Reliance
Industries Limited

Presentation on Material RPTs

August 2022

RPT - Robust Governance and Reporting Framework (1/2)

Reliance Industries Limited

1. Effective 1 April 2022, SEBI LODR mandates public shareholders approval for material RPTs
   - ✓ Material RPTs mean RPTs exceeding lower of (i) Rs. 1,000 crore; and (ii) 10% of Annual Consolidated Turnover of the Company in a financial year
2. RPTs for which approval is being sought are:
   a) Transactions between RIL and its subsidiaries (other than wholly-owned)
   b) Transactions between RIL and its Joint Ventures
   c) Transactions between RIL and its promoter group
   d) Transactions between two subsidiaries of RIL (other than wholly- owned)
3. >90% of the RPTs (in value terms) for which approval is sought are intra-group and eliminated in RIL consolidated accounts
4. Transparent disclosure and reporting of RPTs
   - ✓ Annual Reports (since FY 2004-05) contain detailed disclosure on RPTs and transaction values
   - ✓ Detailed disclosure on RPTs are made to stock exchanges on half yearly basis

Safeguarding interest of public shareholders is ingrained in RIL's RPT processes

RPT - Robust Governance and Reporting Framework (2/2)

1. RIL has well-defined and robust governance structure for RPTs

- ✓ As a policy, only RPTs which are on arm's length basis and in the ordinary course of business are undertaken
- ✓ Independent review by Big4 accounting firm of all RPTs of RIL and material subsidiaries for Arms length pricing and benchmarking
- ✓ Review by other independent accounting firms of RPTs of subsidiaries (other than material subsidiaries) for Arms length pricing and benchmarking
- ✓ Transactions with wholly owned subsidiaries (which are exempted as per Listing Regulations) are also placed before the Audit Committee for approval
- ✓ Unanimous prior approval and review by Audit Committee which currently comprises of only Independent Directors

Oversight and review mechanism for all RPTs ensure fairness to public shareholders

Genesis and Rationale for Related Party Transactions (1/2)

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Nature of RPTs	RPT No.
1. Supply of products to JVs with third parties • Enabling JVs to carry out focused business activities, e.g., fuel retailing, elastomers manufacturing, gas sourcing and marketing	A1, A2, A3
2. Leveraging domain expertise and resources of group companies • Group companies have developed significant domain expertise in areas such as logistics services, project management services, EPC, IT services, retailing, digital services • Group entities leverage skills available within the group to retain focus on their core activity	A4, B1, B2, B3, B4, B5 B7, B8, B9
3. Funding/Guarantees • Providing financial support to operating subsidiaries within the group • Utilize group’s consolidated financial strength to support growth and lower costs	A5, B6, B10

Resolution 10 of Notice : RPTs A1 - A7 represent Transactions between the Company and related parties

Resolution 11 of Notice : RPTs B1 – B10 represent Transactions between subsidiaries of the Company

Given diverse businesses, RPTs enable focus on core business activities while leveraging group resources

Genesis and Rationale for Related Party Transactions (2/2)

Nature of RPTs	RPT No.
4. Long term infrastructure and related services necessary for day-to-day operations **Sikka Ports & Terminals Ltd. (SPTL) and Jamnagar Utilities & Power Private Ltd. (JUPPL) –** Captive port and power infrastructure critical to O2C operations ✓ In 1996-99 when RIL set up the refinery & petrochemical plants in Jamnagar, setting up of captive port and power facilities was a critical requirement ✓ Considering RIL's financial commitments towards refinery & petrochemical projects and to enable RIL to concentrate on setting up O2C plants, it was decided that RIL will not set up these facilities on its own ✓ SPTL and JUPPL, the promoter group companies, set up these facilities on terms favourable to RIL which would not have been possible with a third party ✓ SPTL and JUPPL have been providing the port services and power, without interruption, of the quality as required by RIL for the past 23 years ✓ Transactions independently reviewed by Big4 accounting firm for arm's length considerations and benchmarking, approved by audit committee	A6, A7

Critical infrastructure supporting businesses, mitigating risk

Governance Structure for RPTs

1	Internal / External Review	• Internal and statutory auditors of each company review the RPTs on a periodical basis • Ensure completeness and reconciliation of details
2	External Certification on ALP	• RPTs are reviewed by Big4 / independent accounting firms for Arms length pricing and benchmarking with similar transactions
3	Review by RIL statutory auditors	• Statutory auditors of RIL review the consolidated RPTs
4	Vetting by Audit Committees	• All RPTs of RIL are placed before the Audit Committee and are implemented post approval • Audit Committee, on a quarterly basis, reviews all the RPTs ensuring fairness of the transaction and robustness of reporting and certification processes • Third party audit of cost data with details presented to audit committees of both entities

Robust oversight on all RPTs by Audit Committee

Shareholder Approval for RPTs

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1. Shareholders look for transparency and regular disclosure
   - ✓ Comfort around arm's length pricing of transactions
   - ✓ Maximize group synergies and prevention of value leakage
2. Business partners, infrastructure service providers require longer-term visibility on supplies and offtake
   - ✓ Enable investments into facilities/infrastructure
   - ✓ Business planning and continuity
3. Shareholder approval of all RPTs currently sought for a 5-year period, except SPTL and JUPPL for 6 years
   - ✓ RIL has existing contractual agreements with SPTL and JUPPL which terminate in 2028
   - ✓ Protecting interest of business partners, service providers and shareholders, though certain arrangements have longer contractual tenure

Balancing interest of all stakeholders

Other Key Considerations

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1. Materiality of RPTs (> Rs. 1,000 crore), considering scale of business – only one intra-subsidiary transaction crosses >10% threshold in FY 2022-23

2. RPTs estimate based on stretch assumptions of growth and to provide intra-year flexibility

   ✓ Percentage of Turnover is based on RIL's FY2021-22 Consolidated Turnover of Rs. 721,634 crore

3. For Cost plus Margin arrangement, margins vary between 2-10% depending on nature of service, risks involved

   ✓ Third party audit of cost data and details presented to audit committee of both entities

4. Interest rates for intra-group loans linked to external benchmark like SBI MCLR and is in compliance with Section 186 of the Companies Act, 2013

5. Nature of transaction highlights the key component of the RPTs. The value of transactions between the parties includes the value of other allied transactions for transfer of resources, services and obligations in the ordinary course of business

Multiple factors ensuring compliance with best practices

Transactions between RIL and Joint Ventures

Transactions between RIL & JVs (1/4)

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
A1 (a)	RIL and Reliance BP Mobility Limited (RBML)	Sale of HSD/MS/ Auto LPG	Rs. 68,300 crore (9.5% of RIL Revenue)	a. Pricing is based on Trade parity pricing. b. Same price at which the Company sells these products to independent Oil Marketing Companies (OMCs) on wholesale basis.	a. JV with BP set up to retail fuels through offline outlets and e-comm. b. JV plan to expand fuel retailing network over the next 5 years c. RPTs approved by Audit Committee and reviewed by RBML Board which has representation from BP d. The terms of these arrangements have been agreed by the Company with BP (an unrelated party)
		Purchase of HSD/MS/ Auto LPG	Rs. 300 crore (0.0% of RIL Revenue)	a. The pricing of fuel is based on market rates.	

(A1) - RIL holds 51% of RBML

Supporting growth of domestic B2C fuel retailing business

Transactions between RIL & JVs (2/4)

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
A1 (b)	RIL and RBML Solutions India Limited (RSIL)	Sale of HSD/MS/ Auto LPG	Rs. 1,300 crore (0.2% of RIL Revenue)	a. Pricing is based on Trade parity pricing. b. Same price at which the Company sells these products to independent Oil Marketing Companies (OMCs) on wholesale basis.	a. JV with BP set up to retail fuels through premium offline retail outlets b. JV plan to expand fuel retailing network over the next 5 years c. The terms of these arrangements have been agreed by the Company with BP (an unrelated party).
		Purchase of HSD/MS/ Auto LPG	Rs. 100 crore (0.0% of RIL Revenue)	a. The pricing of fuel is based on market rates.	

(A1) - RBML holds 100% of RSIL

Supporting growth of domestic B2C fuel retailing business

Transactions between RIL & JVs (3/4)

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
A2	RIL and India Gas Solutions Private Limited (IGSPL)	Sale of Natural Gas	Rs. 3,200 crore (0.4% of RIL Revenue)	Transparent e-auction price	a. The Company auctions natural gas in line with prevailing regulation b. IGSPL facilitates sourcing and marketing of gas in India, leveraging BP's international expertise c. RPTs approved by Audit Committee and reviewed by IGSPL Board which has representation from BP d. The terms of these arrangements have been agreed by the Company with BP (an unrelated party)
		Sale of LNG		Cost plus margin	
		Purchase of Natural Gas	Rs. 1,900 crore (0.3% of RIL Revenue)	Pricing at margin appropriate for long term contracts	

(A2) - IGSPL is a 50:50 JV between RIL and BP.

Operational arrangements to ensure business continuity

Transactions between RIL & JVs (4/4)

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
A3	RIL and Reliance Sibur Elastomers Private Limited (RSEPL)	Supply of Iso-butylene, energy, utilities and other materials	Rs. 2,600 crore (0.4% of RIL Revenue)	Market prices or cost plus margin where market price is not available	a. Company benefits from production of value-added Butyl Rubber b. RPTs approved by Audit Committee and reviewed by RSEPL Board which has representation from Sibur c. The terms of these arrangements have been agreed by the Company with Sibur (an unrelated party)
		Purchase of raw materials	Rs. 1,200 crore (0.2% of RIL Revenue)		

(A3) - RIL holds 74.9% of RSEPL

Operational arrangements to ensure business continuity

Reliance Industries Limited

Transactions between RIL and Subsidiaries / Promoter Group Companies

Transactions between RIL & Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
A4	RIL and Jio Platforms Limited (JPL)	Managed IT services	Rs. 1,500 crore (0.2% of RIL Revenue)	Cost plus margin	a. JPL has technical and software development capabilities to serve as provider of IT and Cloud services b. Leveraging inhouse capabilities and resources for efficient IT, cloud solutions and data centre services
		IDC Services	Rs. 1,900 crore (0.3% of RIL Revenue)		

(A4) – RIL holds 66.43% of JPL, Facebook and Google hold 17.71% of JPL

Ensuring efficient management of resources and capabilities within the group

Transactions between RIL & Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
A5	RIL and Reliance Jio Infocomm Limited (RJIL)	Corporate Guarantee	Rs. 2,100 crore (0.3% of RIL Revenue)	Commission based on credit risk of the subsidiary, in line with any third party guarantee	a. Corporate guarantee given in the initial project phase as per vendor requirement b. This helps RJIL procure equipment and obtain direct credit from suppliers on extended credit without LC
		Telecom services	Rs. 200 crore (0.0% of RIL Revenue)	The pricing is based on market rates	

(A5) – RIL holds 66.43% of JPL; JPL holds 100% of RJIL

Ensuring efficient management of resources and capabilities within the group

Transactions between RIL & Promoter Group Companies

Sr. No.	Related Parties	Nature of Transaction	
A6	RIL and Sikka Ports & Terminals Limited (SPTL)	Crude and product handling services, Operations and Maintenance of Port facilities	Refer slide no. 28-38
A7	RIL and Jamnagar Utilities & Power Private Limited (JUPPL)	Supply of power and utilities by JUPPL to RIL	
		Sale of fuels and utilities by RIL to JUPPL	

(A6) – SPTL is part of 'promoter and promoter group' of RIL

(A7) – JUPPL is part of 'promoter and promoter group' of RIL

Long-term dedicated infrastructure arrangements support group's core businesses and growth plans

Transactions between Subsidiaries of RIL

Transactions between Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
B1	Reliance Jio Infocomm Limited (RJIL) and Reliance Retail Limited (RRL)	Sale of recharge voucher for mobility and FTTX services	Rs. 1,05,200 crore (14.6% of RIL Revenue)	Margin on sale of recharge voucher at arm's length, in line with any unrelated master distributer	a. RRL has largest network of retail stores, distributors and channel partners across India. b. Transaction value is large because sale of recharge vouchers is on a principal-to-principal basis. c. RJIL leverages the vast network and expertise of RRL.
		Channel distribution, marketing & promotional activities	Rs. 6,300 crore (0.9% of RIL Revenue)	Pricing based on market rate	
		Sale of CPE & other devices by RRL		Cost plus margin	

(B1) – RJIL and RRL are fellow subsidiaries, being step down subsidiaries of RIL

RIL holds 66.43% of JPL and JPL holds 100% of RJIL

RIL holds 85.06% of Reliance Retail Ventures Limited (RRVL) and RRVL holds 99.93% of RRL

Leveraging procurement, distribution and technology platforms

Transactions between Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
B2	Reliance Retail Limited (RRL) and Reliance International Limited (RINL)	Purchase of agricultural and other retail products	Rs. 6,300 crore (0.9% of RIL Revenue)	Market price or cost plus margin where market price is not available.	a. RINL is a trading entity set-up in UAE with expertise in sourcing and marketing products at competitive prices b. Enable RRL to source and place products in international market.
		Sale of agricultural and other retail products	Rs. 3,900 crore (0.5% of RIL Revenue)		

(B2) – RRL and RINL are fellow subsidiaries of RIL

RIL holds 85.06% of RRVL and RRVL holds 99.93% of RRL

RIL holds 100% of RINL

Leveraging international procurement and distribution platform

Transactions between Subsidiaries

Reliance Industries Limited

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
B3	Jio Platforms Limited (JPL) and Reliance Retail Limited (RRL)	Software and App development	Rs. 2,400 crore (0.3% of RIL Revenue)	Linked to net sales value through App, with floor and cap	a. Leveraging inhouse resources for IT solutions, App development and distribution b. JPL has the technical capabilities and ability to pool resources and negotiate with vendors to provide cost effective services to group Companies
		Managed IT services		Cost plus margin	
		Sale of recharge vouchers for content/platform services		Market rates	
		RRL provides advertisements and allied services to JPL in their infrastructure/platforms.	Rs. 100 crore (0.0% of RIL Revenue)	Market rates	

(B3) – JPL and RRL are fellow subsidiaries of RIL; RIL holds 66.43% of JPL;
RIL holds 85.06% of RRVL and RRVL holds 99.93% of RRL

Operational synergies between Services and Retail entities

Transactions between Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
B4	Jio Platforms Limited (JPL) and Reliance Jio Infocomm Limited (RJIL)	Managed IT services	Rs. 2,100 crore (0.3% of RIL Revenue)	Cost plus margin	a. Leveraging inhouse resources for IT solutions, App development and distribution b. JPL has the technical capabilities and ability to pool resources and negotiate with vendors to provide cost effective services to group Companies
		Access to third party OTT, JPL owned digital platform and App		Market Rates	
		Telecom services	Rs. 100 crore (0.0% of RIL revenue)	Market Rates	

(B4) – JPL is a subsidiary and RJIL is a step-down subsidiary of RIL; RIL holds 66.43% of JPL and JPL holds 100% of RJIL

Domain expertise in managed IT services providing cost effective solutions

Transactions between Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
B5	Jio Platforms Limited (JPL) and Reliance Projects and Property Management Services Limited (RPPMSL)	Managed IT, device software services	Rs. 1,700 crore (0.3% of RIL Revenue)	Cost plus margin	a. JPL has requisite skills to provide IT support, software services and provide full device software lifecycle management solution b. JPL helps pooling of resources to bargain with vendors and provide cost effective services to group Companies
		Infrastructure Services	Rs. 400 crore (0.1% of RIL Revenue)		a. RPPMSL has required skills to provide business and infrastructure support services.

(B5) – RIL holds 66.43% of JPL

RIL holds 100% of RPPMSL

Domain expertise in managed IT services providing cost effective solutions

Transactions between Subsidiaries

<table>
<tr><th>Sr. No.</th><th>Related Parties</th><th>Nature of Transaction</th><th>Total Value for FY 2022-23 (E)</th><th>Pricing Basis</th><th>Benefits and Other Considerations</th></tr>
<tr><td rowspan="2">B6</td><td rowspan="2">Reliance Retail Ventures Limited (RRVL) and Reliance Retail Limited (RRL)</td><td>Warehousing & Logistics Services</td><td>Rs 15,200 crore (2.1% of RIL Revenue)</td><td>Cost plus margin</td><td rowspan="2">a. Leveraging RRVL's experience in managing supply chain operations across the country.
b. Loans and investments from holdco to operating company post capital raise</td></tr>
<tr><td>Loans, advances, investments and guarantees to RRL</td><td>Rs 25,000 crore (3.5% of RIL Revenue)</td><td>a. Interest rates linked to external benchmark like SBI MCLR and in compliance with section 186 of the Companies Act, 2013
b. Investment in securities of RRL is / will be in accordance with the provisions of the Companies Act, 2013.</td></tr>
</table>

(B6) – RRVL is a subsidiary and RRL is a step-down subsidiary of RIL

RIL holds 85.06% of RRVL and RRVL holds 99.93% of RRL

Logistics support for uninterrupted retail operations and providing growth capital

Transactions between Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
B7	Reliance Projects and Property Management Services Limited (RPPMSL) and RRL	EPC work for all the retail stores and fit outs across various formats	Rs. 28,500 crore (3.9% of RIL Revenue)	Cost plus margin	a. RPPMSL centralizes group support services & has requisite EPC skills & competencies. b. The group benefits from scale, domain expertise, synergies & collective bargaining power while each business can focus on their respective business priorities.
		Business support services (Store Operation & Maintenance, Security, Rentals)		Linked to RRL Revenue	
		Purchase of IT and other assets by RPPMSL from RRL	Rs. 500 crore (0.1% of RIL Revenue)	Market Rates	
B8	RPPMSL and RRVL	EPC and fit outs work for distribution centers and warehouses	Rs. 11,800 crore (1.6% of RIL Revenue)	Cost plus margin	

(B7, B8) – RIL holds 100% of RPPMSL

RIL holds 85.06% of RRVL and RRVL holds 99.93% of RRL

Centralised group support services for efficient execution and scale benefits

Transactions between Subsidiaries

<table>
<tr><th>Sr. No.</th><th>Related Parties</th><th>Nature of Transaction</th><th>Total Value for FY 2022-23 (E)</th><th>Pricing Basis</th><th>Benefits and Other Considerations</th></tr>
<tr><td rowspan="3">B9</td><td rowspan="3">RPPMSL and RJIL</td><td>Project execution services - Installation of Telecom equipment, Last mile for NLD, Intracity and FTTX, Erection of ESC Towers, O&M of facilities</td><td rowspan="2">Rs. 11,000 crore (1.5% of RIL Revenue)</td><td rowspan="2">Cost plus margin or pay per use</td><td rowspan="3">a. RPPMSL centralizes group support services & has requisite EPC skills & competencies.
b. The group benefits from scale, domain expertise, synergies & collective bargaining power while each business can focus on their respective business priorities.</td></tr>
<tr><td>Services (Manpower services, Jio Centre operations, Call center services, analytics)</td></tr>
<tr><td>Telecom Services</td><td>Rs. 900 crore (0.1% of RIL Revenue)</td><td>Market Rates</td></tr>
</table>

(B9) – RIL holds 100% of RPPMSL

RIL holds 66.43% of JPL and JPL holds 100% of RJIL

Centralised group support services for efficient execution and scale benefits

Transactions between Subsidiaries

Sr. No.	Related Parties	Nature of Transaction	Total Value for FY 2022-23 (E)	Pricing Basis	Benefits and Other Considerations
B10	RRVL and Reliance Brands Limited (RBL)	Loans, advances, investments and guarantees to RBL	Rs. 1,900 crore (0.3% of RIL Revenue)	a. Interest rates linked to external benchmark like SBI MCLR and in compliance with section 186 of the Companies Act, 2013 b. Investment in securities of RRL is / will be in accordance with the provisions of the Companies Act, 2013.	a. Loans and investments from holding company to operating company post capital raise b. Leveraging RRVL's experience in managing supply chain operations across the country.
		Warehousing & Logistics Services	Rs. 100 crore (0.0% of RIL Revenue)	a. Cost plus margin	

(B10) – RRVL is a subsidiary and RBL is a step-down subsidiary of RIL

RIL holds 85.06% of RRVL; RRVL holds 80% of RBL

Providing growth capital and logistics support

Transaction between

RIL and SPTL

RIL and JUPPL

Rationale For Preference for Captive Infrastructure and Utilities

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RIL's choices when setting up the Refinery in 1996-99 and evaluating reliable sources for Port, Power and Steam facilities

Captive Operations

1. Have full operational control over supporting infrastructure
2. Customize services as per needs of Jamnagar supersite
3. Optimize cost to RIL

RIL's choice that port and power facilities shall be captive was based on advice from technical consultants

Third Party Outsourcing

Hybrid

1. No operational control over the support infrastructure
2. Limited ability to customize services as per needs of the Jamnagar supersite
3. Proximity of infrastructure is critical for smooth operations
4. Reliability – stable operations to ensure uninterrupted O2C operations
5. Limited ability to optimize costs
   - ✓ In a typical PPA arrangement, the fuel mix is managed by the power producer, however variability of the fuel cost is passed on to customer
   - ✓ As cost is generally passed on to customer, power producers have no incentive to optimize the fuel mix

Captive facilities were key to ensuring reliable O2C operations

Rationale for Preference for Promoter Owned Assets for Captive Infrastructure

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Third Party	Promoters
1. Limited flexibility to optimize port operations / fuel mix 2. Challenges around Proximity and Reliability 3. Inability to give long term commitment at stable prices and offer terms favorable to RIL	1. Full flexibility to optimize domestic / export transport and fuel mix 2. Dedicated infrastructure ensuring round the clock availability / reliability 3. Promoters interest aligned with smooth running of RIL's operations and hence willing to extend terms favorable to RIL 4. Exclusivity, uninterrupted service, step-in, takeover by RIL to ensure no impact on O2C operations

Promoters of RIL took the risk and set up the facilities

Overview of the RPT with SPTL

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SPTL Overview

1. SPTL is part of RIL's promoter group providing port, terminal infrastructure and services since 1997-99 to Jamnagar Complex
2. Port facilities operated by SPTL comprise of:
   - ✓ Jetty with 6 berths for handling liquid products, Ro-Ro Jetty for handling project/solid cargo
   - ✓ 5 Single Point Mooring (SPMs) for handling crude, MS and HSD
   - ✓ Tank Farms with storage tanks along with associated pipelines for crude and petroleum /petrochemical products
3. Handles ~1,500 vessels annually with loading/unloading of ~115 -120 MMT of crude / products imported /exported

Transaction Details

1. 3 RIL – SPTL agreements (valid till 2028 / 2038) for setting-up and operation of port facilities
2. Products and vessels handling charges and levies prescribed by Gujarat Maritime Board (GMB) paid by RIL on arms' length basis; payments pertaining to RIL SEZ denominated in US$
3. Annual value of the RPT: ~Rs. 3,900 crore per annum; 0.5% of RIL's Revenue (subject to exchange rate fluctuation and escalations in the levies by GMB which are pass-through)

Port facilities supporting Jamnagar Complex since inception

Customized Logistics to Meet the Needs of One of the World's Most Integrated O2C Complex

Reliance Industries Limited

Dedicated, Co-Located Port Facilities

- Established in 1997-99, RIL's Jamnagar Refinery required port for handling 27 MMTPA of Crude, 15 MMTPA of product cargo
  - ✓ No ports existed in close proximity which could have handled large volumes and guaranteed long term dedicated capacities
  - ✓ End-to-end services required included storage, transportation pipelines
- Proximity and integration of SPTL's port facilities with refineries of RIL is economically and logistically advantageous

Reliable Logistics for Expanding Scope

- Expansion of Jamnagar Complex over 3 phases with cargo handled increasing from 42 MMTPA to 120 MMTPA
- This has necessitated reliable port operations with additional capabilities to cater needs of expanded volumes
- SPTL constructed new facilities to handle increased volumes from SEZ & J3 project
- De-congest operations, reduce incurrence of demurrage and improve utilization of assets

Operational Flexibility with RIL

- With SPTL operating as a captive port, RIL is able to de-risk its operations. Risk of exposure to other private ports is mitigated
- RIL has right to step-in / takeover port facilities in certain circumstances
- Ensuring RIL's operations are not affected, and it is assured of uninterrupted port service

Operational benefits of captive logistics – cost effective handling of ~120 MMT of cargo

Terms of the Agreement Enabled Optimization of Cost

Reliance Industries Limited

Agreement Details

- RIL and SPTL have entered into **3 throughput agreements** for port facilities at Jamnagar -
  - 2 Agreements entered in 1997 for refinery & petrochemical complex, valid till March 2028
  - 1 Agreement entered in 2007 for Jamnagar Export Refinery Project, valid till March 2038

Payments to SPTL	Details	Remarks
Cargo Handling	Fixed charges for storage and evacuation of petroleum products on a per MT basis	Levied based on actual quantity handled. Rates are not subject to escalation over tenure of the agreement
GMB Wharfage and Levies	As per rates prescribed in Gazette Notification issued by Gujarat Maritime Board (GMB) in relation to levy of wharfage and berth hire charges	Pass-through to the GMB
Vessel Handling	Pilotage, tugging, port tonnage dues, supervision, mooring / unmooring of vessels. Vessels are chartered by RIL as well as customers / suppliers of RIL as per Incoterms	Uniform Rate Card applicable to all vessels chartered by RIL and third parties

Long-term agreement to ensure dedicated services at stable prices without exposure to market dynamics

Comparative Analysis of Charges for SPTL and Other Ports

Reliance Industries Limited

Sr.	Particulars	SPTL	Representative Port and Pipeline Infrastructure Providers (3 ports on West Coast, 1 port on East Coast, Pipeline in North-West)
1.	Average Realisation (Rs / MT) (Crude and POL)	320	392 – 485 (Average realizations derived from public filings)
2.	Serving	RIL, Jamnagar	Private and Public Sector Refiners
3.	Remarks	End to End service- Handling, storage and transportation	No comprehensive service from single player

Transactions independently reviewed by Big-4 accounting firm for arm's length pricing by benchmarking the earnings of SPTL to annual revenue requirement determined as per guidelines issued by Tariff Authority for Major Ports (TAMP) and approved by audit committee

Annual savings of ~ Rs. 1,000 crore in logistics costs to RIL

Overview of the RPT with JUPPL

JUPPL Overview

1. JUPPL is part of RIL's promoter group
2. JUPPL has gas and coal-based power plants at Dahej, Hazira and Jamnagar
   - ✓ 2,300 MW of power capacity and 10,000TPH+ of steam generation capacity

RPT Details

1. JUPPL supplies electricity, steam and process feed water to RIL's O2C facilities; fuel and other utilities required are supplied by RIL. JUPPL charges the Company only Fixed Charges for conversion.
2. In certain cases the RIL sells fuels and utilities at market rates to JUPPL. The value of such sale is recovered by JUPPL from the RIL (without any margin) as power charges.
3. RIL and JUPPL have entered into 7 PGAs from 1997 to 2013 for setting-up and operating power plants at various locations
   - ✓ PGAs are valid till March 31, 2028
3. Value of RPT:
   - ✓ Supply of power and utilities by JUPPL to RIL: ~Rs. 5,200 crore per annum. The portion of revenues paid by SEZ refinery which is paid in US$ (as permitted by SEZ Act) is subject to exchange fluctuation.
   - ✓ Sale of fuels and utilities by the Company to JUPPL: ~Rs. 500 crore per annum; 0.1% of RIL revenue

PGA – Power Generation Agreement

Customized Utilities to Meet the Needs of One of the World's Most Integrated O2C Complex

Reliance Industries Limited

Reliable / Flexible Operations

1. O2C operations requires 85%+ availability of utilities - not typically available from third party sources
2. Refinery fuels effectively used instead of flaring; changing net fuel demand of complex
3. Optimal Crude slate determines overall fuel mix which in turn optimizes power/fuel cost
   - ✓ captive power hence allows for flexibility of refinery crude slate
4. Varying demand for power as O2C units undergo shutdown and maintenance

Expansions

1. Power plant in SEZ Area of Jamnagar was set-up in 2006-2008 to meet demand for O2C expansion
2. JUPPL set-up gas based power plant at Dahej in 2014 to enable expansion of petrochemical complex of RIL
3. JUPPL also set-up coal based (CFBC) plants at Dahej and Hazira in 2016-17 to optimize power cost for RIL

Customization

1. Technological advancements at Jamnagar have helped evolve the nature of power sourced
   - ✓ JUPPL enabled modification of its power plants for the processing of syngas required by gasification complex
   - ✓ JUPPL shifted gas based plant from Hazira and Dahej to Jamnagar to meet rising demand at Jamnagar
   - ✓ Firing of biogas in Coal based power plants of JUPPL to reduce emissions

JUPPL's captive power plants support O2C operations of RIL at all major manufacturing locations

Superior Availability of ~95% and Reliability of ~99% at JUPPL

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Consistency in Power Availability and Reliability...

Sr.	Particulars	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
A	**Availability %**													
1.	JMD Gas (incl J3)	96.4	95.0	97.2	91.8	94.7	93.1	94.2	91.2	90.2	94.4	94.7	88.5	92.2
2.	SEZ Gas	89.2	98.0	99.0	94.2	95.3	91.1	94.2	92.6	96.6	98.8	93.8	95.0	91.9
3.	JMD C2								93.7	94.2	92.2	99.1	97.1	96.8
4.	HMD Gas	98.0	97.2	96.5	95.9	95.5	93.8	99.0	98.9	Shifted to JMD				
5.	DMD Gas							98.1	99.4	98.9	99.0	100.0	100.0	100.0
6.	HMD Coal								97.1	90.3	95.5	94.3	92.1	93.9
7.	DMD Coal								91.3	86.9	91.8	97.1	94.5	96.2
B	**Reliability %**													
1.	JMD Gas (incl J3)	99.1	98.3	100.0	99.1	98.7	94.7	99.3	99.8	99.9	99.8	99.3	98.4	97.94
2.	SEZ Gas	99.7	100.0	100.0	95.6	99.4	100.0	98.6	100.0	100.0	100.0	99.7	100.0	100.0
3.	JMD C2								98.9	99.0	97.8	98.3	99.4	99.9
4.	HMD Gas	99.5	99.9	99.5	99.3	99.6	100.0	99.6	99.8	Shifted to JMD				
5.	DMD Gas							99.5	100.0	100.0	100.0	100.0	100.0	100.0
6.	HMD Coal								97.1	99.6	99.9	99.6	99.9	99.1
7.	DMD Coal								91.3	99.2	96.9	99.9	99.9	99.7

Uninterrupted power - sustained advantages gained over years by O2C operations of RIL

Customized Supply Ensures Significant Cost Savings to RIL, Though Pricing is Always at Arm's Length

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PGA Terms With JUPPL

1. Terms of the PGA are consistent with the prevailing CERC guidelines at the point when the agreement is signed
2. Fixed charges paid by RIL are more advantageous compared to 3rd party estimates and current market price; charges remain stable for the entire tenure of PGA
3. Transactions independently reviewed by Big4 accounting firm for arm's length considerations and approved by audit committee

Sr.	Site	Type	Year of Commission	JUPPL (INR / kWh)	3rd Party Estimate Basis CERC Norm (INR / kWh)	Representative Market Transactions (T) (INR / kWh)
1.	JMD-DTA	Gas	1997-98	**PGAs pricing on an average 15% lower compared to the then prevailing CERC Norms**	0.61	1. T1 (1995) - 1.05 2. T2 (2009) - 1.29 3. T3 (2013) - 1.48 4. T4 (2014) - 1.54 5. T5 (2014/15) - 1.70
		Gas	1997-98		1.01	
		Gas	2013-14		1.22	
		Gas	2016-17		1.41	
2.	JMD-SEZ	Gas	2008-09		0.924	
3.	JMD-C2	Gas	2016-17		1.41	
4.	DMD	Gas	2013-14		1.22	
5.	HMD	Coal	2016-17		2.01	
6.	DMD	Coal	2016-17		1.91	

As compared to actual market transactions, RIL has saved ~Rs. 1,500 crore annually

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Thank You