. In addition, this Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

BACKGROUND OF THE COMPANIES

a. Reliance Industries Limited

Reliance Industries Limited is a company incorporated under the Companies Act, 1956 having its registered office at 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai, Maharashtra 400 021, India. The equity shares of the Client are listed on the Stock Exchanges (as provided in the Proposed Scheme). The share capital structure of the Demerged Company as on 21st October 2022 is as follows:



The share capital structure of the Demerged Company as of 21st October 2022 is as follows:

RIL

Share Capital	Amount (INR)
Authorised Share Capital	
1400,00,00,000 equity shares of Rs 10 each	140,000,000,000
100,00,00,000 preference shares of Rs 10 each	10,000,000,000
Total	150,000,000,000
Issued, Subscribed and Paid-up Share Capital	
676,53,73,111 equity shares of Rs 10 each (fully paid up)	67,653,731,110
3,41,236 equity shares of Rs 10 each (INR 2.5 paid up)	853,090
2,79,667 equity shares of Rs 10 each (INR 5 paid up)	1,398,335
Total	67,655,982,535

Source: Management

Subsequent to the above date, there has been no change in the authorized, issued, and subscribed capital of the Demerged Company till the date of approval of the Scheme by the Board of the Demerged Company.

The Demerged Company has outstanding employee stock options under its existing stock option scheme(s), the exercise of which may result in an increase in the issued and paid-up share capital of the Demerged Company. Further, payment of call money by the shareholders holding partly paid equity shares will result in increase in paid up share capital of the Demerged Company.

b. Reliance Strategic Investments Limited

Reliance Strategic Investments Limited is a company incorporated under the provisions of the Companies Act, 1956 having its registered office 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai, Maharashtra 400 021 and Corporate identity Number U659990MH1999PLC120918.RSIL is a wholly owned subsidiary of RIL.

The share capital structure of the Resulting Company as on 21st October 2022 is as follows:

Share Capital	Amount (INR)
Authorised Share Capital	
21,00,000 equity shares of Rs 10 each	21,000,000
2,25,00,000 preference shares of Rs 100 each	2,250,000,000
5,00,00,000 preference shares of Rs 1 each	50,000,000
Total	2,321,000,000
Issued, Subscribed and Paid-up Share Capital	
20,20,200 equity shares of Rs 10 each	20,202,000
31,48,155 non-convertible compulsory preference shares of Rs 1 each	3,148,155
Total	23,350,155

Source: Management

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Resulting Company.

BASIS OF TRANSACTION – PROPOSED SCHEME

The Scheme contemplates the demerger of the Demerged Undertaking from RIL into RSIL pursuant to the Proposed Scheme.

The share entitlement ratio proposed in the Scheme is 1:1. If shares are allotted to all shareholders of RIL, then the shareholding pattern of RIL and RSIL will be identical and every shareholder of RIL will hold same percentage of equity ownership in RSIL as he owns in RIL (*inter se*). This mirror shareholding however, shall be subject to the adjustment wherein, as confirmed by the Client, in order to comply with Section 232(3) of Companies Act, 2013 no shares of RSIL shall be allotted to Petroleum Trust and Reliance Service and Holdings Limited ("RSHL"). Accordingly, any entitlement ratio can be considered fair for the above demerger including the entitlement ratio proposed in this Report (subject to the adjustments mentioned above).



Further, we understand that in the event of there being partly paid up equity shares in the Demerged Company, with respect to the shareholders of the Demerged Company who hold such partly paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date, the Resulting Company shall issue and allot to the Trustee of a Trust to be set up by the Demerged Company, 1 (One) equity share of the Resulting Company having face value of Rs 10 (Rupees Ten) each, credited as fully paid up, for every 1 (One) partly paid up equity share of Rs 10 (Rupees Ten) each. The Trustee shall hold these equity shares in trust for the benefit of the shareholders of the Demerged Company holding partly paid up shares of the Demerged Company. As and when such shareholders pay the balance amount due to the Demerged Company and the partly paid up equity shares become fully paid up equity shares, the Trustee shall transfer such number of fully paid up equity shares of the Resulting Company, as per the eligibility of such shareholder, to his demat account.

BASIS OF EQUITY SHARE ENTITLEMENT RATIO

Upon the Proposed Scheme coming into effect and in consideration of the demerger of the Demerged Undertaking and subject to the provisions of the Proposed Scheme, the Resulting Company shall issue and allot to the equity shareholder(s) of the Demerged Company, whose name is recorded in the register of members and/ or records of the depository on the Record Date.

As set out above, RSIL is wholly owned subsidiary of RIL, hence all the shareholders of RIL (except for Petroleum Trust and RSHL as mentioned above) would also become shareholders of RSIL and their shareholding would mirror in the Resulting Company.

We understand that,

- ***In consideration for the demerger of Demerged Undertaking, Reliance Strategic Investments Limited (RSIL) proposes to issue 1 (One) equity share having face value of INR 10 (Rupees Ten) each, credited as fully paid up, for every 1 (one) fully paid up equity share of INR 10 (Rupees Ten) each of RIL.***

As per the Proposed Scheme, no equity shares will be issued by the Resulting Company in respect of the shares of the Demerged Company held by trust(s) or entities controlled by the said trust, wherein the sole beneficiary after the demerger is a subsidiary of the Resulting Company.

For the purpose of the above clauses Record Date means the date to be fixed by the Board of the Resulting Company in consultation with the Board of the Demerged Company, for the purpose of determining the shareholders of the Demerged Company for issue of the shares of the Resulting Company.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion (*inter se*) being proposed for the Resulting Company is identical to that of the Demerged Company, the beneficial economic interest of the equity shareholders of RIL in the Resulting Company will remain same at the time of the Transaction.

We believe that the above share entitlement ratio is fair and reasonable considering that all eligible shareholders of RIL are and will, upon the demerger, be the ultimate economic beneficial owners of the Resulting Company and in the same ratio (*inter se*) as they hold shares in RIL, as on the Record Date to be decided by Board of Clients in the Proposed Scheme.

Our Report and Share Entitlement Ratio is based on the envisaged equity share capital structure of Parties as mentioned earlier in this Report. Any material variation in the equity capital structures of Parties apart from the above mentioned Proposed Scheme may impact the Share Entitlement Ratio.

Respectfully submitted.

For KPMG Valuation Services LLP



Amit Jain

Registered Valuer

RV No. – IBBI/RV-E/06/2020/115



To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between (i) Reliance Industries Limited ("the Company" or the "Demerged Company") and its shareholders and creditors; and (ii) Reliance Strategic Investments Limited ("RSIL" or the "Resulting Company") and its shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

In connection with the above application, we hereby confirm that:

- a) no material event impacting the share entitlement ratio has occurred during the intervening period of filing the scheme documents with Stock Exchanges and period under consideration; and
- b) there are no past defaults of listed debt obligations of the entities forming part of the Scheme.

For Reliance Industries Limited


Savithri Parekh
Company Secretary and
Compliance Officer



Place: Mumbai

Date: November 16, 2022