



## Reliance Retail Limited

**Registered Office:** 3<sup>rd</sup> Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai-400002; **CIN:** U01100MH1999PLC120563  
**Website:** [www.relianceretail.com](http://www.relianceretail.com); **E-mail:** [retail.secretarial@ril.com](mailto:retail.secretarial@ril.com); **Tel:** +91 22 3555 3800

### POSTAL BALLOT NOTICE

*(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014)*

Dear Members,

Notice is hereby given that the resolution set out below is proposed for approval by the Members of Reliance Retail Limited (**"the Company"**) by means of Postal Ballot, only by remote e-voting process (**"e-voting"**) being provided by the Company to cast their votes electronically, pursuant to Section 110 of the Companies Act, 2013 (**"the Act"**), the Companies (Management and Administration) Rules, 2014 (**"the Rules"**) and other applicable provisions of the Act and the rules, General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (**"MCA Circulars"**), Secretarial Standard on General Meetings (**"SS-2"**) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time).

The Statement pursuant to Section 102(1) and other applicable provisions of the Act read with the Rules setting out all material facts relating to the resolution proposed in this Postal Ballot Notice is attached.

The Board of Directors of the Company has appointed Shri Anil Lohia, a Practising Chartered Accountant, Partner, Dayal and Lohia, Chartered Accountants (Membership No.: 031626) or failing him Shri Khushit Jain, a Practising Chartered Accountant (Membership No.: 608082) Partner, Dayal and Lohia, Chartered Accountants, as Scrutinizer for conducting the postal ballot, through remote e-voting process, in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the votes cast in the Postal Ballot shall be final.

The Company has engaged the services of KFin Technologies Limited (**"KFinTech"** or **"Registrar and Transfer Agent"**) as the agency to provide remote e-voting facility.

Members are requested to read the instructions in the Notes in this Postal Ballot Notice to cast their vote electronically. Members may cast their votes during the period mentioned herein below:

<b>Commencement of e-voting:</b>	<b>9:00 a.m. (IST) on Thursday, July 13, 2023</b>
<b>End of e-voting:</b>	<b>5.00 p.m. (IST) on Friday, August 11, 2023</b>

The Scrutinizer will submit his report, after the completion of scrutiny, to the Chairman of the Company or any person authorized by him. The results of e-voting will be announced on or before Monday, August 14, 2023 and will be displayed on the Company's website at [www.relianceretail.com](http://www.relianceretail.com) and the website

of KFinTech at <https://evoting.kfintech.com>. The results will be communicated to National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**) (together the **"Depositories"**). The Company will also display the results of voting in the Postal Ballot at its Registered Office.

### SPECIAL BUSINESS

#### Reduction of Equity Share Capital of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 66 of the Companies Act, 2013 (**"the Act"**) read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Act, the rules, circulars and notifications made thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable provisions of the Articles of Association of the Company, subject to the sanction and confirmation by the Hon'ble National Company Law Tribunal, Mumbai Bench (**"the Tribunal"**) and subject to such other approval(s), permission(s) and sanction(s) of regulatory and other statutory authorities, as may be necessary and subject to such condition(s) and modification(s) as may be deemed appropriate, or which may otherwise be considered necessary, desirable or imposed by the Tribunal or by any regulatory or other statutory authorities, while granting such approval(s), permission(s) and sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall be deemed to mean and include one or more Committee(s) constituted / to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to reduce the Company's issued, subscribed and paid-up equity share capital from Rs. 8994,83,95,130 (Rupees Eight thousand nine hundred ninety four crore eighty three lakh ninety five thousand one hundred and thirty only) comprising 899,48,39,513 (Eight hundred ninety nine crore forty eight lakh thirty nine thousand five hundred and thirteen) fully paid-up equity shares of Rs. 10/- each to Rs. 8986,97,40,900 (Rupees Eight thousand nine hundred eighty six crore ninety seven lakh forty thousand and nine hundred only) comprising 898,69,74,090 (Eight hundred ninety eight crore sixty nine lakh seventy four thousand and ninety) fully paid-up equity shares of Rs. 10/- each by cancelling and extinguishing 78,65,423 (Seventy eight lakh sixty five thousand four hundred and twenty three) fully paid-up equity shares of Rs. 10/- each (**"Identified Shares"**) aggregating to Rs. 7,86,54,230 (Rupees Seven crore eighty six lakh fifty four

thousand two hundred and thirty only) of the issued, subscribed and paid-up equity share capital of the Company (“**Capital Reduction**”) held by shareholders other than Reliance Retail Ventures Limited, the Promoter and holding company of the Company (“**Identified Shareholders**”);

**RESOLVED FURTHER THAT** subject to the sanction and confirmation of the Capital Reduction by the Tribunal and such Capital Reduction becoming effective and operative, the Identified Shareholders of the Company, as on the Record Date (defined below) shall be paid for the equity shares held by them and which are cancelled and extinguished, a consideration in an amount equal to (i) Rs. 885 per equity share, being the higher of the fair values determined by independent valuers; plus (ii) the maximum income tax liability in the hands of the Identified Shareholders on the consideration (which will be arrived at by grossing up the Rs. 885 at the maximum marginal tax rate prevailing on the date of payment of the consideration) (“**Consideration**”);

**RESOLVED FURTHER THAT** after the Capital Reduction is sanctioned and confirmed by the Tribunal, the Board shall fix a record date for the purpose of determining the names of the Identified Shareholders (“**Record Date**”);

**RESOLVED FURTHER THAT** subject to the sanction and confirmation of the Capital Reduction by the Tribunal and such Capital Reduction becoming effective and operative, without any further act or deed by the Identified Shareholders (including but not limited to surrendering of share certificates and / or sending appropriate instructions to the depository participants), the Identified Shares shall stand cancelled and extinguished;

**RESOLVED FURTHER THAT** the payment of Consideration to the Identified Shareholders as on the Record Date shall be made within such number of days of the Record Date as shall be decided by the Board and subject to such approvals, if any, as may be required under the applicable law or as may be directed by the Tribunal. All such payments will be made by cheque, demand draft, pay order, warrant, NEFT, RTGS or IMPS (as the case may be) after deduction/withholding of appropriate taxes (if any) by the Company based on the declarations (if any) provided by the Identified Shareholders to the Company;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, expedient, usual or proper, in the best interest of the Company and its Members in connection with and relating to the Capital Reduction, including any directions for settling any questions or doubts or difficulties, whatsoever, that may arise, for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board may, in its absolute discretion, deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, including but not limited to:

(a) file applications / petitions, vakalatnamas and affidavits and/or other legal documents with the Tribunal, as may be

required for seeking directions / sanction / confirmation for the Capital Reduction by the Tribunal;

- (b) engage/appoint lawyers, consultants, advisors, merchant bankers, etc. as may be required for the purpose of filing of the applications/petitions and for representation before the Tribunal/ courts / tribunals/ authorities;
- (c) file and represent the Company before the Tribunal and/ or such other courts/tribunals/authorities and to file the necessary applications, petitions, affidavits, pleadings for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions, etc., that may be passed by the Tribunal and/or such other courts/tribunals/ authorities;
- (d) obtain approval/consent from such other regulatory / statutory authorities and parties (including creditors) as may be considered necessary, for the Capital Reduction;
- (e) obtain necessary certificates from the statutory auditors for the completion of the Capital Reduction process;
- (f) verify, sign, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and prepare all deeds, declarations, instruments, affidavits, applications, petitions, observations, consents, notices and writings, as may be usual, necessary or proper for undertaking and giving effect to the Capital Reduction;
- (g) make such alterations, modifications or amendments in all applications, petitions and other documents as may be required or necessary for complying with the requirements or conditions imposed by the Tribunal or courts and/or any other appropriate authorities and to do such acts and matters connected therewith;
- (h) withdraw the application/petition filed before the Tribunal for the Capital Reduction at any stage, in case any changes and/or modifications suggested or required to be made in the application/petition or any condition imposed, whether by the Tribunal and/or any other regulatory authority are, in their view, not in the interest of the Company and/or if the application/petition cannot be implemented otherwise, and to do all such deeds, acts and things as the Board may deem necessary and desirable in connection therewith and incidental thereto;
- (i) open a bank account in the name of the Company and deposit the total consideration to be paid to the Identified Shareholders for the cancellation and extinguishment of the Identified Shares pursuant to the Capital Reduction;
- (j) call for the bank account details of the Identified Shareholders of the Company for paying the consideration amount;
- (k) discharge payment due to the Identified Shareholders of the Company for the cancellation and extinguishment of the Identified Shares in accordance with applicable law by cheque, demand draft, pay order, warrant, NEFT, RTGS or IMPS

after deduction/withholding of appropriate taxes (if any) by the Company based on the declarations (if any) provided by the Identified Shareholders;

- (l) comply with the prescribed withholding tax related requirements including but not limited to filing of withholding tax returns and forms;
- (m) pass such accounting entries and/or making such other adjustments in the books of accounts of the Company, as are considered necessary to give effect to the Capital Reduction, in accordance with applicable accounting standards;
- (n) comply with all necessary formalities, compliances and disclosures in this regard and file necessary forms or documents with the relevant authorities (including but not limited to the Registrar of Companies);
- (o) authenticate all necessary documents as 'certified copies' or in any other manner as may be required, including affixing the common seal of the Company on any documents in connection with the above resolution;
- (p) do all such other acts, matters, deeds and things as may be considered necessary and expedient in connection with or incidental to giving effect to the above resolution or to settle any question or difficulty that may arise; and
- (q) delegate any or all of the powers conferred upon them by this Resolution to any other person as they may deem fit."

#### By Order of the Board of Directors

#### Sridhar Kothandaraman

Company Secretary

Mumbai, July 12, 2023.

#### Registered Office:

3rd Floor, Court House  
Lokmanya Tilak Marg, Dhobi Talao  
Mumbai -400 002  
CIN: U01100MH1999PLC120563  
Website: [www.relianceretail.com](http://www.relianceretail.com)  
E-mail: [retail.secretarial@ril.com](mailto:retail.secretarial@ril.com)  
Tel.: +91 22 3555 3800

#### Notes:

1. A Statement pursuant to Section 102(1) and other applicable provisions of the Act read with the Rules setting out all material facts relating to the resolution mentioned in this Postal Ballot Notice is attached.
2. In accordance with the MCA Circulars, this Postal Ballot Notice is being sent only by electronic mode to those Members whose names appear on the Register of Members / List of Beneficial Owners as on July 11, 2023 ("**Cut-Off Date**")

received from the Depositories and whose e-mail address is registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories. Physical copies of the Postal Ballot Notice along with postal ballot forms and prepaid business reply envelopes are not being sent to Members for this Postal Ballot.

3. This Postal Ballot Notice will also be available on the Company's website at [www.relianceretail.com](http://www.relianceretail.com) and on the website of KFinTech at <https://evoting.kfintech.com>.
4. In accordance with the MCA Circulars, the Company has made necessary arrangements for the Members to register their e-mail address. (i) Members who have not registered their e-mail address are requested to register the same with the Depository Participant(s) where they maintain their demat accounts, if the shares are held in electronic form, and (ii) Members holding shares in physical mode, who have not registered / updated their email address with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [retail.secretarial@ril.com](mailto:retail.secretarial@ril.com) or to KFinTech at [rrlinvestor@kfintech.com](mailto:rrlinvestor@kfintech.com).
5. Members would be able to cast their votes and convey their assent or dissent to the proposed resolution only through the remote e-voting process. Members whose names appear on the Register of Members / List of Beneficial Owners as on the Cut-Off Date will only be considered eligible for the purpose of e-voting. A person who becomes a Member after the Cut-Off Date should treat this notice for information purpose only.
6. **Voting rights of a Member / Beneficial Owner shall be in proportion to his/her/its shareholding in the paid-up equity share capital of the Company as on the Cut-Off Date.**
7. Pursuant to Sections 108, 110 and other applicable provisions of the Act and the rules made thereunder, the MCA Circulars and Secretarial Standard on General Meeting ("**SS-2**") and any amendments thereto, the Company is providing the facility to the Members to exercise their right to vote on the proposed resolution electronically. The Company has engaged the services of KFinTech as the agency to provide e-voting facility. The instructions for e-voting are provided as part of this Postal Ballot Notice which the Members are requested to read carefully before casting their vote.
8. **The e-voting period commences at 9:00 a.m. (IST) on Thursday, July 13, 2023 and ends at 5:00 p.m. (IST) on Friday, August 11, 2023.** Members desiring to exercise their vote should cast their vote during this period, for their vote to be eligible for being considered.
9. The resolution, if approved, shall be deemed to have been passed on the last date of e-voting i.e. Friday, August 11, 2023.

10. All the documents referred to in this Postal Ballot Notice will be available for inspection electronically until the last date of e-voting. Members seeking to inspect such documents can send an email to [retail.secretarial@ril.com](mailto:retail.secretarial@ril.com).

**11. PROCEDURE FOR E-VOTING:**

**(i) E-VOTING FACILITY:**

- a) Pursuant to Sections 108, 110 and other applicable provisions of the Act and the rules made thereunder, the MCA Circulars and SS-2 and any amendments thereto, the Company is providing e-voting facility of KFinTech to its Members to exercise their right to vote on the proposed resolution by electronic means.
- b) **The e-voting facility will be available during the following voting period:**

<b>Commencement of remote e-voting:</b>	9:00 a.m. (IST) on Thursday, July 13, 2023
<b>End of remote e-voting:</b>	5:00 p.m. (IST) on Friday, August 11, 2023

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

c) **The manner of e-voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) shareholders other than individuals holding shares of the Company in demat mode, (iii) shareholders holding shares of the Company in physical mode, and (iv) Members who have not registered their e-mail address, is explained in the instructions given herein below.**

**(ii) INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:**

- A. **Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.**
- B. **INFORMATION AND INSTRUCTIONS FOR E-VOTING BY INDIVIDUAL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE:**

All "individual shareholders holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:

<b>Procedure to login through websites of Depositories</b>	
<b>National Securities Depository Limited (NSDL)</b>	<b>Central Depository Services (India) Limited (CDSL)</b>
<p><b>1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <ul style="list-style-type: none"> <li>i. Type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>ii. Click on the button "<b>Beneficial Owner</b>" available for login under '<b>IDeAS</b>' section.</li> <li>iii. A new page will open. Enter your User ID and Password for accessing IDeAS.</li> <li>iv. On successful authentication, you will enter your IDeAS service login. Click on "<b>Access to e-Voting</b>" under <b>Value Added Services</b> on the panel available on the left hand side.</li> <li>v. You will be able to see Company Name: "<b>Reliance Retail Limited</b>" on the next screen. <b>Click on the e-Voting link available against Reliance Retail Limited or select e-Voting service provider "KFinTech"</b> and you will be redirected to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ul>	<p><b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ul style="list-style-type: none"> <li>i. Type in the browser / Click on any of the following links: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi / Login to My Easi option under Quick Login (best operational in Internet Explorer 10 or above and Mozilla Firefox).</li> <li>ii. Enter your User ID and Password for accessing Easi / Easiest.</li> <li>iii. You will see Company Name: "<b>Reliance Retail Limited</b>" on the next screen. Click on the e-Voting link available against <b>Reliance Retail Limited</b> or select e-Voting service provider "KFinTech" and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ul>

<b>Procedure to login through websites of Depositories</b>	
<b>National Securities Depository Limited (NSDL)</b>	<b>Central Depository Services (India) Limited (CDSL)</b>
<p><b>2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>ii. Select option <b>“Register Online for IDeAS”</b> available on the left hand side of the page.</li> <li>iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.</li> <li>iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol>	<p><b>2. Users not registered for Easi/ Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, type in the browser / Click on the following link: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>ii. Proceed to complete registration using your DP ID-Client ID (BO ID), etc.</li> <li>iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol>
<p><b>3. Users may directly access the e-Voting module of NSDL as per the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. Type in the browser / Click on the following link: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>.</li> <li>ii. Click on the button <b>“Login”</b> available under <b>“Shareholder/ Member”</b> section.</li> <li>iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL’s e-voting platform) / through generation of OTP (in case your mobile / e-mail address is registered in your demat account) and Verification Code as shown on the screen.</li> <li>iv. You will be able to see Company Name: <b>“Reliance Retail Limited”</b> on the next screen. <b>Click on the e-Voting link available against Reliance Retail Limited or select e-Voting service provider “KFinTech”</b> and you will be redirected to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ol>	<p><b>3. Users may directly access the e-Voting module of CDSL as per the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. Type in the browser / Click on the following links: <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>.</li> <li>ii. Provide Demat Account Number and PAN.</li> <li>iii. System will authenticate user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account.</li> <li>iv. On successful authentication, you will enter the e-voting module of CDSL. <b>Click on the e-Voting link available against Reliance Retail Limited or select e-Voting service provider “KFinTech”</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ol>

<b>PROCEDURE TO LOGIN THROUGH THEIR DEMAT ACCOUNTS/WEBSITE OF DEPOSITORY PARTICIPANT</b>	
<p>Individual shareholders holding shares of the Company in Demat mode can <b>access e-Voting facility provided by the Company using login credentials of their demat accounts</b> (online accounts) through their demat accounts / <b>websites of Depository Participants</b> registered with NSDL/CDSL. An option for <b>“e-Voting”</b> will be available once they have successfully logged-in through their respective logins. <b>Click on the option “e-Voting” and they will be redirected to e-Voting modules of NSDL / CDSL (as may be applicable). Click on the e-Voting link available against Reliance Retail Limited or select e-Voting service provider “KFinTech”</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</p>	
<p>Members who are unable to retrieve User ID / Password are advised to use <b>“Forgot User ID” / “Forgot Password”</b> options available on the websites of Depositories / Depository Participants.</p>	
<b>Contact details in case of any technical issue on NSDL Website</b>	<b>Contact details in case of any technical issue on CDSL Website</b>
<p>Members facing any technical issue during login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990 / 1800 22 4430</b></p>	<p>Members facing any technical issue during login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022 23058738 or 022 23058542-43</b></p>



**C. INFORMATION AND INSTRUCTIONS FOR E-VOTING BY (I) SHAREHOLDERS OTHER THAN INDIVIDUALS HOLDING SHARES OF THE COMPANY IN DEMAT MODE AND (II) ALL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN PHYSICAL MODE**

**I. (A) In case a Member receives an e-mail from the Company / KFinTech [for Members whose e-mail address is registered with the Company / Depository Participant(s)]:**

- (a) Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- (b) Enter the login credentials  

**(User ID and password given in the e-mail).** The E-Voting Event Number+Folio No. or DP ID - Client ID will be your User ID. If you are already registered with KFinTech for e-voting, you can use the existing password for logging-in. If required, please visit <https://evoting.kfintech.com> or contact toll-free number 1800-309-4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days) for your existing password.
- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Reliance Retail Limited. The EVEN is 7386.
- (g) On the voting page, enter the number of shares as on the Cut-off Date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the Cut-off Date. You may

also choose to "ABSTAIN" and vote will not be counted under either head.

- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) In case you do not cast your vote on item of the Notice, it will be treated as "ABSTAINED".
- (j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Institutional/ Corporate Members (that is, other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: [rrl.scrutinizer@kfintech.com](mailto:rrl.scrutinizer@kfintech.com) with a copy marked to [evoting.rrl@kfintech.com](mailto:evoting.rrl@kfintech.com). Such authorisation should contain necessary authority for voting by its authorised representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVEN".

**I. (B) In case of a Member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:**

- (a) Members holding shares in physical mode, who have not registered / updated their e-mail address with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [retail.secretarial@ril.com](mailto:retail.secretarial@ril.com) or to KFinTech at [rrlinvestor@kfintech.com](mailto:rrlinvestor@kfintech.com).
- (b) **Members holding shares in dematerialised mode who have not registered their e-mail address with their Depository Participant(s) are requested to register / update their e-mail addresses with the Depository Participant(s) with which they maintain their demat accounts.**
- (c) After due verification, the Company / KFinTech will forward your login credentials to your registered e-mail address.

- (d) Follow the instructions at I(A). (a) to (m) to cast your vote.
- II.** Members can also update their mobile number and e-mail address in the “user profile details” in their e-voting login on <https://evoting.kfintech.com>.
- III. Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut-off Date / any Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from KFinTech in the manner as mentioned below:**
- a) If the mobile number of the Member is registered against Folio No. / DP ID - Client ID, the Member may send SMS: **MYEPWD**<space>E-Voting Event Number+Folio No. or DP ID - Client ID to **9212993399**
- Example for NSDL: MYEPWD<SPACE>IN12345612345678  
Example for CDSL: MYEPWD<SPACE>1402345612345678  
Example for Physical: MYEPWD<SPACE>XXXX123456789
- b) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID - Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click “Forgot Password” and enter Folio No. or DP ID - Client ID and PAN to generate password.
- c) Member may call on KFinTech’s toll-free number 1800-309-4001 (from 9:00 a.m. IST to 6:00 p.m. IST on all working days).
- d) Member may send an e-mail request to [evoting.rrl@kfintech.com](mailto:evoting.rrl@kfintech.com). After due verification of the request, User ID and password will be sent to the Member.
- e) If the Member is already registered with KFinTech’s e-voting platform, then he/she/it can use his/her/its existing password for logging-in.
- IV.** In case of any query on e-voting, Members may refer to the “Help” and “FAQs” sections / E-voting user manual available through a dropdown menu in the “Downloads” section of KFinTech’s website for e-voting: <https://evoting.kfintech.com> or contact KFinTech as per the details given under sub-point no. V below.
- V. Members are requested to note the following contact details for addressing e-voting grievances:**
- Mr. V. Balakrishnan, Vice President  
KFin Technologies Limited  
Selenium Tower B, Plot 31-32, Financial District Gachibowli,  
Nanakramguda, Hyderabad - 500 032  
Toll-free No.: 1800-309-4001 (from 9:00 a.m. (IST) to  
6:00 p.m. (IST) on all working days)  
E-mail: [evoting.rrl@kfintech.com](mailto:evoting.rrl@kfintech.com)

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES  
(MANAGEMENT AND ADMINISTRATION) RULES, 2014**

The following Statement sets out all material facts relating to the Special Business proposed in the Notice:

**A. Background:**

- (1) Reliance Retail Limited (**the Company**) was incorporated under the provisions of the Companies Act, 1956 on June 29, 1999.
- (2) The current authorised, issued, subscribed and paid-up share capital of the Company is as under:

<b>Authorised share capital</b>	<b>Amount in Rs</b>
1350,00,00,000 equity shares of Rs. 10 each	13500,00,00,000
150,00,00,000 preference shares of Rs. 10 each	1500,00,00,000
<b>Total</b>	<b>15000,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
899,48,39,513 equity shares of Rs. 10 each fully paid-up	8994,83,95,130
<b>Total</b>	<b>8994,83,95,130</b>

- (3) Reliance Retail Ventures Limited (**RRVL**), the Promoter and the Company's holding Company holds 898,69,74,090 equity shares representing 99.91% of the issued, subscribed and paid-up equity share capital of the Company. The remaining 78,65,423 equity shares representing 0.09% are held by the Identified Shareholders (all equity shareholders other than RRVL).
- (4) The equity shares of the Company are not listed on any stock exchanges. There is no recognised market available to the shareholders of the Company to buy and sell the shares held by them in the Company. The fair value determined by independent registered valuers appointed by the Company, namely, Ernst & Young Merchant Banking Services LLP is Rs. 884.03 per equity share and by BDO Valuation Advisory LLP is Rs. 849.08 per equity share. Further, Ernst & Young Merchant Banking Services LLP in their report have pointed out that per share equity value derived from the Sum of Parts valuation of Reliance Industries Limited done by research analysts is Rs. 794. Against this, it has been observed that the equity shares of the Company are being traded privately at random prices quoted by some brokers / intermediaries on their websites without any fair price discovery.
- (5) It has also been observed that the number of equity shares traded are increasing month-on-month - 2,45,229 equity shares in June 2023 as against 43,740 equity shares traded in January 2023 with new investors becoming shareholders of

the Company month-on-month by purchasing equity shares of the Company. Such trading, without fair price discovery, is not in the interest of the investors in securities market and is detrimental to their interests.

- (6) Against the total number of outstanding equity shares of 899,48,39,513, only 78,65,423 equity shares representing 0.09% are held by Identified Shareholders. Trading privately without trading platform of a recognised stock exchange in this miniscule percentage of public float can never result in discovery of fair price of the shares. SEBI has mandated a minimum public float in case of listed companies only to ensure fair price discovery.
- (7) The Company does not have any plan to list its equity shares on the stock exchanges. Accordingly, at a certain stage, the shares of the Company will lose marketability and liquidity, resulting in these shareholders not having any exit opportunity, whatsoever. Their investment will get effectively locked and they will not be in a position to monetize their investment.
- (8) The Company will be able to more efficiently structure its businesses in compliance with the requirements of the Companies Act, 2013 ("**the Act**"), if it becomes a 100% subsidiary of RRVL.
- (9) As on July 10, 2023, the Company has around 13,509 Identified Shareholders i.e. all equity shareholders other than RRVL, holding 78,65,423 equity shares representing 0.09% of the issued, subscribed and paid-up equity share capital of the Company. It can be seen from the holding pattern given below that 83.79% of the shareholders numbering 11,319 shareholders hold upto 100 equity shares. These shareholders fall under the category of "small shareholders" as per SEBI Regulations and it has to be ensured that interest of these small shareholders is protected.

<b>No. of equity shares held by Identified Shareholders</b>	<b>No. of Identified Shareholders</b>	<b>% of the total no. of Identified Shareholders</b>
1-10	5,925	43.86%
11-20	1,520	11.25%
21-30	985	7.29%
31-50	1,328	9.83%
51-100	1,561	11.56%
101-500	1,697	12.56%
501-10000	448	3.32%
10001 and above	45	0.33%
<b>Total</b>	<b>13,509</b>	<b>100.00%</b>



As per Section 66 of the Act and the rules made thereunder, subject to sanction and confirmation of the National Company Law Tribunal, Mumbai Bench (“the Tribunal”) and other applicable provisions of the Act, the share capital of a Company may be reduced in any manner, after a resolution approving the proposed capital reduction is passed by the Members of the Company as a Special Resolution.

### B. Method and effect of Capital Reduction

- (10) The Capital Reduction is proposed to be implemented pursuant to and in accordance with the provisions of Section 66 of the Act and the rules made thereunder by making necessary applications/petitions before the Tribunal seeking sanction and confirmation of the Tribunal after the Resolution proposed in the Postal Ballot Notice is approved by the Members of the Company by way of special resolution.
- (11) As a result of the Capital Reduction, the issued, subscribed and paid-up equity share capital of the Company will be reduced by Rs. 7,86,54,230 (Rupees seven crore eighty six lakh fifty four thousand two hundred thirty only) and the Reserves and Surplus of the Company will be reduced by an amount equal to 78,65,423 multiplied by the Consideration per share less the face value of Rs. 10 per share.
- (12) Post the Capital Reduction, the authorised, issued, subscribed and paid-up share capital of the Company will be as under:

Authorised share capital	Amount in Rs
1350,00,00,000 equity shares of Rs. 10 each	13500,00,00,000
150,00,00,000 equity shares of Rs. 10 each	1500,00,00,000
<b>Total</b>	<b>15000,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
898,69,74,090 equity shares of Rs. 10 each fully paid-up	8986,97,40,900
<b>Total</b>	<b>8986,97,40,900</b>

- (13) Further on implementation of the Capital Reduction, the Company shall become wholly-owned subsidiary of RRVL.

### C. Consideration

- (14) To maintain fairness and transparency, the Company appointed 2 (two) independent valuers i.e., Ernst & Young Merchant Banking Services LLP (Registration No. IBBI/RV-E/05/2021/155) (“EY”) and BDO Valuation Advisory LLP (Registration No. IBBI Reg No.: IBBI/RV-E/02/2019/103) (“BDO”) (collectively the “Independent Valuers”) to undertake Independent valuation of the equity shares of the Company for the purpose of the Capital Reduction. The Independent Valuers have submitted their valuation reports dated July 3, 2023 in this regard.

- (15) The fair value of the equity shares of the Company is Rs. 884.03 (Rupees eight hundred eighty four and three paise) as per the EY Valuation Report and Rs. 849.08 (Rupees eight hundred forty nine and eight paise) as per the BDO Valuation Report.
- (16) The Board considered both valuation reports and after detailed deliberations in relation to the valuation, including the valuation methodologies considered by the Independent Valuers set out in their respective valuation reports, resolved that a value of Rs. 885 (Rupees eight hundred and eight five only) per share (higher of the two valuations) be adopted for payment of consideration to the Identified Shareholders for reduction of the capital held by them.
- (17) Further, the Board noted the fact that since the Company has accumulated profits, the consideration received by the Identified Shareholders will be taxed as dividend in their hands in terms of Section 2(22)(d) of the Income-tax Act, 1961. The income tax payable by the individual Identified Shareholders will vary based on the slab rates applicable to each and every Identified Shareholder. Therefore, if Rs. 885 is paid as consideration, these Identified Shareholders will effectively receive only Rs. 575.25 per share assuming the income tax @35%. In order that the Identified Shareholders do not suffer this tax liability, the Board decided a consideration in an amount equal to (i) Rs. 885 per equity share, being the higher of the fair values determined by independent valuers; plus (ii) the maximum income tax liability in the hands of the Identified Shareholders on the consideration (which will be arrived at by grossing up the Rs. 885 at the maximum marginal tax rate prevailing on the date of payment of the consideration). To illustrate, the consideration will work out to Rs. 1,362 per equity share if the income tax on dividend of Rs. 885 is considered at 35%. This has been done in the interests of the Identified Shareholders especially the small shareholders.

### D. Payment to Identified Shareholders

- (18) The Company will, upon sanction and confirmation of the Capital Reduction by the Tribunal and such Capital Reduction becoming effective and operative, deposit the aggregate consideration payable to the Identified Shareholders in a separate bank account. The consideration payable to each Identified Shareholder shall be discharged from this separate bank account after deducting appropriate withholding taxes as per the Income-tax Act, 1961. All Identified Shareholders are requested to provide to the Company relevant information / declarations to determine the withholding tax liability (as applicable) prior to payment of the consideration. If the Identified Shareholders fail to provide the requested information/declarations in a timely manner, then the Company shall deduct/withhold tax at the highest applicable rate.
- (19) The consideration to be paid to the Identified Shareholders will be discharged by issue of cheque, demand drafts, pay

order, warrant, NEFT, RTGS or IMPS (as the case maybe) to the Identified Shareholders whose names appears as Member of the Company as on the Record Date determined by the Board, within such number of days as may be determined by the Board and subject to such approvals, if any, as required under applicable law or as may be directed by the Tribunal.

- (20) In this regard, all Identified Shareholders are requested to provide to the Company / Registrar and Transfer Agent, their bank account details (including IFSC code) along with their addresses and self-attested proofs thereof, failing which the monies will be paid by the Company to the last known address/bank details of the Identified Shareholders.
- (21) Where the monies to be paid to the Identified Shareholders have not been claimed by or paid to any of the Identified Shareholders, on account of cheques returned and/or undelivered, cheques not deposited, consideration in respect of shares pending transfer as on the Record Date, or for any other reason, the Company shall retain such monies in the separate bank account and deal with the same in the manner prescribed under applicable law.
- (22) To the extent the consideration is payable to non-resident Identified Shareholders on the Capital Reduction, the Company shall make the payments subject to applicable law, including the provisions of Foreign Exchange Management Act, 1999 and the regulations thereunder. The Company may seek any information from such non-resident Identified Shareholders to comply with the said provisions.

#### **E. General tax implications**

- (23) The Identified Shareholders should consider their own tax position and pay appropriate tax (as may be applicable) on the consideration received from the Company pursuant to the Capital Reduction.
- (24) The Company shall withhold tax at the applicable tax rate in accordance with applicable provisions of the Income-tax Act, 1961 before making payment of the consideration to the Identified Shareholders.
- (25) The Company shall deposit the tax so withheld and also file necessary returns with the relevant authorities for this purpose within the timelines prescribed under applicable law.
- (26) The Company shall issue applicable forms to the Identified Shareholders for claiming the withholding tax credit in their return of income.

#### **F. Miscellaneous**

- (27) The Board of Directors of the Company at its meeting held on July 4, 2023 has unanimously approved the Capital Reduction as per the terms set out in the Resolution proposed in the Postal Ballot Notice.
- (28) The proposed Capital Reduction is pursuant to and in accordance with Section 66 and other applicable provisions

of the Act, permitted under Article 57 of the Articles of Association of the Company, and is subject to the approval of the Members of the Company through a special resolution and sanction and confirmation of the Tribunal and such other regulatory authorities as may be required.

- (29) The Company has accepted deposits and is not in arrears in the repayment of any deposits or interest payable thereon.
- (30) All documents referred to in the Postal Ballot Notice including the Memorandum and Articles of Association of the Company and valuation reports issued by EY and BDO, are available for inspection by the Members of the Company electronically until the last date of remote e-voting. Members seeking to inspect such documents can send an email to [retail.secretarial@ril.com](mailto:retail.secretarial@ril.com).
- (31) The Capital Reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company will in no way be affected by the proposed Capital Reduction as there is no reduction in the amount payable to any of the creditors. No compromise or arrangement is contemplated in relation to the creditors and the Company will have assets in excess of its liabilities post the Capital Reduction.
- (32) The proposed Capital Reduction will not, in any way, adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- (33) No investigation / proceedings are pending under Section 210 to Section 229 or any other provisions of the Act against the Company.
- (34) None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way concerned or interested, financially or otherwise in the special resolution, except to the extent of their shareholding, if any, in the Company.
- (35) The Board commends the special resolution for approval by the Members.

#### **By Order of the Board of Directors**

**Sridhar Kothandaraman**  
Company Secretary

Mumbai, July 12, 2023.

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