

SCHEME OF ARRANGEMENT
BETWEEN
RELIANCE INDUSTRIES LIMITED
&
ITS SHAREHOLDERS AND CREDITORS
AND
RELIANCE O2C LIMITED
&
ITS SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES
ACT, 2013

(A) PREAMBLE

This scheme of arrangement between (i) RIL (*as defined hereinafter*) and its shareholders and creditors; and (ii) O2C Subsidiary (*as defined hereinafter*) and its shareholders and creditors ("**Scheme**") provides for (a) transfer of the O2C Undertaking (*as defined hereinafter*) from RIL to O2C Subsidiary on a Slump Sale (*as defined hereinafter*) basis; and (b) reduction of capital of RIL consequent to adjustment of capital reserve and securities premium against the debit to the statement of profit and loss arising on transfer of O2C Undertaking to O2C Subsidiary, in accordance with the terms hereof, under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*). This Scheme also provides for various other matters consequent and incidental thereto.

(B) DESCRIPTION OF COMPANIES

1. Reliance Industries Limited is a company incorporated under the Companies Act, 1956 ("**Transferor Company**" or "**RIL**"). RIL has multiple undertakings including digital services, retail, financial services, E&P and O2C undertakings. The equity shares and non-convertible debentures of RIL are listed on the Stock Exchanges (*as defined hereinafter*). The global depository receipts of RIL 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 RIL are listed on the Singapore Stock Exchange and Luxembourg Stock Exchange.
2. Reliance O2C Limited is a company incorporated under the Companies Act, 2013 ("**Transferee Company**" or "**O2C Subsidiary**"). The equity shares of O2C Subsidiary are not listed on Stock Exchanges and O2C Subsidiary is a wholly-owned subsidiary of RIL.

(C) RATIONALE FOR THE SCHEME

1. The nature of risk and returns involved in the O2C Business (*as defined hereinafter*) are distinct from those of the other businesses of RIL and the O2C Business attracts a distinct set of investors and strategic partners.
2. RIL has been exploring various opportunities to bring in strategic / other investors in the O2C Business. Investors have expressed interest to make an investment in the O2C Business. RIL, being a listed company, in terms of SEBI LODR Regulations (*as defined*

hereinafter), cannot issue shares with differential rights (i.e. equity shares with interest linked only to O2C Business) to the Investor(s). Therefore, the O2C Undertaking has to be transferred into a wholly-owned subsidiary of RIL, in which the Investor(s) will invest.

3. Accordingly, this Scheme is being proposed for transfer of O2C Undertaking to the O2C Subsidiary on a Slump Sale basis.
4. The Scheme is in the interest of all stakeholders of the Parties (*as defined hereinafter*).

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions of capitalized terms used in this Scheme and the details of the share capital of RIL and O2C Subsidiary;
2. **PART II** deals with the transfer and vesting of the O2C Undertaking from RIL as a *going concern* on a Slump Sale basis to O2C Subsidiary;
3. **PART III** deals with reduction of capital of RIL consequent to adjustment of capital reserve and securities premium against the debit to the statement of profit and loss arising on transfer of O2C Undertaking to O2C Subsidiary; and
4. **PART IV** deals with the general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

- 1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

“**Act**” means the Companies Act, 2013;

“Applicable Law” or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority (*as defined hereinafter*) having jurisdiction over the Parties as may be in force from time to time;

“Appointed Date” means the opening business hours of 1 January 2021 or such other date as may be approved by the Board of the Parties;

“Appropriate Authority” means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;
- (b) any governmental, quasi-governmental or private body or agency lawfully exercising or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, SEBI (*as defined hereinafter*), and the Tribunal (*as defined hereinafter*); and
- (c) any Stock Exchange.

“Board” in relation to RIL and O2C Subsidiary, as the case may be, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

“Effective Date” means the day on which last of the conditions specified in Clause 16 (Conditions Precedent) of this Scheme are complied with or otherwise duly waived;

Reference in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date;

“**Income Tax Act**” means the Income-tax Act, 1961;

“**O2C Business**” means the entire oil-to-chemicals business of RIL consisting of refining, petrochemicals, fuel retail (majority interest only), aviation fuel (with proposed operatorship arrangement with Reliance BP Mobility Limited) and bulk wholesale marketing businesses;

“**O2C Undertaking**” means the O2C Business together with its assets (including capital work in progress) and liabilities, reserves / retained earnings, all real property and interests, all legal and contractual rights and working capital (including all inventories), whether tangible or intangible, in-scope employees, in each case, on an as is where is basis, as such assets and liabilities shall exist on the Appointed Date. Provided however, with respect to borrowings, suppliers credit, export advances and liabilities in the books of RIL with regard to the O2C Undertaking, the Parties will agree on such borrowings, suppliers credit, export advances and liabilities which would form part of the O2C Undertaking (“**Identified Borrowings**”).

(a) For the sake of clarity, the assets of the O2C Undertaking shall include:

- (i) Refining and petrochemicals plants and manufacturing assets at RIL’s Jamnagar, Dahej, Hazira, Nagothane, Vadodara, Patalganga, Silvassa, Barabanki and Hoshiarpur locations;
- (ii) Bulk and Wholesale marketing and 51% equity interest of RIL in the petroleum retail joint venture with BP;
- (iii) 100% equity interest of RIL in each of Reliance Global Energy Services (Singapore) Pte Ltd and Reliance Global Energy Services Limited (UK) (trading subsidiaries), Reliance Industries Uruguay Petroquimica S.A. (marketing subsidiary), Reliance Ethane Pipeline Limited (operating DNEPL – Dahej – Nagothane Pipeline between Dahej to Nagothane);
- (iv) 74.9% equity interest of RIL in Reliance Sibur Elastomers Private Limited (a subsidiary of RIL and joint venture between RIL and Sibur Investments AG);
- (v) 26% voting equity (Class ‘A’ equity shares) interest of RIL in Jamnagar Utilities & Power Private Limited;
- (vi) All assets relating to RIL’s ethane regasification, including storage tanks at Dahej Manufacturing Division, but excluding ethane vessels;
- (vii) All assets relating to RIL’s ongoing refinery and petrochemicals projects (including among others, petcoke gasification) that are

being commissioned or near completion; (viii) Real estate assets of RIL relating to (a) operating manufacturing sites, retail stations and country fuel depots and offices of the O2C Business, and (b) any other real estate required for the O2C Business as may be agreed between the Parties; (ix) SEZ developer assets of RIL; (x) Rights, contracts and licenses relating to the operations and marketing of the refining, & petrochemicals businesses; (xi) All captive technologies required for and used in the operation of the O2C Business and technology in development and intended for use in the O2C Business. Non-exclusive right to use all other captive technologies required for the operation of the O2C Business, subject to terms to be agreed between the Parties; (xii) Non-exclusive, right to use, subject to terms to be agreed between the Parties, RIL brands, trademarks and other similar intellectual property presently used by the O2C Business in India; (xiii) All employees (including graduate trainees) and contract workers employed exclusively in the conduct of the O2C Business; and (xiv) any other assets as agreed between the Parties, as forming part of O2C Business.

(b) For the sake of clarity, the following assets (including the investments in companies holding these assets) shall not form part of the O2C Undertaking:

(i) Reliance Ethane Holding Pte. Limited and its assets, which include very large ethane carriers (VLECs); (ii) Reliance Gas Pipelines Limited (RGPL) and its assets, which include SHPPL – CBM pipeline between Shahdol and Phulpur; (iii) Gujarat Chemical Port Limited (GCPL) and its assets, which include port facilities; (iv) Reliance Corporate IT Park Limited (RCITPL) and its assets; (v) Reliance Industrial Infrastructure Limited (RIIL) and its assets, which include pipelines for the transportation of fuel and chemicals, plant and machinery assets; (vi) Reliance Europe Limited and its assets; (vii) Reliance Industries (Middle East) DMCC (RIME) and its assets; (viii) RIL's textiles business as operated out of the Naroda site; (ix) RIL's E&P assets; (x) Real estate assets, other than (a) operating manufacturing sites, retail stations and country fuel depots and offices of the O2C Business, and (b) any other real estate (xi) All rights to RIL brands, trademarks and other similar intellectual property other than those used for the O2C Business; (xii) Logistics, IT, IP Technology and branding services provided by RIL (xiii) Any assets or employees not exclusively dedicated to or used in the O2C Business (e.g., employees in RIL's Treasury, Secretarial and Corporate Affairs functions); (xiv) Other assets relating to RIL's non-operating petrochemicals sites (e.g., in Nagpur, Allahabad, Kurkumbh, Dhenkanal, Akola); (xv) Baroda township and land including cricket stadium; (xvi) Jamnagar Utilities & Power Private

Limited (JUPPL) and its assets, which include power generation and utility assets, excluding the 26% voting equity (Class 'A' equity shares) interest held by RIL; and (xvii) Sikka Ports & Terminals Limited (SPTL) and its assets, which include port facilities and pipeline assets.

Further, the O2C Undertaking will exclude: (i) all assets and liabilities of RIL related to the above excluded assets and any assets unrelated to the O2C Business; (ii) all other investments, loans and advances of RIL; and (iii) all cash and cash equivalents of RIL (other than working capital of O2C Undertaking) as on the Appointed Date.

- (c) For the sake of clarity, apart from the Identified Borrowings, the liabilities of the O2C Undertaking shall include all liabilities of the O2C Business, whether fixed or contingent, matured or unmatured, including indebtedness (other than Identified Borrowings), related employee, pension, tax and environmental liabilities, whether incurred before or after the Appointed Date.
- (d) without prejudice to the generality of the provisions of the foregoing, the O2C Undertaking shall include:
 - (i) in respect of immovable assets, leasehold or licensed rights, lease arrangements, corporeal or incorporeal assets, present, future, contingent, tangible or intangible assets, easementary rights and rights of way;
 - (ii) in respect of movable assets, hire purchase arrangements, identified investments, sundry debtors, deposits, advances, recoverables, receivables, title, interest, identified cash and bank balances, bills of exchange, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licences, registrations, quotas, allotments, consents, privileges, liberties, advantages, all the rights, title, interests, goodwill, benefits, fiscal incentives, SEZ benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or control of or vested in or granted in favor of or held for the benefit of or enjoyed by RIL with respect to the O2C Business;
 - (iii) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted at source, goods and

service tax credit, deductions and benefits under the relevant Law or any other taxation statute with respect to the O2C Business;

- (iv) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, pertaining to the O2C Business;
- (v) entire experience, credentials, past record and market share of RIL pertaining to the O2C Business;
- (vi) all books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the O2C Business.

The complete details of assets and liabilities including Identified Borrowings, real property and interests, legal and contractual rights and working capital (including inventories), whether tangible or intangible, in-scope employees of the O2C Undertaking as on the Appointed Date will be agreed between the Parties.

“Parties” means collectively RIL and O2C Subsidiary and **“Party”** shall mean each of them, individually;

“Permits” means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

“Person” means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

“Remaining Undertaking” means all of the businesses, units, divisions, undertakings, and assets and liabilities of RIL other than the O2C Undertaking;

“**RoC**” means the relevant jurisdictional Registrar of Companies having jurisdiction over RIL and O2C Subsidiary, as the case may be;

“**Rs**” or “**Rupee(s)**” means Indian Rupee, the lawful currency of the Republic of India;

“**Scheme**” or “**this Scheme**” means this scheme of arrangement as modified from time to time;

“**SEBI**” means the Securities and Exchange Board of India;

“**SEBI LODR Regulations**” means SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and any amendments thereof;

“**Slump Sale**” means the sale of an undertaking on a *going concern* basis as defined under Section 2(42C) of the Income Tax Act, for a lump sum consideration without values being assigned to the individual assets and liabilities;

“**Stock Exchanges**” means BSE Limited and National Stock Exchange of India Limited, collectively;

“**Tax Laws**” means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

“**Tax Net Worth**” means the Aggregate Value of Assets reduced by the Aggregate Value of Liabilities of O2C Undertaking as on the Appointed Date, transferred pursuant to this Scheme.

For this purpose,

- 'Aggregate Value of Assets' shall be: (a) in the case of depreciable assets, the written down value of the block of assets, determined in accordance with the provisions of the Income Tax Act; and (b) in the case of other assets, the book value of such assets, ignoring revaluation, if any, of the O2C Undertaking; and
- 'Aggregate Value of Liabilities' shall be the value of liabilities of the O2C Undertaking appearing in the books including the Identified Borrowings.

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of taxes and statutory, governmental,

state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to RIL and O2C Subsidiary, as the case may be, or any other Person and all penalties, charges, costs and interest relating thereto;

“Transferee Company” or **“O2C Subsidiary”** means Reliance O2C Limited, a company incorporated under the provisions of the Companies Act, 2013, having Corporate Identity Number U11100GJ2019PLC113609 and its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006, India;

“Transferor Company” or **“RIL”** means Reliance Industries Limited, a company incorporated under the provisions of the Companies Act, 1956, having Corporate Identity Number L17110MH1973PLC019786 and its registered office at 3rd Floor, Maker Chamber IV, 222, Nariman Point, Mumbai, Maharashtra 400 021, India; and

“Tribunal” means the relevant bench of the National Company Law Tribunal having jurisdiction over RIL and O2C Subsidiary.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.3 the words “include” and “including” are to be construed without limitation.

2. SHARE CAPITAL

2.1 The share capital of RIL as on 31 August 2020 is as follows:

Particulars	Rs
Authorised Share Capital	
1400,00,00,000 equity shares of Rs 10 each	14000,00,00,000
100,00,00,000 preference shares of Rs 10 each	1000,00,00,000
Total	15000,00,00,000
Issued Share Capital	
676,20,37,614 equity shares of Rs. 10/- each	6762,03,76,140
Subscribed and Paid-up Share Capital	
633,94,10,720 fully paid-up equity shares of Rs 10 each	6339,41,07,200
42,26,26,894 partly paid-up equity shares of Rs. 10 each, Rs. 2.50 paid-up	1,05,65,67,235
Total	6445,06,74,435

RIL has outstanding employee stock options, the exercise of which may also result in an increase in the issued, subscribed and paid-up share capital RIL.

2.2 The share capital of O2C Subsidiary as on 31 August 2020 is as follows:

Particulars	Rs
Authorised Share Capital	
1,00,000 equity shares of Rs 10 each	10,00,000
Total	10,00,000
Issued, Subscribed and Paid-up Capital	
50,000 equity shares of Rs 10 each	5,00,000
Total	5,00,000

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme in its present form or with any modification(s) made as per Clause 15 of this Scheme, shall become effective from the Appointed Date but shall be operative from the Effective Date.

PART II

TRANSFER AND VESTING OF THE O2C UNDERTAKING

4. TRANSFER AND VESTING OF THE O2C UNDERTAKING

- 4.1 With effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the O2C Undertaking shall, without any further act, instrument or deed, be transferred from RIL to and be vested in or be deemed to have been transferred to and vested in O2C Subsidiary as a *going concern* on a Slump Sale basis so as to become on and from the Appointed Date, an undertaking, free from any encumbrance or charges (except to the extent of (i) encumbrance created with respect to the loans and liabilities being transferred to O2C Subsidiary; and (ii) encumbrance on any asset forming part of the O2C Undertaking created for the purpose of operation of the O2C Business), of O2C Subsidiary by virtue of operation of law, and in the manner provided for in this Scheme.
- 4.2 In respect of such of the assets and properties forming part of the O2C Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred from RIL to O2C Subsidiary upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of O2C Subsidiary without requiring any deed or instrument of conveyance for transfer of the same.
- 4.3 With respect to the assets of the O2C Undertaking other than those referred to in Clause 4.2 above and Clause 4.4 below, including all rights and interests in the agreements (including agreements for lease or license of the properties), sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, balances & deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of RIL, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to O2C Subsidiary, with effect from the Appointed Date by operation of law as transmission in favour of O2C Subsidiary. With regard to assets such as leases or licenses of the properties, O2C Subsidiary will enter into novation agreements, if it is so required.
- 4.4 In respect of such of the assets and properties forming part of the O2C Undertaking

which are immovable in nature, whether or not included in the books of RIL, including rights, interest and easements in relation thereto, the same shall stand transferred to O2C Subsidiary with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by RIL and/or O2C Subsidiary.

- 4.5 For the avoidance of doubt and without prejudice to the generality of Clause 4.4 above and Clause 4.6 below, it is clarified that, with respect to the immovable properties comprised in the O2C Undertaking in the nature of land and buildings, the Parties shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.5 or Clause 4.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the O2C Undertaking takes place and the O2C Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.
- 4.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the O2C Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra and Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty, and transfer to O2C Subsidiary, if O2C Subsidiary so decides, the Parties may execute and register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of O2C Subsidiary in respect of such immovable properties. Each of the immovable properties shall, only for the purposes of payment of stamp duty (if required under Applicable Law), be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 4.7 Upon effectiveness of this Scheme, liabilities including Identified Borrowings forming part of the O2C Undertaking, as on the Appointed Date shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to O2C Subsidiary and O2C Subsidiary shall meet, discharge and satisfy the same. In so far as indirect Tax liabilities are concerned, in particular, any liability with respect to the goods and services tax, value added tax, purchase tax, sales tax or any other duty or tax in relation to the O2C Undertaking, shall be treated as liabilities of O2C Subsidiary.

- 4.8 In so far as assets comprised in the O2C Undertaking are concerned, the security by way of existing charges, mortgages or other encumbrances, if any, over or in respect of any such assets relating to any loans or borrowings of RIL which are not transferred to O2C Subsidiary shall, without any further act, deed or instrument, be and stand released and discharged from the same and such assets shall no longer be available as security in relation to those loans or borrowings of RIL.
- 4.9 In respect of unutilized input credits of goods and services tax of RIL, the portion which will be attributed to the O2C Undertaking and be transferred to O2C Subsidiary shall be determined by the Board of RIL in accordance with Applicable Law.
- 4.10 Upon the Scheme becoming effective, RIL and O2C Subsidiary shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that O2C Subsidiary shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of the unpaid liabilities transferred to it as part of the O2C Undertaking to the extent not claimed by RIL, as and when the same are paid subsequent to the Appointed Date.
- 4.11 Subject to Clause 4 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the O2C Undertaking, RIL shall, if so required by O2C Subsidiary, issue notices in such form as Parties may mutually agree stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of O2C Subsidiary, as the Person entitled thereto, to the end and intent that the right of RIL to recover or realise the same stands transferred to O2C Subsidiary and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.12 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of RIL, in relation to or in connection with the O2C Undertaking, shall be accepted by the bankers of O2C Subsidiary and credited to the account of O2C Subsidiary, if presented by O2C Subsidiary.
- 4.13 Without prejudice to the foregoing provisions of this Clause 4 and upon the

effectiveness of this Scheme, RIL and O2C Subsidiary may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge(s), with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.

- 4.14 Permits, including the benefits attached thereto, pertaining to the O2C Undertaking shall be transferred to O2C Subsidiary from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of O2C Subsidiary as if the same were originally given by, issued to or executed in favour of O2C Subsidiary and O2C Subsidiary shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to O2C Subsidiary to carry on the operations pertaining to the O2C Undertaking without any hindrance, whatsoever.
- 4.15 On coming into effect of this Scheme, without any further act or deed and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, engagements, arrangements and other instruments (including all tenancies, leases, licences and other assurances in favour of RIL or powers or authorities granted by or to it) of whatsoever nature in relation to the O2C Undertaking (other than those taken for RIL as a whole or without reference to specific assets pertaining to the O2C Undertaking) to which RIL is a party or to the benefit of which RIL may be eligible, or under which RIL has any obligations to discharge and which are subsisting or having effect shall, without any further act, instrument or deed, continue in full force and effect in favour of, by, for or against O2C Subsidiary and may be enforced as fully and effectually as if, instead of RIL, O2C Subsidiary had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 4.16 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the O2C Undertaking occurs by virtue of this Scheme, O2C Subsidiary may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which RIL is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme.

5. EMPLOYEES

5.1 With effect from the Effective Date, O2C Subsidiary undertakes to engage, without any interruption in service, all in-scope employees of RIL engaged in or in relation to the O2C Undertaking, on the same terms and conditions on which they are engaged by RIL. O2C Subsidiary undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by RIL with any of the aforesaid employees or union representing them. O2C Subsidiary agrees that the services of all such employees with RIL prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

5.2 The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of O2C Subsidiary set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of RIL.

6. LEGAL PROCEEDINGS

6.1 Upon coming into effect of this Scheme, all demands, claims, show cause notices, suits, actions, administrative proceedings, tribunals proceedings, legal and other dispute resolution proceedings of whatsoever nature (except proceedings under the Income Tax Act) by or against RIL pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the O2C Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against O2C Subsidiary with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against RIL. O2C Subsidiary shall be substituted in place of RIL or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with RIL and the liability of RIL shall stand nullified. RIL shall in no event be responsible or liable in relation to any such

legal or other proceedings in relation to the O2C Undertaking.

- 6.2 O2C Subsidiary undertakes to have all legal and other proceedings (except proceedings under the Income Tax Act) initiated by or against RIL referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against O2C Subsidiary to the exclusion of RIL on priority. Both the Parties shall make relevant applications and take all steps as may be required in this regard.
- 6.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, RIL is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), in each case in relation to the O2C Undertaking, RIL shall, in view of the transfer and vesting of the O2C Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace RIL with O2C Subsidiary. However, if RIL is unable to get O2C Subsidiary replaced in its place in such proceedings, RIL shall defend the same or deal with such demand in accordance with the advice of O2C Subsidiary and at the cost of O2C Subsidiary and the latter shall reimburse to RIL all liabilities and obligations incurred by RIL in respect thereof.

7. CONSIDERATION

- 7.1 In consideration for the transfer and vesting of the O2C Undertaking, O2C Subsidiary shall pay a lump sum consideration equal to the Tax Net Worth, without values being assigned to the individual assets and liabilities.
- 7.2 The consideration for the transfer of the O2C Undertaking, as mentioned in Clause 7.1 above, shall be payable by O2C Subsidiary to RIL, in one or more tranches, with or without interest, as may be mutually agreed between the Parties. Further, the Parties may agree that for the whole or part of the consideration, (i) the O2C Subsidiary may issue to RIL one or more securities carrying such interest / return and on such terms and conditions to be mutually agreed between the Parties; and (ii) the O2C Subsidiary may convert it into an interest bearing loan on terms and conditions to be mutually agreed between the Parties.

8. ACCOUNTING TREATMENT

RIL and O2C Subsidiary shall comply with generally accepted accounting practices in

India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the transactions in the Scheme including but not limited, to the following:

8.1 In the books of RIL:

Upon this Scheme coming into effect, RIL shall account for the transaction in its books of account in the following manner:

8.1.1 With effect from the Appointed Date, the book value of assets and liabilities & reserves/retained earnings, of the O2C Undertaking to the extent identified and being transferred to O2C Subsidiary in pursuance of this Scheme shall be reduced from the corresponding balances of the assets and liabilities & reserves/ retained earnings as reflecting in the books of RIL; and

8.1.2. Difference between the book value of assets and liabilities & reserves/retained earnings, of the O2C Undertaking transferred to the O2C Subsidiary, as reduced by consideration received/receivable by RIL from O2C Subsidiary, if any, shall be debited/credited, as the case may be, to the statement of profit and loss of RIL.

8.2 In the books of O2C Subsidiary:

Upon this Scheme coming into effect, O2C Subsidiary shall account for the transaction, in its books of account in the following manner:

8.2.1 With effect from the Appointed Date, O2C Subsidiary shall record all assets and liabilities & reserves/retained earnings, if any of the O2C Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of RIL; and

8.2.2 Difference between the book value of assets and liabilities & reserves/retained earnings, so recorded in the books of O2C Subsidiary, as reduced by consideration paid/payable by O2C Subsidiary to RIL, if any, shall be debited/credited to the capital reserve account of O2C Subsidiary.

PART III
REDUCTION OF CAPITAL OF RIL

9. REDUCTION OF CAPITAL OF RIL CONSEQUENT TO ADJUSTMENT OF CAPITAL RESERVE AND SECURITIES PREMIUM AGAINST THE DEBIT TO STATEMENT OF PROFIT AND LOSS ARISING ON TRANSFER OF O2C UNDERTAKING TO O2C SUBSIDIARY

- 9.1 In accordance with the accounting treatment set out in Clause 8.1 of Part II of this Scheme, difference between the 'book value of assets' and 'book value of liabilities' & reserves/ retained earnings of the O2C Undertaking transferred to the O2C Subsidiary, as reduced by consideration received/ receivable by RIL from O2C Subsidiary shall be debited to the statement of profit and loss of RIL (hereinafter referred to as '**Debit Amount**' in this Clause 9).
- 9.2 The Debit Amount shall be offset by transfer and credit of an equal amount to the statement of profit and loss of RIL from the credit balance available in the following accounts/reserves of RIL as at the Appointed Date, in the following order:
- (a) First, the credit balance appearing in the deferred tax liability account, pertaining to the O2C Undertaking;
 - (b) Second, the credit balance in the capital reserve account;
 - (c) Third, the credit balance in the securities premium account; and
 - (d) Balance required, if any, from the credit balance in the general reserve account.
- 9.3 Such utilization of the capital reserve and the securities premium shall result in reduction of share capital of RIL to such extent.
- 9.4 The reduction of the share capital of RIL consequent upon utilization of capital reserve and securities premium of RIL shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately, and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.
- 9.5 The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.
- 9.6 Notwithstanding the reduction of share capital arising on account of such utilization

of the capital reserve and the securities premium of RIL, RIL shall not be required to add “And Reduced” as suffix to its name.

- 9.7 This Part of the Scheme does not envisage transfer or vesting of any of the properties and/ or liabilities of RIL to or in any Person and consequently, the order of the Tribunal to the extent of this Part of the Scheme will not attract any stamp duty.
- 9.8 RIL submits that the proposed reduction of share capital as above is in conformity with and does not violate or circumscribe any provision of the Act.

PART IV GENERAL TERMS & CONDITIONS

10. REMAINING UNDERTAKING

- 10.1 The Remaining Undertaking shall continue to belong to and be owned and managed by RIL. RIL shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Undertaking and O2C Subsidiary shall not have any liability or obligation in relation to the Remaining Undertaking.
- 10.2 If O2C Subsidiary is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Undertaking, the O2C Subsidiary shall take all such steps in the proceedings before the Appropriate Authority to substitute O2C Subsidiary with RIL. However, if O2C Subsidiary is unable to get RIL so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of RIL and at the cost of RIL and the latter shall reimburse O2C Subsidiary, against all liabilities and obligations incurred by or against O2C Subsidiary, in respect thereof.

11. BUSINESS UNTIL EFFECTIVE DATE

- 11.1 With effect from the date when the Board of RIL approves this Scheme and up to and including the Effective Date, RIL shall carry on the business pertaining to the O2C Undertaking in the ordinary course consistent with past practice.

12. PROPERTY IN TRUST

- 12.1 Notwithstanding anything contained in this Scheme, on and after the Effective Date, until any property, asset, license, Permit, contract, agreement and rights and benefits arising therefrom pertaining to the O2C Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority or otherwise, in favour of O2C Subsidiary, O2C Subsidiary is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, Permit, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, Permit, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities, RIL will continue to hold the property and/or the asset, license, Permit, contract or agreement and rights and benefits arising therefrom in trust for and on behalf of O2C Subsidiary.

13. FACILITATION PROVISIONS

- 13.1 Upon the Scheme being effective, the Parties shall enter into agreements as may be mutually agreed, *inter alia*, in relation to use of office space, brand, infrastructure facilities, information technology services, security personnel, legal, administrative and other services, etc. on such terms and conditions as may be mutually agreed between them.
- 13.2 Further, upon the Scheme becoming effective and with effect from Appointed Date, the Board of O2C Subsidiary shall, to the extent necessary, regroup and/or reclassify the assets transferred to O2C Subsidiary pursuant to the Scheme, as it may deem fit.

14. APPLICATIONS/PETITIONS TO THE TRIBUNAL

- 14.1 The Parties shall make and file all applications and petitions under sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

15. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 15.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may

impose.

- 15.2 For the purposes of giving effect to this Scheme, the Board may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme.

16. CONDITIONS PRECEDENT

- 16.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

16.1.1. obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;

16.1.2. approval of the Scheme by the requisite majority of shareholders and creditors of the Parties, as applicable or as may be required under the Act and as may be directed by the Tribunal;

16.1.3. the Parties, as the case may be, complying with other provisions of the SEBI Circular dated March 10, 2017 bearing reference no. CFD/DIL3/CIR/2017/21, including seeking approval of the shareholders of RIL through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of RIL, against it as required under the SEBI Circular dated March 10, 2017 bearing reference no. CFD/DIL3/CIR/2017/21. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

16.1.4. the sanctions and orders of the Tribunal, under sections 230 to 232 of the Act being obtained by the Parties; and

16.1.5. the certified copy of the orders of the Tribunal being filed with the RoC by the Parties.

- 16.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that Parties may have under or pursuant to all Applicable Laws.

17. WITHDRAWAL OF THIS SCHEME

- 17.1 RIL and O2C Subsidiary, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 17.2 In the event of withdrawal of the Scheme under Clause 17.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

18. COSTS AND EXPENSES

- 18.1 All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the O2C Undertaking in O2C Subsidiary in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid by RIL.



UNDERTAKING

This is to confirm that in terms of the Scheme of Arrangement for transfer of O2C Undertaking (as defined in the Scheme) from Reliance Industries Limited to its wholly owned subsidiary, Reliance O2C Limited, no shares will be issued by Reliance O2C Limited to Reliance Industries Limited as consideration for the transfer.

The term 'securities' referred to in clause 7.2 of the Scheme means only debt securities and not shares.

Further, as on date of application, there are no outstanding warrants / instruments / agreements which give right to any person to take equity shares in the transferee entity at any future date.

For **Reliance Industries Limited**

A handwritten signature in blue ink, appearing to read "Savithri", enclosed in a rectangular box.

Savithri Parekh
Joint Company Secretary and Compliance Officer