

IN THE NATIONAL COMPANY LAW TRIBUNAL,
COURT - III, MUMBAI BENCH

C.A.(CAA)/57/MB/2023

IN THE MATTER OF SECTIONS 230
TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES
ACT, 2013

AND

IN THE MATTER OF THE SCHEME OF
ARRANGEMENT BETWEEN
RELIANCE INDUSTRIES LIMITED
AND ITS SHAREHOLDERS AND
CREDITORS & RELIANCE
STRATEGIC INVESTMENTS LIMITED
AND ITS SHAREHOLDERS AND
CREDITORS

Reliance Industries Limited, a)
company incorporated under)
provisions of the Companies Act,)
1956, having Corporate Identity)
Number)
L17110MH1973PLC019786 and)
its registered office at 3rd Floor,)
Maker Chambers IV, 222,)
Nariman Point, Mumbai - 400)
021, Maharashtra, India)



...First Applicant Company /
Demerged Company / RIL

Reliance Strategic Investments)
Limited, a company incorporated)
under the provisions of the)
Companies Act, 1956, having)
Corporate Identity Number)
U65990MH1999PLC120918 and)
its registered office at 9th Floor,)
Maker Chambers IV, 222,)
Nariman Point, Mumbai - 400)
021, Maharashtra, India.)

...Second Applicant Company /
Resulting Company / RSIL

... Collectively referred to as
Applicant Companies

Order Reserved on: 10.03.2023

Order Delivered on: 27.03.2023

Coram:

Sh. H.V. Subba Rao, Hon'ble Member (Judicial)

Sh. Prabhat Kumar, Hon'ble Member (Technical)

Appearances (via videoconferencing):

For the Applicants: Mr. Gaurav Joshi, Advocate and Ms. Diya Bharna i/b
Khaitan & Co, Advocates for the Applicant Companies

ORDER

Per: H.V. Subba Rao, Member (Judicial)

1. The Bench is convened by video conference on 10.03.2023.
2. Reliance Industries Limited (the "First Applicant Company" or the "Demerged Company") and its shareholders and creditors & Reliance Strategic Investments Limited (the "Second Applicant Company" or the "Resulting Company") and its shareholders and creditors are entering into a scheme of arrangement ("Scheme").



3. The Scheme provides for: (a) demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the First Applicant Company into the Second Applicant Company on a *going concern* basis, and issue of 1 (One) fully paid-up equity share of the Second Applicant Company having face value of Rs 10 (Rupees Ten) each for every 1 (One) fully paid-up equity share of Rs 10 (Rupees Ten) each of the First Applicant Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income Tax Act (*as defined in the Scheme*), listing of equity shares of the Second Applicant Company on BSE Limited and National Stock Exchange of India Limited; and (b) reduction and cancellation of the entire pre-Scheme share capital of the Second Applicant Company. The Scheme also provides for various other matters consequent and incidental thereto.
4. The First Applicant having Corporate Identity Number (CIN) L17110MH1973PLC019786 was incorporated on May 8, 1973, under the provisions of the Companies Act, 1956 under the name 'Mynylon Limited'. This name of 'Mynylon Limited' was subsequently changed to 'Reliance Textile Industries Limited' on March 11, 1977. A certificate of incorporation consequent upon change of name has been issued by the Registrar of Companies, Karnataka, Bangalore. The registered office of the First Applicant Company was changed from the State of Karnataka to the State of Maharashtra, and certificates of registration of the order of the Company law Board confirming such transfer of registered office had been issued by the Registrar of Companies, Maharashtra, Bombay on August 4, 1977, and by the Registrar of Companies, Karnataka, Bangalore on August 5, 1977. The name 'Reliance Textiles Industries Limited' was subsequently changed to the present name, 'Reliance Industries Limited' on June 27, 1985. A certificate of incorporation consequent upon change of name had been issued by the Registrar of Companies, Maharashtra, Mumbai. The First Applicant Company, *inter alia*, has multiple undertakings viz., digital services, retail,

financial services, advanced materials and composites, renewables (solar and hydrogen), exploration & production and oil to chemicals. The equity shares and non-convertible debentures of the First Applicant Company are listed on BSE Limited and National Stock Exchange of India Limited. The global depository receipts of the First Applicant Company are listed on Luxembourg Stock Exchange and are traded on the International Order Book (IOB) (London Stock Exchange) and amongst qualified institutional investors on the over-the-counter (OTC) market in the United States of America. The foreign currency bonds of the First Applicant Company are listed on the Singapore Exchange Limited, Luxembourg Stock Exchange and India International Exchange (IFSC) Limited.

5. The Second Applicant Company having Corporate Identity Number (CIN) U65990MH1999PLC120918 was incorporated on July 22, 1999, under the provisions of the Companies Act, 1956 under the name 'Reliance Strategic Investments Private Limited'. This name of 'Reliance Strategic Investments Private Limited' was subsequently changed to 'Reliance Strategic Investments Limited' on January 14, 2002. A certificate of incorporation consequent upon change of name has been issued by the Registrar of Companies, Maharashtra, Mumbai. The Second Applicant Company is a registered non-banking financial company (NBFC) (systemically important non-deposit taking non-banking financial company). The equity shares of the Second Applicant Company are presently not listed on the stock exchanges. The Second Applicant Company is a wholly owned subsidiary of the First Applicant Company.
6. The registered offices of the Applicant Companies are situated in Mumbai, Maharashtra and hence the subject matter of the Application is within the jurisdiction of the Hon'ble National Company Law Tribunal, Mumbai Bench.



7. Learned Senior Counsel for the Applicant Companies submits that the rationale of the Scheme is:

- (i) *“The Demerged Company is India’s biggest conglomerate with interests in multiple businesses. One amongst the multiple businesses carried on by the Demerged Company is the Financial Services Business (as defined hereinafter) which is carried on by the Demerged Company directly and through its subsidiaries and joint ventures.*
- (ii) *Further growth and expansion of the Financial Services Business would require differentiated strategy aligned to its industry specific risks, market dynamics and growth trajectory.*
- (iii) *The nature and competition involved in the financial services business is distinct from the other businesses and it is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.*
- (iv) *The following benefits shall accrue on demerger of the Financial Services Business:*
 - a. *creation of an independent company focusing exclusively on financial services and exploring opportunities in the said sector;*
 - b. *the independent company can attract different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the financial services business;*
 - c. *a financial services company can have a higher leverage (as compared to the Demerged Company) for its growth; and*
 - d. *unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company.*

The Scheme is in the interests of all stakeholders of the Demerged Company and the Resulting Company.”



8. Appointed Date means closing business hours of March 31, 2023 or such other date as may be approved by the Boards of the Demerged Company and the Resulting Company.

FIRST APPLICANT COMPANY

9. The Learned Senior Counsel for the Applicant Companies submits that as on December 31, 2022, the First Applicant Company has 33,62,915 equity shareholders holding 676,59,94,014 equity shares (including shareholders holding shares on which calls are in arrears). A meeting of the equity shareholders of the First Applicant Company be convened on Tuesday, 2nd May, 2023 instead of Thursday, 27th April, 2023, as mention in the minutes of the order at the request of the counsel for the Petitioner due to lack of time of 30 (thirty) days in sending the notices. The meeting to be convened through video conferencing or other audio-visual means, for the purpose of considering, and, if thought fit, approving, with or without modification(s), the Scheme, wherein the equity shareholders of the First Applicant Company will be able to cast their votes electronically. In addition to the above, the First Applicant Company shall provide facility of remote e-voting to its equity shareholders to cast their vote.
10. The Learned Senior Counsel for the Applicant Companies submits that there are no preference shareholders of the First Applicant Company as on date of hearing of the present Company Scheme Application; and therefore, the question of convening and holding the meeting of the preference shareholders of the First Applicant Company does not arise.
11. The Learned Senior Counsel for the Applicant Companies submits that as on December 31, 2022, there are 90 secured creditors of the First Applicant Company having an outstanding amount of Rs.



49287,87,43,400/- . A meeting of the secured creditors of the First Applicant Company be convened on Tuesday, 2nd May, 2023 instead of Thursday, 27th April, 2023, as mention in the minutes of the order at the request of the counsel for the Petitioner due to lack of time of 30 (thirty) days in sending the notices. The meeting to be convened through video conferencing or other audio-visual means, for the purpose of considering, and, if thought fit, approving, with or without modification(s), the Scheme, wherein the secured creditors of the First Applicant Company will be able to cast their votes electronically. In addition to the above, the Applicant Company shall provide facility of remote e-voting to its secured creditors to cast their vote.

12. The Learned Senior Counsel for the Applicant Companies submits that as on December 31, 2022, there are 13,800 unsecured creditors of the First Applicant Company having an outstanding amount of Rs. 268813,03,51,338/- . A meeting of the unsecured creditors of the First Applicant Company be convened on Tuesday, 2nd May, 2023 instead of Thursday, 27th April, 2023, as mention in the minutes of the order at the request of the counsel for the Petitioner due to lack of time of 30 (thirty) days in sending the notices. The meeting to be convened through video conferencing or other audio-visual means, for the purpose of considering, and, if thought fit, approving, with or without modification(s), the Scheme, wherein the unsecured creditors of the First Applicant Company will be able to cast their votes electronically. In addition to the above, the First Applicant Company shall provide facility of remote e-voting to its unsecured creditors to cast their vote.

13. In terms of the meetings to be convened of equity shareholders, secured creditors and unsecured creditors of the First Applicant Company, it is hereby directed as under:



- i. At least 1 (one) month before the said meetings of the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company to be held as aforesaid, a notice convening the said meetings at the day, date and time as fixed in accordance with para nos. (9), (11) and (12) above, together with a copy of the Scheme, a copy of the Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent to the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company by electronic mail to their registered e-mail address, as per the records of the First Applicant Company, in terms of circular dated December 28, 2022 read together with circulars dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, and May 5, 2022 (including any amendments and clarifications thereto), issued by the Ministry of Corporate Affairs, as applicable to the manner in which notices are required to be sent. The First Applicant Company shall ensure that, the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company whose e-mail addresses are not available with the First Applicant Company or who have not received notice convening said meetings, can access/download the said notices from the website of the First Applicant Company viz., www.ril.com and the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The said notices will mention the procedure to register and vote on the resolution proposed under respective notices.



- ii. At least 30 (Thirty) days before the meetings of the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company to be held as aforesaid, a notice convening the said meeting, at the date and time fixed in accordance with para nos. (9), (11) and (12) above be published each in 'Business Standard' in English having nation-wide circulation, and 'Loksatta' in Marathi having circulation in Maharashtra, stating that copy of the Scheme and the said statement required to be furnished pursuant to Section 230(3) of the Companies Act, 2013 can be obtained free of charge by emailing the First Applicant Company at investor.relations@ril.com.

14. The First Applicant Company undertakes to:

- (i) Issue notice convening meetings of the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company as per Form No CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
- (ii) Issue statement containing all the particulars as per Section 230 of the Companies Act, 2013; and
- (iii) Advertise the notice convening meetings as per Form No. CAA.2 (Rule 7) of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

The undertaking is accepted.

15. Justice (Retd.) Shri B. N. Srikrishna, Former Judge, Supreme Court of India and failing him, Justice (Retd.) K. S. Radhakrishnan, Former Judge, Supreme Court of India is hereby appointed as the Chairperson for the respective meetings of the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company.



16. Shri Anil Lohia, Chartered Accountant (Membership No. 031626), Partner of Dayal and Lohia, Chartered Accountants and failing him, Shri Khushit Jain, Chartered Accountant (Membership No. 608082), Partner of Dayal and Lohia, Chartered Accountants, is hereby appointed as a Scrutiniser for the respective meetings of equity shareholders, secured creditors and unsecured creditors of the First Applicant Company.
17. The Chairperson appointed for the aforesaid meetings of the First Applicant Company to issue notice of the respective meetings of the equity shareholders, secured creditors and unsecured creditors referred above. The Chairperson shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as may be applicable for meetings of equity shareholders, secured creditors and unsecured creditors convened and held through video conferencing or other audio-visual mode, in relation to the conduct of the meetings including for deciding procedural questions that may arise at the meetings or at any adjournment thereof or any other matters including, an amendment to the Scheme or resolution, if any, proposed at the meetings by any equity shareholders, secured creditors and unsecured creditors.
18. The quorum for the aforesaid meeting of the equity shareholders of the First Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.
19. The value and number of the equity shares of each equity shareholder shall be in accordance with the books/ register of the First Applicant Company or depository records and where the entries in the books/ register/ depository records are disputed, the Chairperson of the meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.



20. The quorum for the aforesaid meeting of the secured creditors will be 5 (five) secured creditors (in number), and of the unsecured creditors will be 30 (thirty) unsecured creditors (in number) of the First Applicant Company attending the meeting.
21. The value and number of the secured creditors and unsecured creditors shall be in accordance with the books/ records maintained by the First Applicant Company or depository records and where the entries in the books/ records / depository records are disputed, the Chairperson of the meetings shall determine the value and number for the purpose of the aforesaid meetings and his decision in that behalf would be final.
22. The Chairperson shall file a compliance report not less than 7 (Seven) days before the date fixed for holding of the meetings of the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company and report to this Tribunal that the directions regarding the issue of notices and advertisements have been duly complied with, as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
23. The voting for the meetings of the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company on the Scheme shall be allowed electronically at the said meetings and through remote e-voting by equity shareholders, secured creditors and unsecured creditors, as the case may be, or by their respective authorized representative(s). The voting by the authorized representative, in case of a body corporate be permitted, provided that the authorization duly signed is filed with the First Applicant Company, in physical mode, at its registered office or electronic mode at its designated email address, at least 48 (Forty Eight) hours before the aforesaid meetings, as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.



24. The Chairperson shall report to this Tribunal, the result of the aforesaid meetings within 30 (Thirty) days of the conclusion of the said meetings of the equity shareholders, secured creditors and unsecured creditors of the First Applicant Company, and the said report shall be verified by his undertaking as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

SECOND APPLICANT COMPANY

25. The Learned Senior Counsel for the Applicant Companies submits that as on February 28, 2023, the Second Applicant Company has 7 equity shareholders holding 20,20,200 equity shares. A meeting of the equity shareholders of the Second Applicant Company to approve the Scheme, be dispensed with since, the Second Applicant Company has received consents from all the equity shareholders in the form of affidavits approving the Scheme. The consent affidavits of the equity shareholders of the Second Applicant Company are annexed to the Company Scheme Application. Accordingly, the requirement to hold meeting of the equity shareholders of the Second Applicant Company is dispensed with.

26. The Learned Senior Counsel for the Applicant Companies submits that as on February 28, 2023, the Second Applicant Company has 1 preference shareholder holding 31,48,155 9% non-cumulative compulsory convertible preference shares. A meeting of the sole preference shareholder of the Second Applicant Company to approve the Scheme be dispensed with since, the Second Applicant Company has received the consent in the form of an affidavit from the sole preference shareholder approving the Scheme. The consent affidavit of the sole preference shareholder of the Second Applicant Company is annexed to the Company Scheme Application. Accordingly, the



requirement to hold meeting of the preference shareholder of the Second Applicant Company is dispensed with.

27. The Learned Senior Counsel for the Applicant Companies submits that the Second Applicant Company has no secured creditors as on date of hearing of the present Company Scheme Application and therefore, the question of convening and holding the meeting of the secured creditors of the Second Applicant Company does not arise.

28. The Learned Senior Counsel for the Applicant Companies submits that as on February 28, 2023, there is one unsecured creditor of the Second Applicant Company having an outstanding amount of Rs. 7,05,833/-. A meeting of the sole unsecured creditor of the Second Applicant Company to approve the Scheme be dispensed with since the Second Applicant Company has received the consent in the form of an affidavit from the sole unsecured creditor approving the Scheme. The consent affidavit of the sole unsecured creditor of the Second Applicant Company is annexed to the Company Scheme Application. Accordingly, the requirement to hold meeting of the unsecured creditor of the Second Applicant Company is dispensed with.

29. The Learned Senior Counsel for the Applicant Companies submits that in view of the observation letters dated February 27, 2023 issued by BSE Limited and February 28, 2023 issued by National Stock Exchange of India Limited, the First Applicant Company is not required to issue notices to the Securities and Exchange Board of India and National Stock Exchange of India Limited under Section 230(5) of the Companies Act, 2013.

30. The Applicant Companies shall serve notices upon:

- i. The Central Government through the Regional Director, Western Region, Ministry of Corporate Affairs;



- ii. The Registrar of Companies, Maharashtra, Ministry of Corporate Affairs at Mumbai;
- iii. The Income Tax Authorities concerned addressed to Deputy Commissioner of Income Tax Circle 3(4), Mumbai by the First Applicant Company and addressed to Deputy Commissioner of Income Tax ward 3(3)(1) by the Second Applicant Company;
- iv. The Goods & Services Tax Authority concerned addressed to the Commissioner of Central Goods & Services Tax, Belapur Commissionerate, 1st Floor, CGO Complex, CBD Belapur, Navi Mumbai – 400 614 by the First Applicant Company and addressed to the Department of Goods and Service Tax, Division - MUMBAI-LTU-4, Charge - MUMBAI-LTU-545, GST Bhavan, Mazgaon, Mumbai – 400 010 by the Second Applicant Company;
- v. The Reserve Bank of India at the Office of Department of Non-Banking Supervision, Mumbai by the Second Applicant Company;
- vi. BSE Limited by the First Applicant Company (through the BSE Listing Centre);

and any sectoral regulators or authorities, as applicable, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no representation is received by the Tribunal from such authorities within 30 (thirty) days of the date of receipt of the notice, it will be presumed that they have no objection to the Scheme as per Rule 8 of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

31. The Applicant Companies shall host the notices on their respective websites, if any.
32. The Applicant Companies to serve notices upon any other sectoral authorities, if applicable, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies



(Compromises, Arrangements, and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the concerned sectoral authorities or authorities within 30 (thirty) days of the date of receipt of the notice, it will be presumed that the concerned sectoral regulators or authorities have no objection to the proposed Scheme.

33. That the Applicant Companies to file an Affidavit of Service of the directions given by the Tribunal in the Registry for service of notice to the regulatory authorities as stated above and do report to this Tribunal within 10 (ten) days that the directions regarding the issue of notices have been duly complied with. The Applicant Companies are also directed to include in the affidavit of service of proof of dispatch of documents sent to all its creditors, wherever applicable.
34. The Applicant Companies shall file compliance report with the registry in regard to the directions given in this Order in lieu of customary Affidavit of Service proving dispatch of Notices to relevant Creditors of the Applicant Companies and service of Notice to the Regulatory Authorities by the Applicant Companies.
35. The Applicant Companies shall file a compliance report with the Registry with regard to the directions given in this Order in lieu of the customary affidavit of service.

Sd/-

Prabhat Kumar
Member (Technical)



Sd/-

H. V. Subba Rao
Member (Judicial)

Certified True Copy
Copy Issued "free of cost"
On 29/3/2023

H. V. Subba Rao
Deputy Registrar 29/3/2023

National Company Law Tribunal Mumbai Bench

(D-4610) 29/3/2023