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**November 15, 2022**

To,

Board of Directors

Reliance Industries Limited

Maker Chambers IV,

3<sup>rd</sup> Floor, 222 Nariman Point,

Mumbai 400021

## **Members of the Board:**

We understand that Reliance Industries Limited (“Reliance” or “Demerged Company”) and Reliance Strategic Investments Limited (“Resulting Company”) propose to enter into a scheme of arrangement substantially in the form of the draft received on November 15, 2022 (the “Scheme”), which provides, among other things, for demerger, transfer and vesting of the financial services business of the Demerged Company into the Resulting Company on a going concern basis, and issue of shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof (“Demerger”). Pursuant to the Demerger, Resulting Company will issue 1 equity share of face value of INR 10 (the “Resulting Company Common Stock”) each credited as fully paid-up in the Resulting Company for every 1 fully paid-up equity share of face value of INR 10 of the Demerged Company<sup>1</sup> (“Demerged Company Common Stock”) (“Share Entitlement Ratio”) to the shareholders of the Demerged Company as of the Record Date (*as defined under the Scheme*), other than for 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. We understand that the Demerged Company has appointed KPMG Valuation Services LLP (IBBI Registration No. IBBI/RV-E/06/2020/115) as an independent valuer, for

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<sup>1</sup> 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.

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the purposes of recommending the Share Entitlement Ratio for the Demerger. The Share Entitlement Ratio has been recommended under the report dated November 15, 2022, provided by KPMG Valuation Services LLP (“Share Entitlement Ratio Report”).

You have asked for our opinion as to whether the Share Entitlement Ratio as recommended by KPMG Valuation Services LLP under the Share Entitlement Ratio Report is fair from a financial point of view. This opinion does not address any other aspects or implications related to the proposed Demerger or the Scheme or any other transactions. This opinion also does not address the relative merits of the Demerger as compared to alternative transactions or strategies that might be available to the Demerged Company, nor does it address the underlying business decision or economic rationale of the Demerged Company to proceed with the Demerger. This opinion should not be construed as an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of any securities, assets, business or undertaking of any entity or company specified herein.

**For purposes of the opinion set forth herein, we have:**

- 1) Reviewed certain publicly available financial statements and other business and financial information of the Demerged Company and the financial services business;
- 2) Reviewed certain internal financial statements and other financial and operating data concerning the Demerged Company and financial services business;
- 3) Reviewed information relating to certain strategic and operational benefits anticipated from the Demerger, prepared by the management of the Demerged Company;
- 4) Reviewed the Share Entitlement Ratio Report Report;
- 5) Reviewed the Scheme; and
- 6) Performed such other analyses and reviewed such other information and considered such other factors as we have deemed appropriate.

We have assumed and relied upon, without independent verification, the accuracy, correctness and completeness of the information that was publicly available or supplied or otherwise made available to us by the Demerged Company and formed a substantial basis for this opinion. With respect to information relating to any strategic and operational benefits anticipated from the Demerger, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Demerged Company. We have been given to

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understand that all information required by us and that was relevant for the purposes of our exercise has been disclosed to us. The management of the Demerged Company have been provided an opportunity to review factual information in our draft opinion to make sure that factual errors are avoided in our final opinion.

In addition, we have assumed that the final version of the Scheme will not be materially different from the draft of the Scheme shared with us and the Demerger will be consummated in accordance with the terms set forth in the Scheme without any waiver, amendment or delay of any terms or conditions. Morgan Stanley has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Demerger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Demerger. We are not legal, tax, regulatory or actuarial advisors and have relied upon, without independent verification or due diligence, the assessment of the Demerged Company and its legal, tax, regulatory and actuarial advisors with respect to legal, tax, regulatory and actuarial matters. We have not undertaken an independent analysis of any potential or actual litigation, possible unasserted claims or regulatory action to which the Demerged Company or the Resulting Company may be subject or by which they may be affected. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Demerged Company's officers, directors or employees or as to the economic rationale of the Demerger. We are expressing no opinion herein as to the price at which any securities of either the Demerged Company or the Resulting Company will trade at anytime. We have not undertaken any independent evaluation or appraisal of the assets or liabilities of the Demerged Company or the Resulting Company, nor have we been furnished with any such evaluations/ valuations or appraisals other than the Share Entitlement Ratio Report, upon which we have relied without independent verification. We have not assumed any obligation to conduct any physical inspection of the assets, properties or facilities of the Demerged Company or the Resulting Company. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date of this opinion. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. Our opinion does not factor overall economic environment risk and other risks, and we have not assumed the risk of any material adverse change having an impact on the businesses of the Demerged Company or the Resulting Company in arriving at this opinion.

We have acted as financial advisor to the Board of Directors of the Demerged Company and provided fairness opinion to the Board of Directors of the Demerged Company in connection with this transaction and will receive a fee for our services. No portion of such fee is contingent on the conclusion contained in this opinion. The Demerged Company has agreed to

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indemnify us in connection with our engagement for this transaction. In the two years prior to the date hereof, we have provided financial advisory services to the Demerged Company and its affiliates and have received fees in connection with such services. Morgan Stanley may also seek to provide such services to the Demerged Company and the Resulting Company and their affiliates in the future and expects to receive fees for the rendering of these services.

Please note that Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the Demerged Company, the Resulting Company, or any other company, or any currency or commodity, that may be involved in this transaction, or any related derivative instrument.

This opinion has been approved by a committee of Morgan Stanley investment banking and other professionals in accordance with our customary practice. This opinion is for the information of the Board of Directors of the Demerged Company only and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be in its entirety, (i) included in any filing the Demerged Company or the Resulting Company is required to make with the Securities and Exchange Board of India, the National Company Law Tribunal(s), BSE Limited, National Stock Exchange of India Limited and other regulatory or statutory authorities in connection with the Demerger, if such inclusion is required by applicable law; (ii) disclosed on the website of Demerged Company in accordance with SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021; and (iii) made part of the explanatory statement to be circulated to the shareholders and creditors of the Demerged Company and the Resulting Company. We owe responsibility only to the Board of Directors of the Demerged Company that has appointed us and to no other person. We do not take any responsibility for the unauthorized use of this opinion. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person including any fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents. In addition, this opinion does not in any manner address the prices at which the Demerged Company Common Stock or Resulting Company Common Stock will trade following consummation of the Demerger or at any time and Morgan Stanley expresses no opinion or recommendation as to how the shareholders or creditors of the Demerged Company or the Resulting Company should vote at the meetings to be held in connection with the Demerger. The final responsibility for the determination and approval of the Share Entitlement Ratio will be with the Board of Directors of the

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Demerged Company who should take into account all relevant factors including their own assessment of the Scheme and inputs of other advisors.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Share Entitlement Ratio as recommended in the Share Entitlement Ratio Report is fair from a financial point of view.

Very truly yours,

MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED

By:



**Name:** Kamal Yadav

**Designation:** Managing Director



November 15, 2022

The Board of Directors  
**Reliance Industries Limited**  
Maker Chamber IV  
3rd Floor, 222 Nariman Point  
Mumbai - 400021

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of equity shares of Reliance Industries Limited (“**RIL**”) of the Share Entitlement Ratio (defined below) in connection with the proposed demerger (the “**Demerger**”) and transfer and vesting of the financial services business division (including its investment in Reliance Industrial Investments and Holdings Limited) of RIL (“**Financial Services Undertaking**”) into Reliance Strategic Investments Limited (“**RSIL**”), a wholly owned subsidiary of RIL, pursuant to a scheme of arrangement under sections 230 to 232 of the Companies Act, 2013 and related rules and regulations proposed to be entered into between RIL and its shareholders and creditors, RSIL and its shareholders and creditors (the “**Scheme of Arrangement**”).

This opinion is issued pursuant to the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated November 23, 2021, as amended, issued by the Securities and Exchange Board of India (“**SEBI Scheme Circular**”) and is being delivered at RIL’s request in connection with its obligations under the SEBI Scheme Circular.

As more fully described in the Scheme of Arrangement (together the “**Share Entitlement Ratio**”):

- (i) RSIL will issue and allot to the holders of equity shares of RIL 1 (one) fully paid-up equity share of RSIL having a face value of Rs.10 each (the “**RSIL Shares**”) for every 1 (one) fully paid-up equity share of RIL having a face value of Rs.10 each (the “**RIL Shares**”) held by the shareholders of RIL as on the record date (the “**Record Date**”), provided that RSIL Shares aggregating to 41,28,24,826 shall not be issued and allotted to Petroleum Trust and Reliance Services and Holdings Limited in respect of the shares of the RIL held by them in view of the proviso to Section 232(3)(b) of the Companies Act, 2013; and
- (ii) In the event of there being partly paid up equity shares in RIL, with respect to the shareholders of RIL who hold such partly paid-up equity shares of RIL and whose names are recorded in the register of members and/ or records of the depository on the Record Date, RSIL shall issue and allot to the trustee of a trust to be set up by RIL (the “**Trustee**”), 1 (one) RSIL Share for every 1 (one) partly paid-up equity share of RIL having face value of Rs.10 each. The Trustee shall hold these RSIL Share(s) in trust for the benefit of the shareholders of RIL holding partly paid-up equity shares of RIL. As and when such shareholders of RIL pay the balance amount due to RIL and the partly paid up equity shares of RIL become fully paid up equity shares, the Trustee shall transfer such number of RSIL Share(s), as per the eligibility of such shareholder, to the demat account of such shareholder.

Such Share Entitlement Ratio has been recommended by KPMG Valuation Services LLP (“**Valuer**”)



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pursuant to their appointment by RIL and RSIL in their report dated November 15, 2022 (“**Report**”).

In arriving at our opinion, we reviewed: (i) the Report and (ii) the draft of the Scheme of Arrangement received by us on November 14, 2022 (the “**Draft Scheme**”). We have also held discussions with certain senior officers, directors and other representatives and advisors of RIL concerning the businesses, operations and prospects of RIL. We examined certain business and financial information only in relation to RIL, which contained information on the segmental reporting of the Financial Services Undertaking and was publicly available. With your consent, we have only reviewed limited information regarding the Financial Services Undertaking solely to the extent specified herein, and have not reviewed any information regarding RSIL and we have not held any discussions with the management of RSIL or the businesses comprising the Financial Services Undertaking.

The issuance of our opinion has been authorized by our fairness opinion committee.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data in relation to RIL publicly available or provided to or otherwise reviewed by or discussed with us and upon the assurances of the management of RIL that they are not aware of any relevant information that has been omitted or that remains undisclosed to us that would make the information or data examined by, provided to, reviewed by, or discussed with, us inaccurate or misleading in any respect or that would otherwise be relevant in arriving at this Opinion. With respect to information and data relating to RIL provided to or otherwise reviewed by or discussed with us, we have assumed and relied upon the advice of the management of RIL, that such information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of RIL. Further, the management of RIL has communicated to us that our reliance on such information and data is reasonable. We do not assume any responsibility or liability with respect to such information and data. We have not received, reviewed or used any financial forecasts or projections relating to RIL, RSIL or the Financial Services Undertaking. Our opinion does not address, and we have not assessed, any existing or potential contingent liabilities and any ongoing or threatened litigation (including taxation proceedings, regulatory action and any possible unasserted claims) to which RIL, the Financial Services Undertaking, RSIL or their respective affiliates is or may be a party to or is or may be subject or which may have an impact, adverse or otherwise, on the business, operations or prospects of RIL, RSIL or their affiliates or any underlying assumptions, forecasts or views of the management of RIL. We have relied upon and not independently verified or validated, nor do we express any opinion on, the financial, market, and technical data provided to or obtained by us or the management’s views on the future businesses, operations and prospects or any underlying assumptions for the same.

We have assumed, with your consent, that the Demerger will be consummated in accordance with its terms as set out in the Draft Scheme, without waiver, modification or amendment of any term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals (including in relation to listing of the RSIL Shares and approvals of all classes of holders of securities or creditors of RIL, RSIL and their respective affiliates, as applicable), consents and releases for the Demerger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on RIL, RSIL, the Financial Services Undertaking or the contemplated benefits of the Demerger. We have further assumed, with your consent, that such approvals, consents and releases will be duly obtained as required pursuant to applicable laws and contractual obligations, without any delays. Representatives of RIL have advised us, and we further have assumed, that the final terms of the Demerger will not vary from those set forth in the Draft Scheme reviewed by us. Further, we have assumed, with your consent, that there will not be any





adverse rulings or proceedings whatsoever (whether of any court, regulatory body or otherwise) arising out of or in relation to the Demerger. We have also assumed, with your consent, that the Demerger will not result in any adverse effect on RIL or RSIL or their respective businesses or the Financial Services Undertaking, whether under tax or other laws or under the terms of any license or approval. We also have assumed, with your consent, that the Demerger will be treated as a tax-free reorganization for Indian income tax purposes.

As the Draft Scheme envisages the issue of RSIL Shares to the holders of RIL Shares and the holders of partly paid-up equity shares in RIL in the same ratio as their holdings in RIL as at the Record Date, we have assumed with your consent that no relative valuation of RIL, the Financial Services Undertaking and RSIL is required for the purposes of rendering this opinion. We are not expressing any opinion as to what the value of the RSIL Shares actually will be when issued pursuant to the Demerger. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of RIL, the Financial Services Undertaking or RSIL nor have we made any physical inspection of the properties or assets of RIL, the Financial Services Undertaking or RSIL. We express no opinion as to fair value of assets and properties of RIL, the Financial Services Undertaking or RSIL under any laws, or otherwise, or the realizable value of the properties or assets of RIL, the Financial Services Undertaking, RSIL or their respective affiliates. Our opinion is not to be treated as a valuation of any securities of RIL, RSIL or their respective affiliates under any laws or otherwise.

Our opinion does not address, and we have not assessed, any legal, regulatory, taxation or accounting matters. We have also assumed that all aspects of the Demerger and any other transaction contemplated in the Draft Scheme would be in compliance with applicable laws and regulations; and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Demerger will be in compliance with applicable laws, including the Companies Act, 2013, as amended, and the applicable rules and regulations issued by the Securities and Exchange Board of India.

Our opinion is restricted to the fairness, from a financial point of view, of the Share Entitlement Ratio, as recommended by the Valuer and as set forth in the Report, to the holders of RIL Shares and the holders of partly paid-up equity shares in RIL and does not address any matters otherwise than as expressly stated herein. This opinion does not take into account any corporate actions of RIL and RSIL after the date hereof, including payment of dividends or the reduction of the share capital of RSIL contemplated under the Draft Scheme.

We were not requested to, and we did not, participate in the structuring of the Demerger, nor were we requested to, and we did not, solicit third party indications of interest in any possible transaction involving all or a part of RIL, RSIL or the Financial Services Undertaking. We express no view as to, and our opinion does not address, the underlying business decision of RIL to effect the Demerger, the relative merits of the Demerger as compared to any alternative business strategies that might exist for RIL or the effect of any other transaction in which RIL might engage. We also express no view as to, and our opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Demerger, or any class of such persons, relative to the Share Entitlement Ratio. We express herein no view or opinion as to any terms or other aspects of the Demerger (other than the Share Entitlement Ratio set out herein). Our opinion is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing, as of the date hereof.





Citigroup Global Markets India Private Limited has been engaged by RIL in connection with the proposed Demerger only for the purposes of our opinion and we may receive a fee for our services in connection with the delivery of this opinion. Please note that Citigroup Global Markets India Private Limited is a financial services company engaged in the securities and financial advisory businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, as well as providing investment banking, financing and financial advisory services. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of RIL for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with RIL, RSIL and their respective affiliates.

Our opinion expressed herein is provided for the information of the Board of Directors of RIL in its evaluation of the proposed Demerger, and may not be used by or relied upon by any other person for any purpose. Our opinion is not intended to be and does not constitute a recommendation to any shareholder, creditor or other person as to how such shareholder, creditor or other person should vote or act on any matters relating to the proposed Demerger or any other matter.

This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; (ii) as required to be disclosed by RIL to the relevant stock exchanges and the Securities and Exchange Board of India, pursuant to the SEBI Scheme Circular, the National Company Law Tribunal(s), and other regulatory or statutory authorities in connection the Draft Scheme; and (iii) as required to be disclosed on the website of RIL and the stock exchanges solely to the extent required in terms of the SEBI Scheme Circular and as a part of the explanatory statement to be circulated to the shareholders and/or creditors of RIL. This opinion supersedes any prior opinion issued by us in relation to the Demerger.

We accept no responsibility to any person other than the Board of Directors of RIL in relation to the contents of this opinion even if it is disclosed to such person with our consent. It is understood that this opinion is given only as of the date hereof and we do not have any obligation to update, revise or reaffirm this opinion.

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Share Entitlement Ratio as recommended by the Valuer as set forth in the Report is fair, from a financial point of view, to the holders of RIL Shares and the holders of partly paid-up equity shares in RIL.

Very truly yours

*Citigroup Global Markets India Private Limited*

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