



Reliance Naval and Engineering Limited
(Formerly Reliance Defence and Engineering Limited)
Pipavav Port, Post Uchhaiya Via-Rajula, Dist. Amreli
365 560, Gujarat

Tel: +91 22 4303 1000
Fax : +91 22 4303 2790
www.rnaval.co.in

Date: 29.12.2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
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 - 400 051
NSE Symbol: RNaval

Sub: Approval of the resolution plan by the Adjudicating Authority (National Company Law Tribunal, Ahmedabad)

Dear Sir(s),

This is further to our disclosures dated December 23, 2022, whereby it was intimated by the Company that vide an order pronounced orally on December 23, 2022, the Ahmedabad bench of the National Company Law Tribunal (“NCLT”) approved the resolution plan submitted by Hazel Mercantile Limited (“Resolution Applicant”) in the corporate insolvency resolution process of the Company (“Resolution Plan”).

A copy of said order has already been provided to the relevant Stock Exchanges by a disclosure dated December 29, 2022.

The Resolution Plan, as approved by the NCLT, is binding on the company, employees, members, creditors, guarantors, and other stakeholders involved, as per provisions of the Insolvency & Bankruptcy Code, 2016. The Resolution Plan contains, *inter alia*, the following salient features:

1. Payment to Stakeholders

The Resolution Plan contemplates, *inter alia*, payments amounting to (i) CIRP costs amounting to INR. 65.30 Cr. and the Resolution Applicant shall pay this amount in full alongwith the additional CIRP costs incurred between 30.06.2021 and the closing date (The closing date is defined as the date on which the Resolution Applicant causes the upfront payment to be deposited with the designated lender). (ii) INR 1.51 Cr. towards Employee & Workmen claims (iii) INR 1.57 Cr. to

Operational Creditors (other than Employees and Workmen) including government claims (iv) INR 2040 Cr. towards repayment to unrelated financial creditors

2. Infusion of funds to the Company

Infusion of working capital funds for an approximate amount of INR 311.68 Cr. and infusion of an amount of INR 537.80 Cr. for capital expenditure.

3. Source of Funds

The Funds for the implementation of the Resolution Plan (including payment to the creditors and infusion of funds to the Company) shall be sourced through a combination of internal accruals, capital infusion and debt. It is clarified, however, that no payment under the terms of this Resolution Plan is contingent upon sufficient internal accruals being generated. The Resolution Applicant proposes to source fund through the following:

Sources of Fund	Amount in Crores
Promoter's Contribution	600.00
Loan	550.00
From Operations of the Corporate Debtor	1807.86

4. Special Purpose Vehicle:

The Special Purpose Vehicle "Hazel Infra Limited" (SPV) shall be taking over the Corporate Debtor, which shall be a joint venture between Hazel Mercantile Limited (Resolution Applicant) and Swan Energy Limited (Strategic Investor), holding shares in 26:74 ratio respectively. The SPV shall be entitled to exercise all rights over the Corporate Debtor as arise from its shareholding and shall be responsible for the compliance and implementation of the Resolution Plan along with the Resolution Applicant.

5. Reduction and Reconstitution of Public Shareholding

The Resolution Applicant proposes to cancel and extinguish all the presently outstanding ordinary equity shares being held by the existing shareholders, subject to issuance of one fresh equity share



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of face value Rs. 10/- to each existing shareholder for every 275 ordinary equity shares held by such shareholder. It is clarified that all the existing shareholders shall be deemed to be public shareholders for the purposes of the Securities Exchange (Regulation) Rules, 1957. Any fractional shares shall be held in trust and dealt with in accordance with the relevant provisions of law.

Thus, the 73,75,91,263 existing equity shares of face value Rs. 10/- each will become 26,82,150 ordinary equity shares of Rs. 10/- each. As per the information made available to the Resolution Applicant, this shall not cause any prejudice to the equity shareholders as the net worth of the Corporate Debtor is negative and the liquidation value payable to the equity shareholders is NIL (as per the best estimation of the Resolution Applicant).

It is clarified that upon pro rata issuance of 26,82,150 ordinary equity shares of face value Rs. 10/- each to the existing shareholders, they shall not have any claim of whatsoever nature against either the Resolution Applicant, the Corporate Debtor, or the SPV. The issuance of the ordinary equity shares to the existing shareholders shall be full and final settlement of any claim that they may have had against the Corporate Debtor as on the Approval Date (Date of Approval of the Resolution Plan by the NCLT i.e., 23rd December 2022).

The cancellation of the existing shares held by the existing shareholders of the Corporate Debtor shall be done within seven days from the Closing Date. The issuance of fresh ordinary equity shares to them shall be done immediately thereafter.

Within 7 days from the Closing Date, the Monitoring Committee shall cancel the entire capital comprising of 73,75,91,263 existing equity shares of face value Rs. 10/- each.

The SPV shall, soon thereafter but not later than 30 days from the Closing Date, subscribe to 5,00,00,000/- fresh ordinary equity shares of face value of Rs. 10/- each. Thus, the SPV shall be a shareholder of the Corporate Debtor to the extent of holding 5,00,00,000 ordinary equity shares of Rs. 10/- each.

Once the share capital of the Corporate Debtor is reorganized in accordance with this Chapter, the resultant shareholding pattern of the Corporate Debtor will be as below:

Shareholder	No. of Shares	Shareholding Percentage
Promoter & Promoter Group		
SPV	5,00,00,000	94.91%
Public		
Existing shareholders	26,82,150	5.09%
Total	5,26,82,150	100%

It is clarified that the cancellation of shares shall not result in reduction of authorised share capital. It is also clarified that the shares of the Corporate Debtor will remain listed.

6. Constitution of Monitoring Committee:

As per the terms of the approved Resolution Plan, a monitoring committee is required to be constituted which shall comprise of 5 (five) members: (a) 2 (two) members will be identified and appointed by the Resolution Applicant; (b) 2 (two) representatives will be identified and appointed by the Financial Creditors having highest share in the CoC; and (c) 5th (fifth) member who shall be an independent insolvency professional, shall be jointly appointed by the remaining members.

In terms of the Resolution Plan, the implementation of the Resolution Plan is proposed to be supervised by the Monitoring Committee, terms of appointment and duties of the Monitoring Committee will be as set out in the Resolution Plan and the day-to-day operations and the management of the Company shall be carried out by the Monitoring Committee until the closing date as defined in the Resolution Plan. The Monitoring Committee shall discharge upon the expiry 30 days from the closing date.

7. Monitoring Agency:

The Monitoring Committee shall, prior to its discharge, formally nominate a person to act as a liaison between the Resolution Applicant and the Unrelated Financial Creditors ("Monitoring Agency") for the purpose of coordination and for monitoring the remaining payments required to be made under the terms of this Resolution Plan after the Closing Date. The Monitoring Agency shall supervise the implementation of the Resolution Plan from the Closing Date until all obligations under this Resolution Plan are completed.



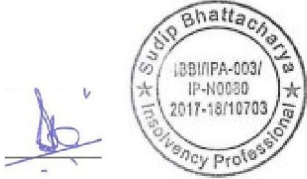
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You are requested to take the above on record.

Yours truly,

For **Reliance Naval and Engineering Limited**



Sudip Bhattacharya

As Resolution Professional of Reliance Naval and Engineering Limited

Project E-mail: ip.reliancenaval@duffandphelps.com

IBBI Registration no.: IBBI/PA-003/IP-N00080/2017-18/10703

IBBI Registered Address: 903 Queensgate CHS, Hiranandani Estate, Off Ghodbander Road, Thane-West, Mumbai – 400607

IBBI Registered E-mail: resolutionsudip@gmail.com