

The Board of Directors of Reliance Industries Limited ("RIL"), approved a Scheme of Arrangement amongst RIL, Reliance Strategic Investments Limited ("RSIL") and their respective shareholders and creditors ("Scheme") in terms of which, RIL will demerge its financial services undertaking into RSIL {to be renamed Jio Financial Services Limited ("JFSL")}. JFSL would be listed on the Indian stock exchanges. RSIL is currently a wholly-owned subsidiary of RIL and is a RBI-registered non-Deposit taking Systemically Important (ND-SI) Non-Banking Financial Company.

The investment of RIL in Reliance Industrial Investments and Holdings Limited ("RIIHL"), which is a part of the financial services undertaking of RIL, will stand transferred to JFSL. RIIHL is the ultimate beneficiary of 6.1% RIL shares through its interest in Petroleum Trust and Reliance Services and Holdings Limited.

Rationale for demerger

- JFS plans to launch consumer and merchant lending business based on proprietary data analytics to complement and supplement the traditional credit bureau-based underwriting.
- JFS will continue to evaluate organic growth, joint-venture partnerships as well as inorganic opportunities in insurance, asset management and digital broking segments.
- JFS will build a business of scale across attractive consumer segments to create value for every stakeholder. This coupled with a strong capital base and unparalleled digital infrastructure capabilities would enable JFS to offer a differentiated value proposition for its customer.

Key highlights

- RIL shareholders will get shares on a 1:1 basis in JFSL (to be listed) enabling upfront value unlocking.
- JFS to enable shareholder participation from inception in an attractive, fully digital financial services platform, that is well-capitalized to tap the high growth financial services business. Flexible structure for JFS to partner with strategic or financial investors with enhanced strategic focus to support the company's growth drivers.

Entitlement in conclusion

Pursuant to the Scheme, shareholders of RIL will receive ONE equity share of JFSL of face value Rs 10/- for ONE fully paid-up equity share of Rs 10/- held in RIL ("Entitlement Ratio"). The Board has approved the Entitlement Ratio based on the recommendations of the independent valuer and merchant bankers.

The transaction is subject to customary statutory and regulatory approvals including approvals of respective shareholders and creditors, NCLT, the stock exchanges, SEBI, RBI and all other regulators as may be required

CMP = Rs.2462.00
MCAP=16,66,513.56crore

<https://www.bseindia.com/xml-data/corpfiling/AttachHis/146798a6-4abc-4b45-95a1-f216c29d74ea.pdf>

E-mail: smc.care@smcindiaonline.com



Moneywise. Be wise.

Corporate Office:
 11/6B, Shanti Chamber,
 Pusa Road, New Delhi - 110005
 Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
 Lotus Corporate Park, A Wing 401 / 402, 4th Floor,
 Graham Firth Steel Compound, Off Western
 Express Highway, Jay Coach Signal, Goreagon
 (East) Mumbai - 400063
 Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
 18, Rabindra Sarani, Poddar Court, Gate No-4,
 5th Floor, Kolkata - 700001
 Tel.: 033 6612 7000/033 4058 7000
 Fax: 033 6612 7004/033 4058 7004

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