

RELIANCE NAVAL AND ENGINEERING LIMITED

Pipavav Port, Post - Ucchhaiya, Via - Rajula, Dist. - Amreli, PIN - 365 560, Gujarat
CIN - L35110GJ1997PLC033193 Phone No.: +91 22 4058 7300 Email: rnel@swan.co.in

SDHIL/SE/34/2024-25

November 22, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001

BSE Scrip Code : 533107

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

NSE Symbol : RNAVAL

Sub: Outcome of Board meeting – Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Scheme of Arrangement and Amalgamation.

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended (“**Listing Regulations**”), we wish to inform that the Board of Directors of the Company (“**the Board**”) at its meeting held today i.e. November 22, 2024 have considered and approved the Scheme of Arrangement and Amalgamation between Triumph Offshore Private Limited (“the Transferor Company” or “TOPL”) and Reliance Naval Engineering Limited (“the Transferee Company” or “RNEL”) and their respective shareholders and creditors under sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and rules made there under (“the Scheme”).

The Scheme inter alia provides for the following:

- a) Reduction and re-organisation of capital of the Transferee Company; and
- b) Amalgamation of Transferor Company with the Transferee Company.

The Scheme is *inter alia* subject to the sanction of National Company Law Tribunal (“**NCLT**”), Ahmedabad Bench and receipt of necessary approvals from Stock Exchanges and Securities and Exchange Board of India, shareholders / creditors, as may be directed by the NCLT and such other regulatory / statutory authorities, as may be required.

In terms of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, we are furnishing herewith the details of the Scheme as **Annexure – I**.

The Board meeting commenced at 11 AM. and concluded at 11.30 AM.

Thanking you,

Yours truly,

For **Reliance Naval and Engineering Limited**

(Vishant Shetty)
Company Secretary

Enclosed as above

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Annexure I - Disclosures in terms of Regulation 30 of the Listing Regulations read with SEBI Circular on Continuous Disclosure Requirements

Sr. No	Particulars			
	Name of the entity	Turnover (standalone) for the year ended March 31, 2024 (INR in lakhs)	Total net worth (standalone) as on March 31, 2024 (INR in lakhs)	
1	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	Reliance Naval and Engineering Limited	-	47,337
		Triumph Offshore Private Limited	63,205	77,423
2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	<p>The Transferor Company and the Transferee Company belongs to the same group and as such both the Companies involved in the transaction are related parties to each other.</p> <p>However, in terms of General Circular No. 30/2014 dated July 17, 2014, issued by Ministry of Corporate Affairs (“MCA Circular”), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 (“Act”), will not attract the requirements of Section 188 of the Act.</p> <p>The consideration for the Scheme will be discharged on an “arm’s length” basis. The redeemable preference shares to be issued by the Transferee Company in consideration of the amalgamation are based on valuation report dated November 22, 2024, issued by M/s. Pawan Poddar & Associates (Registration No. IBBI/RV/06/2019/12475), Registered Valuer describing, inter alia, the methodologies adopted by in arriving at the recommended Share Exchange Ratio and setting out the detailed computation of Share Exchange Ratio for the proposed amalgamation (“Valuation Report”)</p> <p>The fairness of this consideration has also been confirmed by a fairness opinion dated November 22, 2024 (“Fairness Opinion”) issued by M/s. Navigant Corporate Advisors Limited, (Registration No.INM000012243), an Independent SEBI registered Category – I Merchant Banker, providing its opinion on the fairness of Exchange Ratio as recommended in the Valuation Report.</p>		

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3	Area of business of the entity(ies)	<p>TOPL is a company incorporated under the provisions of the Companies Act, 2013 having its registered office at 9th Avenue, Ground Floor, Behind Rajpath Club, Memnagar, Bodakdev, Ahmedabad – 380 059, Gujarat. TOPL is a wholly owned subsidiary Company of Swan Energy Limited (“SEL”), a public company whose equity shares are listed on BSE Limited and National Stock Exchange of India Limited. TOPL specializes in purchasing and operating vessels. TOPL was incorporated to own, purchase, charter hire, sell, exchange, let, operate, trade in steam and other ships including Floating Storage Regasification units / Floating Storage Units, boats, tugs, vessels, trawlers, drifters, other transports and conveyances.</p> <p>RNEL is a company incorporated under the provisions of Companies Act, 1956 having its registered office at Pipavav Port, Post Ucchaya, Via Rajula, Rajula – 365 560, Gujarat. RNEL is a listed public company whose equity shares are listed on BSE Limited and National Stock Exchange of India Limited. RNEL is engaged in the construction of vessels, repairs and refits of ships and rigs and heavy engineering. RNEL has a large shipbuilding / repair infrastructure in India including dry dock. SEL through its special purpose vehicle, Hazel Infra Limited, has acquired RNEL under the Corporate Insolvency Resolution Process approved by the National Company Law Tribunal. Accordingly, RNEL is a step-down subsidiary of SEL.</p>
4	Rationale for Amalgamation / merger	<p>The rationale for the proposed reduction and re-organisation of capital of the Transferee Company in the manner set out in this Scheme is as under:</p> <p>i) The Transferee Company has suffered substantial losses during the past few years and has undergone Corporate Insolvency Resolution Process which has deleveraged its balance sheet substantially.</p> <p>ii) As per the audited financial statements of the Transferee Company on 31 March 2024, the Transferee Company carries a debit balance of Retained Earnings Account, while it has unutilized credit balances of Capital Reserve and Securities Premium. Accordingly, the Transferee Company believes that utilization of the Capital Reserve and Securities Premium to set off the debit balances in Retained Earnings Account would result in a true and fair reflection of the “Other Equity” in the balance sheet;</p> <p>iii) The Scheme will enable the Transferee Company</p>

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		<p>to explore opportunities for the benefit of the shareholders of the Transferee Company including in the form of dividend payment as per the applicable provisions of the Companies Act, 2013;</p> <p>iv) The proposed adjustment / set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Transferee Company; and</p> <p>v) The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Transferee Company to meet its obligations / commitments in the normal course of business.</p> <p>The proposed amalgamation would inter alia have the following benefits:</p> <p>i) The proposed amalgamation will help the group in consolidation of all the activities such as purchase, sale, charter hire, constructions, repairs, etc. of ships, boats, vessels, other transports and conveyances in a single entity which will help the combined business to exploit the complementary capabilities of both companies.</p> <p>ii) The merged entity would oversee the entire value chain, from vessel design and construction to financing, leasing, and eventual management. This integration enables the company to have greater control over costs, quality, and delivery schedules, resulting in more streamlined operations.</p> <p>iii) The proposed amalgamation would create a more competitive and diversified entity capable of competing with global players in the shipbuilding and heavy engineering sectors.</p> <p>iv) The proposed amalgamation would position the merged entity to benefit from the growing demand for naval defense, energy infrastructure, and commercial shipping in both domestic and international markets.</p> <p>v) The proposed amalgamation would not only create economies of scale, reduction of costs and reduction of compliance burden, but also simplify management and strategic focus, leading to a better long-term performance.</p>
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5	In case of cash consideration – amount or otherwise share exchange ratio	<p>No cash consideration is payable under the scheme. The consideration for amalgamation will be discharged by the issue of Redeemable Preference Shares by the Transferee Company as follows:</p> <p><i>“1325 (One Thousand Three Hundred and Twenty-Five) Preference Share of RNEL having face value of INR 10/- (Rupees Ten) each credited as fully paid-up to be issued to the equity shareholders of TOPL for every 1000 (One Thousand) Equity Shares of INR 10/- (Rupee Ten) each fully paid-up, held by such shareholders in TOPL”</i></p>
6	Brief details of change in shareholding pattern (if any) of listed entity	<p>Post the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up. Accordingly, the change in shareholding pattern of the Transferor Company shall not be applicable.</p> <p>There will not be any change in the equity shareholding pattern of the Transferee Company, as a result of amalgamation, as the Transferee Company is issuing Redeemable Preference Shares to the shareholders of the Transferor Company.</p>