

**SCHEME OF ARRANGEMENT AND AMALGAMATION**

**BETWEEN**

**TRIUMPH OFFSHORE PRIVATE LIMITED**

**(“the Transferor Company” or “TOPL”)**

**AND**

**RELIANCE NAVAL AND 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**

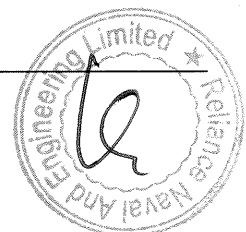
**OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND**

**RULES MADE THERE UNDER)**

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**(A) PREAMBLE**

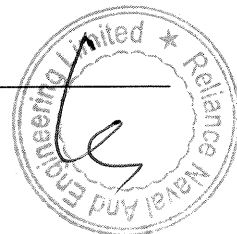
This Scheme is presented pursuant to the provisions of Sections 230 to 232 read with Section 66 and Section 52 and other relevant provisions of the Companies Act, 2013, and rules made thereunder, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961 as applicable for reduction and re-organisation of capital of RNEL, followed by amalgamation of Triumph Offshore Private Limited (“TOPL” or “the Transferor Company”) with Reliance Naval and Engineering Limited (“RNEL” or “the Transferee Company”) and their respective shareholders and creditors, and various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.



**(B) DESCRIPTION OF COMPANIES**

1. 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 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.
  
2. 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.

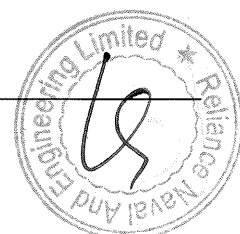
An application has been submitted to the Ministry of Corporate Affairs to change the name of Reliance Naval and Engineering Limited to Swan Defence And Heavy Industries Limited.



**(C) RATIONALE OF THE SCHEME**

1. 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:

- (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.
- (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;
- (iii) The Scheme will enable the Transferee Company 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;
- (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
- (v) The proposed reduction and re-organisation of capital 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.



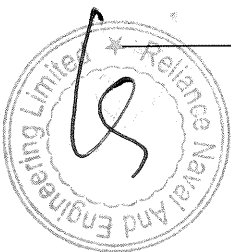
2. Both the Transferor Company and the Transferee Company belongs to the same group. The proposed amalgamation would inter alia have the following benefits:

- (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.
- (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.
- (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.
- (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.
- (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.

**(D) OVERVIEW OF THIS SCHEME:**

This Scheme is divided into the following parts:

- **PART I - Definitions and Share Capital;**



- **PART II** – Reduction and re-organisation of capital of the Transferee Company;
- **PART III** – Amalgamation of the Transferor Company with the Transferee Company; and
- **PART IV** – General Terms and Conditions.

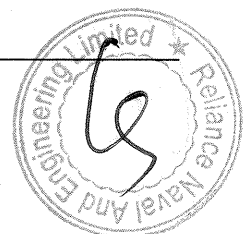
## **PART I**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1 DEFINITIONS**

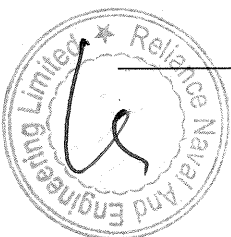
In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 “**Act**” or “**the Act**” means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder and shall, if the context so requires and as may be applicable, mean Companies Act, 1956 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory amendment(s), modification(s) or re-enactment(s) thereof;
- 1.2 “**Applicable Law**” means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;
- 1.3 “**Appointed Date**” means April 1, 2024, or any other date as may be approved by the



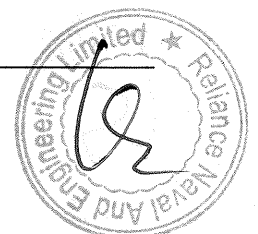
Appropriate Authority;

- 1.4 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, or judicial body or authority, including, but not limited, to Securities and Exchange Board of India (SEBI), Stock Exchanges, Registrar of Companies, Regional Director and National Company Law Tribunal;
- 1.5 **“Board” or “Board of Directors”** means the Board of Directors of TOPL and / or RNEL, as the context may require and include any Committee of the Board (if any) constituted for the implementation of this Scheme;
- 1.6 **“Effective Date”** means the last of the dates on which the conditions specified in Clause 21 of the Scheme are fulfilled with respect to a particular part of the Scheme; References in this Scheme to the words **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;
- 1.7 **“Income-tax Act”** means the Income-tax Act, 1961, together with all applicable orders, ordinances, directions including circulars and notifications and similar legal enactments, in each case issued under the Income-tax Act, 1961;
- 1.8 **“NCLT”** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Act;



- 1.9 **“New Preference Shares”** means 8% Non-Convertible Redeemable Preference Shares issued by the Transferee Company under Clause 8.1 of Part III of the Scheme herein and shall have the terms and conditions provided in **Schedule I** herein.
- 1.10 **“RoC”** means jurisdictional Registrar of Companies;
- 1.11 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement and Amalgamation in its present form submitted to the NCLT or any Appropriate Authority for its sanction with or without any modification(s) / amendment(s) as may be directed by the NCLT or any Appropriate Authority;
- 1.12 **“Transferee Company”** or **“RNEL”** means Reliance Naval and Engineering Limited, a public company limited by shares incorporated under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013, under Corporate Identity No. L35110GJ1997PLC033193 and having its Registered Office at Pipavav Port, Post Ucchaya, Via Rajula, Rajula – 365 560, Gujarat;
- 1.13 **“Transferor Company”** or **“TOPL”** means Triumph Offshore Private Limited, a company, limited by shares, incorporated under the provisions of the Companies Act, 2013, under Corporate Identity No. U74999GJ2017PTC097528 and having its Registered Office at 9<sup>th</sup> Avenue, Ground Floor, Behind Rajpath Club, Memnagar, Bodakdev, Ahmedabad – 380 059, Gujarat.

## 2 INTERPRETATION



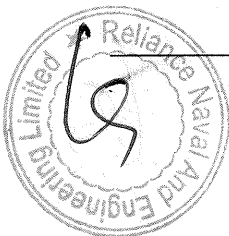
In this Scheme, unless the context otherwise requires:

- 2.1 words denoting the singular shall include the plural and vice versa;
- 2.2 reference to any law or legislation shall include the rules and regulations thereunder and amendments thereto;
- 2.3 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 Scheme; and
- 2.4 all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act Securities Contracts (Regulation) Act, 1956 or any other applicable laws, rules, regulations, bye laws, as the case may be.

### 3 SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of TOPL as on date of Board approval to the Scheme i.e., November 22, 2024, is as under:

Particulars	Amount in INR
<b>Authorized</b>	
4,00,00,00,000 Equity Shares of INR 10/- each	40,00,00,00,000
1,00,00,00,000 Preference Shares of INR 10/- each	10,00,00,00,000
<b>Total</b>	<b>50,00,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
120,37,50,000 Equity Shares of INR 10/- each fully paid up*	12,03,75,00,000
<b>Total</b>	<b>12,03,75,00,000</b>





\*After considering the bonus issue of equity shares in the ratio of 5:4 approved by the Board of Directors and the shareholders on November 18, 2024.

\*Company has redeemed all the outstanding Non-cumulative Optionally Convertible Preference Shares of INR 10/- at par in the month of November 2024.

The entire authorized, issued, subscribed and paid-up share capital of the TOPL is held by the SEL including shares jointly held with its nominee shareholders.

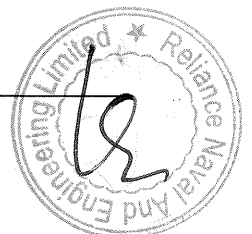
3.2 The authorized, issued, subscribed and paid-up share capital of RNEL as on date of Board approval to the Scheme i.e., November 22, 2024, is as under:

<b>Particulars</b>	<b>Amount in INR</b>
<b>Authorized</b>	
11,00,00,00,000 Equity Shares of INR 10/- each	1,10,00,00,00,000
4,00,00,00,000 Preference Shares of INR 10/- each	40,00,00,00,000
<b>Total</b>	<b>1,50,00,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
5,26,82,150 Equity Shares of INR 10/- each fully paid up	52,68,21,500
<b>Total</b>	<b>52,68,21,500</b>

#### **4 DATE OF TAKING EFFECT AND OPERATIVE DATE**

Each section of the Scheme set out herein in its present form or with any modification (s) shall, unless otherwise specified, be effective from the Appointed Date but operative from the Effective Date.

## **PART II**

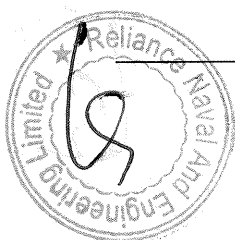


**REDUCTION AND RE-ORGANISATION OF CAPITAL OF THE  
TRANSFeree COMPANY**

**5 REDUCTION AND RE-ORGANISATION OF CAPITAL OF THE  
TRANSFeree COMPANY**

5.1 As on 31 March 2024, the other equity as appearing in the books of accounts of the Transferee Company is as under:

<b>Particulars</b>	<b>INR in lakhs</b>
Retained Earnings Account (Debit balance)	(2,10,649.38)
Securities Premium	1,50,011.33
Capital Reserves	79,745.87
Other Reserves	22,791.35
Other Comprehensive Income	169.89
<b>Total</b>	<b>42,069.06</b>

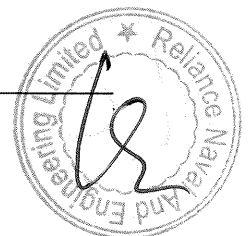


5.2 Upon the Scheme becoming effective, the credit balance of following reserves as appearing in books of accounts of the Transferee Company as on the Appointed Date, shall be adjusted against the debit balance of the Retained Earnings Account of the Transferee Company, in the following chronological order:

- (i) Entire credit balance appearing under the Capital Reserve; and
- (ii) Securities Premium, to the extent of remaining debit balance of the Retained Earnings Account.

5.3 The reduction and reorganization of the capital of the Transferee Company does not involve the reduction of the issued, subscribed and paid-up share capital of the Transferee Company. Further, the reduction does not envisage the transfer or vesting of any of the properties and/or liabilities of the Transferee Company to any person or entity.

5.4 The approvals including approvals from the shareholders of the Transferee Company received pursuant to the provisions of the sections 230 to 232 of the Act under this Scheme shall deemed to be sufficient approval(s) for giving effect to the provisions of this clause including under Section 52, Section 66 and the other related provisions of the Act. The Transferee Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and creditors for obtaining their approval; or (ii) obtain any additional approvals / compliances under Section 66 of the Act.



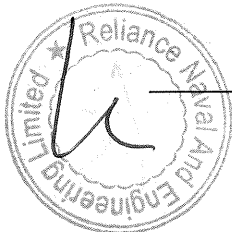
5.5 The reduction and reorganization of the capital of the Transferee Company is in accordance with the provisions of Section 230 to 232 read with Section 52 of the Act, as the same does not result in the extinguishment or diminution of any liability in respect of the unpaid share capital of the Transferee Company or payment to any shareholder of any paid-up share capital of the Transferee Company and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 and Section 230 of the Act confirming such reduction of share capital of the Transferee Company. The reduction and reorganization of the capital of the Transferee Company in the manner contemplated in this Scheme would not have any impact on the shareholding pattern of the Transferee Company nor would it have any adverse impact on the creditors or employees of the Transferee Company.

5.6 Notwithstanding the reduction of capital, as stated in Clause 5.2 above, the Transferee Company shall not be required to add 'And Reduced' as suffix to its name.

## **6 ACCOUNTING TREATMENT**

6.1 Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for reduction and reorganization of capital in accordance with Indian Accounting Standards notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time (Ind AS) and other accounting principles generally accepted in India, in its books of accounts such that:

6.1.1 The debit balance of Retained Earnings Account to the extent of INR 2,10,649.38



lakhs shall be adjusted against the credit balances of below mentioned reserves, as follow:

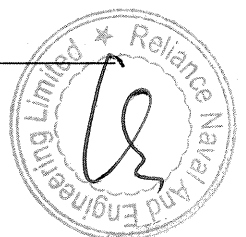
- (a) Entire credit balance of INR 79,745.87 lakhs appearing as Capital Reserve; and
- (b) Remaining unadjusted amount of debit balance of Retained Earnings Account shall be adjusted against credit balances of Securities Premium.

### **PART III**

#### **AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY**

#### **7 AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY**

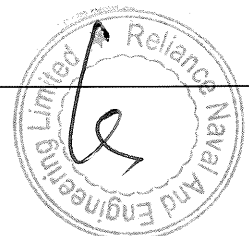
- 7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the entire business and whole of the undertaking(s) of the Transferor Company, including all its properties and assets, whether movable or immovable, tangible or intangible, of whatsoever nature including investments, bank balances, cash in hand, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives, development rights, if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever shall, under the provisions of Sections 230 to 232 and pursuant to the orders of NCLT or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from



the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

7.2 All the liabilities including all secured and unsecured debts, liabilities including contingent liabilities, leases, sundry creditors, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, under the provisions of Sections 230 to 232 and pursuant to the orders of NCLT or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and without further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme.

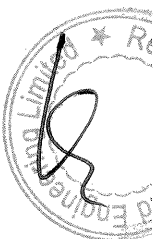
7.3 The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendment(s) thereto. If any term of provision of this



Scheme is found or interpreted to be inconsistent with the said provisions at a current date or later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said sections of the Income-tax Act, 1961 shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income-tax, 1961. Such modification will however not affect the other parts of the Scheme.

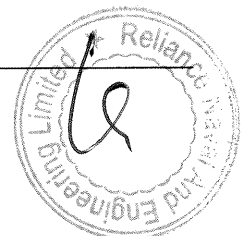
7.4 Pursuant to this Scheme it is declared that the benefits under all schemes and policies shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including tax concessions (not limited to income tax, tax deducted at source, tax losses, goods and service tax) and incentives shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such scheme and policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the schemes and policies were made available to the Transferor Company.

7.5 Upon the coming into effect of this Scheme, all agreements, rights, contracts (including customer contracts), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), the benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, environmental approvals and consents, goods and service tax registrations, or other



licenses and consents, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company shall stand transferred and vested with the Transferee Company.

- 7.6 Upon the coming into effect of this Scheme, all intellectual property rights, records, files, papers, computer programs, manuals, data, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company shall stand transferred and vested with the Transferee Company.
- 7.7 Upon the coming into effect of this Scheme, amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any security deposits, tax, duty, cess or of any excess payment shall stand transferred and vested with the Transferee Company.
- 7.8 Upon the coming into effect of this Scheme, the right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess, security deposit or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any law or act, shall stand transferred and vested with the Transferee Company.





## 8 CONSIDERATION

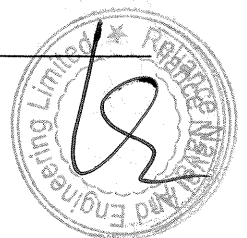
8.1 Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot New Preference Shares credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding fully paid-up Equity Shares of the Transferor Company as on the Effective Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:

*“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”*

The key terms and conditions for the New Preference Shares to be issued pursuant to above clause are specified in the **Schedule - I** hereto.

8.2 In case any Equity Shareholder's holding in the Transferor Company is such that the shareholder becomes entitled, pursuant to Clause 8.1 above, to a fraction of New Preference Shares of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer and allot New Preference Shares accordingly.

8.3 The New Preference Shares to be issued and allotted as provided in Clause 8.1 above shall be subject to the provisions of the memorandum of association and articles of



association of the Transferee Company and shall rank pari passu in all respects with the future New Preference Shares of the Transferee Company after the Record Date including with respect to dividend, redemption, liquidation, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

- 8.4 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of the New Preference Shares to the Shareholders of the Transferor Company.
- 8.5 In the event of there being any pending share transfer, whether lodged or outstanding, the Board or any committee of Transferee Company shall be empowered even subsequent to the Record Date, to effectuate such transfer as if such changes in the registered holder were operative from the Record Date.
- 8.6 In the event that the Parties restructure their Equity Share Capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio provided in Clause 8.1 above, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 8.7 The issue and allotment of the New Preference Shares to the holders of Equity Shares as provided in this Scheme shall be deemed to be due compliance of the provisions of Section 55, 62 and Section 42 of the Act and other relevant and applicable provisions of the Act and rules made there under for the issue and allotment of the New Preference Shares issued by the Transferee Company to the equity shareholders of the Transferor



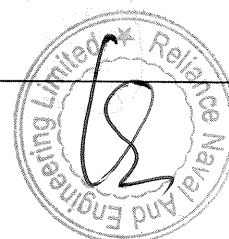
Company other than the Transferee Company, as provided in this Scheme.

- 8.8 The New Preference Shares of the Transferee Company shall be issued in dematerialized form to the shareholders of the Transferor Company, in to the account with the Depository Participant intimated in writing by the shareholders of the Transferor Company to the Transferee Company.

## **9 ACCOUNTING TREATMENT**

### **9.1 IN THE BOOKS OF THE TRANSFEREE COMPANY:**

- 9.1.1 Upon the Scheme coming into effect and with effect from Appointed Date and after giving effect to part II of the Scheme, since the Scheme involves entities which are under common control before and after the Amalgamation, the Transferee Company shall account for in its books of account in accordance with “Pooling of interest method” laid down by Appendix C of Ind AS 103 (Business combination under common control) notified under the provisions of the Act.
- 9.1.2 All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as appearing in the books of the Transferor Company.
- 9.1.3 Inter-company balances, if any, will stand cancelled and there shall be no obligation/outstanding in that behalf.



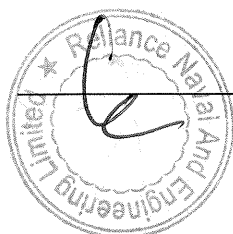
- 9.1.4 All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company.
- 9.1.5 In respect of New Preference Shares issued to the shareholders of Transferor Company pursuant to Clause 8.1 of this Scheme, the Transferee Company shall credit its Preference Shares Capital Account for an aggregate face value of these shares on issuance of the same.
- 9.1.6 The difference, after giving effect to clause 9.1.1 to 9.1.5 above, shall be recorded in the books of Transferee Company, in case of an excess, shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall, shall be debited to Amalgamation Adjustment Reserve Account of the Transferee Company.
- 9.1.7 The difference, if any, arising from the transactions already concluded by the Transferor Company between the Appointed Date and the Effective Date shall be transferred to the "Retained Earnings Account" of the Transferee Company.

**9.2 IN THE BOOKS OF THE TRANSFEROR COMPANY:**

As the Transferor Company shall stand dissolved without being wound up, upon the Scheme becoming effective, hence no accounting treatment is being prescribed under this Scheme in the books of the Transferor Company.

**10 STAFF EMPLOYEES & WORKMEN**

- 10.1 Upon the coming into effect of this Scheme, all the employees of the Transferor Company shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and

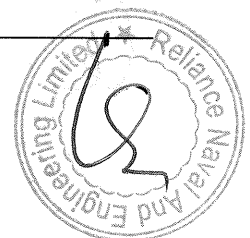


conditions which are not less favourable than the terms and conditions as were applicable.

10.2 The Transferee Company agrees that the service of all employees engaged in Transferor Company immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Transferor Company immediately prior to the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

10.3 Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees engaged in or in Transferor Company and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company.

10.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Company for employees, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such



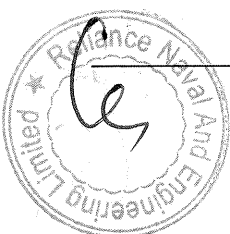
necessary funds, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Transferor Company.

10.5 The employees of the Transferor Company once they become the employees of the Transferee Company on the Effective Date, shall continue to stand covered under and as per the terms and conditions of the Employee Stock Option Plans of Transferee Company.

## **11 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

11.1 The Transferor Company shall carry on and be deemed to have carried on business and activities and shall stand possessed of all its assets and properties referred to above, in trust for the Transferee Company and shall account for the same to the Transferee Company. The Transferor Company shall hold the said assets with utmost prudence until the Effective Date.

11.2 All profits or income arising or accruing in favour of the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, Service tax, goods and service tax, taxes withheld / paid in foreign country, value added tax credit, CENVAT credit etc.) or losses / expenses arising or incurred by the Transferor Company shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses or expenses, as the case may be, of the Transferee Company.

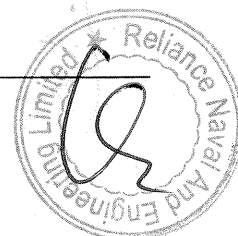


11.3 All assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been acquired in trust for and on behalf of the Transferee Company and shall also stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

11.4 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which shall be liable to meet, discharge and satisfy the same.

## **12 LEGAL PROCEEDINGS**

12.1 Upon the coming into effect of this Scheme, if any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Company, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Transferor Company or anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent



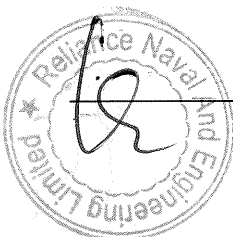
as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been made.

12.2 On and from the Effective Date, the Transferee Company shall be entitled to initiate or continue all legal proceedings in relation to the Transferor Company vested with the Transferee Company.

### **13 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

13.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee thereto.

13.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the amalgamation occurs by virtue of this Scheme itself, the Transferee Company 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, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party as may be necessary to be executed in order to give



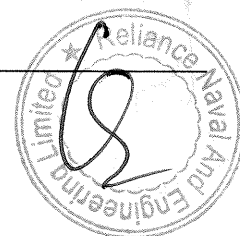


formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings and to carry out or perform all formalities or compliances required for the purposes referred to above.

- 13.3 Any statutory and other licenses, registrations, permissions, approvals or consents to carry on the operations whether issued by statutory and other authorities of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Transferee Company upon the Scheme becoming effective. The benefit of all such statutory and regulatory permissions, and consents, shall vest in and become available to the Transferee Company pursuant to this Scheme. Since each of the statutory and other licenses, registrations, permissions, approvals or consents shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations for the record of the statutory and other authorities who shall take them on file pursuant to the vesting orders of the NCLT.

#### **14 TREATMENT OF TAXES**

- 14.1 All taxes (including income tax, sales tax, service tax, goods and service tax etc.) paid or payable by Transferor Company, before the Appointed Date, shall be on account of Transferor Company, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, the same shall be deemed to be the corresponding



item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

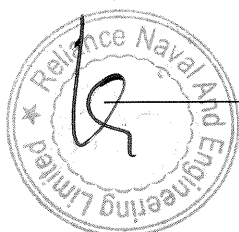
14.2 Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate is received in the name of the Transferor Company, it shall be deemed to have been received by and in the name of the Transferee Company which alone shall be entitled to claim credit for such tax deducted or paid.

14.3 Upon the coming into effect of this Scheme, Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or any other tax related compliances or filings of forms.

14.4 In respect of unutilized input credits of goods and service tax of Transferor Company the same shall be transferred to the Transferee Company in accordance with the Applicable Law.

## **15 ALTERATION OF THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY**

15.1 With effect from the Effective Date, the memorandum of association and articles of



association of the Transferee Company shall be deemed to be altered and amended, without any further act or deed to inter alia include the objects as required for carrying on the business activities of the Transferor Company, pursuant to the Scheme and applicable provisions of the Act.

- 15.2 The memorandum of association of the Transferee Company shall be altered and amended and following clauses shall be added and inserted in the existing Clause III (A) main objects of the company as 8, 9, 10, 11 of the memorandum of association of the Transferee Company:

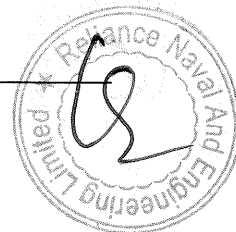
*“(8) To own, purchase, charter hire or otherwise acquire, sell, exchange, let or otherwise deal with, operate, trade in or with steam and other ships including Floating Storage Regasification units (FSRU’s)/ Floating Storage Units (FSU’s), boats, tugs, vessels, trawlers, drifters, other transports and conveyances propelled or worked or capable of being propelled or worked by steam, electricity, petrol, oil, gas or any other motive power or power producing substance with all equipment’s and furniture and other ships and vessels, which are required for operation of ports & terminals.*

*(9) To carry on business to design, develop, establish, build, lay, procure, relay, construct, equip, own, operate, use, administer, manage, maintain, improve, inspect, enlarge, alter, protect, extend, repair, replace, refurbish and carry out works in respect of the whole or any part or parts of ports, terminals, jetties, storage tanks, warehouses, cranes, receipt and dispatch facilities, pumping stations, boosters, control stations, buildings, machinery, equipment and facilities ancillary to the construction and operation or use of the aforesaid or any of them, within or outside India*

*(10) To carry on the business as service providers and organize and provide technical, managerial, operation and maintenance, commercial and project management services to the ports, terminals, jetties and other related industries*

*(11) To carry on the business as Consulting Engineers in the matter of training and development of Indian manpower in the field of management, operation and maintenance of equipment’s for LNG Re-gasification facilities including FSRU’s, for Oil and Gas Industry and to establish Research and Development Laboratory in the above field.”*

- 15.3 Accordingly, consequential (numbering) changes, if required, shall be made to the clause numbers forming part of Clause III (A) of the memorandum of association of the



Transferee Company, without any act, instrument or deed, in terms per Clause 15.2 above, pursuant to Sections 13, 14 and other applicable provisions of the Act.

- 15.4 Filing of the certified copy of this Scheme as sanctioned by the NCLT, in terms of Sections 230 to 232 of the Act and any other applicable provisions of the Act, together with the order of the NCLT and a printed copy of the amended memorandum of association shall be sufficient for the purposes of the applicable provisions of the Act and the RoC shall register the same and make the necessary alterations in the memorandum of association of the Transferee Company accordingly and shall certify the registration thereof in accordance with the applicable provisions of the Act.
- 15.5 The Transferee Company shall file with the RoC, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

## **16 SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Company before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

## **17 WINDING UP**

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and its name shall be struck off from the records of the Registrar of companies.



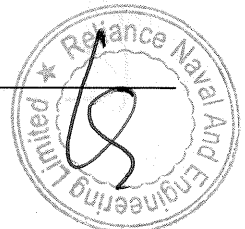
**PART IV**  
**GENERAL TERMS AND CONDITIONS**

**18 COMBINATION OF AUTHORIZED SHARE CAPITAL**

18.1 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including without payment of stamp duty and fees payable to Registrar of Companies, Gujarat at Ahmedabad by the authorized share capital of the Transferor Company and the Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any provisions of the Act would be required to be separately.

18.2 Consequent upon the amalgamation, the authorized share capital of the Transferee Company will be as under:

<b>Authorized Capital</b>	<b>Amount in INR</b>
15,00,00,00,000 Equity Shares of INR 10/- each	1,50,00,00,00,000
5,00,00,00,000 Preference Shares of INR 10/- each	50,00,00,00,000
<b>Total Authorized Share Capital of the Transferee Company</b>	<b>2,00,00,00,00,000</b>



18.3 The consent / resolution approving the Scheme shall be deemed to be the approval of increase and reclassification in the Authorized Share Capital of the Transferee Company under Section 13, 14, 61, 64 and other applicable provisions of the Act.

18.4 Clause 'V' of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Clause 'V' of the Memorandum of Association:

*"V. (a) Authorised Share Capital of the Company is INR 2,00,00,00,00,000/- (Rupees Twenty Thousand Crores Only) divided into 15,00,00,00,000 (One Thousand Five Hundred Crores) Equity Shares of INR 10/- (Rupees Ten only) each and 5,00,00,00,000 (Five Hundred Crores) Preference Shares of INR 10/- (Rupees Ten only) each."*

## **19 APPLICATION TO NCLT**

19.1 The Transferor Company and Transferee Company, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the Ahmedabad bench of NCLT, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 230 to 232 read with section 66 and Section 52 of the Act and other applicable provisions of the Act.

## **20 MODIFICATION OR AMENDMENTS TO THE SCHEME**

20.1 Subject to approval of the NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any duly authorized committee may make or



consent to any modifications or amendments to the Scheme, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of Directors or committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

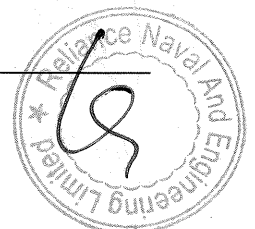
20.2 The Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme, in case any condition or alteration is / are imposed by the NCLT or any other authority is unacceptable to them or otherwise if so mutually agreed.

20.3 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Company and the Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

## **21 CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

21.1 The Transferee Company having obtained no-objection/observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of Securities and



Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

21.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors (as may be required under the Act), subject to any dispensation that may be granted by the NCLT;

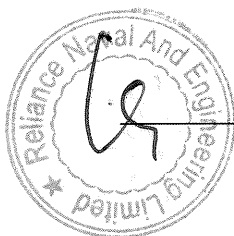
21.3 The Scheme being approved by the public shareholders of Transferee Company through e-voting in terms of Part – I (A)(10)(a) of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme is more than the number of votes cast by the public shareholders against it;

21.4 Sanctions and order under the provisions of Section 230 to 232 read with Section 66 and Section 52 of the Act being obtained by the NCLT; and

21.5 The certified copy / copies of the order/s referred to on this Scheme being filed with the Registrar of Companies in India.

## **22 SEVERABILITY**

22.1 Each Section is independent of the other Section of the Scheme and is severable. The Scheme shall be effective upon sanction of the NCLT. However, failure of any one part or one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities or for any other reason that the Board of Directors may





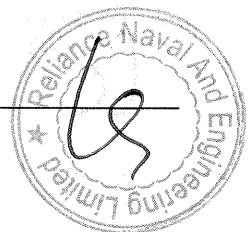
deem fit than this shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

## **23 EFFECT OF NON-RECEIPT OF APPROVALS**

23.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2026 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their respective Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## **24 COSTS, CHARGES & EXPENSES**

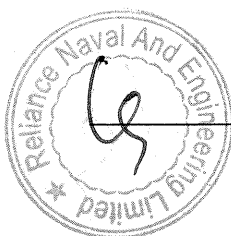
All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.



## SCHEDULE - I

### KEY TERMS AND CONDITIONS FOR THE NEW PREFERENCE SHARES OF THE TRANSFEREE COMPANY

Sr. No	Particulars	Terms and Conditions
1.	Title	The New Preference Shares to be called as " <b>Non-Cumulative, Redeemable Preference Shares</b> "
2.	Face Value	Each New Preference Shares will have the face value of INR 10/- (Rupees Ten only).
3.	Nature of the New Preference Shares	Unlisted, Redeemable, Non-Cumulative, and Non-Convertible Preference Shares
4.	Dividend and Repayment Clause	<ul style="list-style-type: none"><li>i. Carry a preferential right via-a-vis equity shares of the Transferee Company with respect to payment of dividend and repayment in case of winding up or repayment of capital;</li><li>ii. Dividend shall be non-cumulative;</li><li>iii. Further, New Preference Shares shall have a rank pari passu with future preference shares for the following: dividend, redemption, liquidation, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.</li></ul>
5.	Rate of Dividend	8% per cent per annum
6.	Redemption of New Preference Shares	The redemption of New Preference Shares shall be in the following manner: <ul style="list-style-type: none"><li>i. The tenure of New Preference Shares is 10 years from the date of allotment or as varied after due approval of preference shareholder(s) as required under the Applicable Law;</li><li>ii. Subject to the provisions of the Applicable Law, each holder of the New Preference Shares shall</li></ul>



		<p>be entitled to apply for early redemption of their New Preference Shares.</p> <p>iii. The company reserves the right to redeem the preference shares earlier than the specified tenure at its discretion, subject to the terms and conditions as may be mutually agreed between the company and holder of the New Preference Shares, including any applicable notice period and redemption price.</p>
7.	Conversion Clause	New Preference Shares shall be Non-Convertible
8.	Voting rights	New Preference Shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013
9.	Transferability	Subject to the terms of New Preference Shares and Applicable Law, holders of New Preference Shares shall be entitled to assign or transfer their rights and obligations in the New Preference Shares allotted to them.

**For Reliance Naval & Engineering Limited**

*Vishant Shetty*  
**Vishant Shetty**  
 Company Secretary

