

Ref: NSE/LIST/54200

March 27, 2026

The Company Secretary,
Swan Defence and Heavy Industries Limited

Dear Sir/Madam,

Sub: Observation Letter for draft composite scheme of arrangement amongst Swan Defence and Heavy Industries Limited (formerly known as Reliance Naval and Engineering Limited) (herein referred as “Transferee Company/SDHIL”) and Triumph Offshore Private Limited (herein referred as “Transferor Company/TOPL”) and their respective shareholders and creditors under Section 230-232 and other applicable provisions of the Companies Act, 2013.

We are in receipt of the captioned draft scheme filed by Swan Defence and Heavy Industries Limited (formerly known as Reliance Naval and Engineering Limited).

Based on our letter reference no. NSE/LIST/46779 dated March 31, 2025 and NSE/LIST/54200 dated March 25, 2026, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with Regulation 37 and 94(2) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI vide its letter dated March 27, 2026 has inter alia given the following comment(s) on the draft scheme of arrangement:

- I. The Company shall note that in the event the proposed amalgamation is implemented on or after December 07, 2026, the requirement of achieving minimum twenty-five percent public shareholding shall become applicable and the exchange's 'No-Objection' letter shall be valid only if the Company has achieved minimum twenty-five per cent public shareholding.*
- II. The Company shall ensure that the proposed composite Scheme of Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- III. The Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.*
- IV. The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the Listed Company and the Stock Exchanges.*
- V. The Company shall ensure that the entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/ authorities/tribunal*

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- VI. *The Company shall ensure compliance with the SEBI circulars issued from time to time.*
- VII. *The Company shall ensure that the financials in the scheme considered are not for period more than 6 months old.*
- VIII. *The Company shall ensure to prominently disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter:*
- A. *Under the Heading – “Reduction and reorganisation of Reserves of the Company, and transfer of Credit Balance in Capital Reserve and Securities Premium to the Retained Earnings of the Company”*
- a) *Adjustment of the debit balance of the Retained Earnings Account, in the following chronological order:*
- i. *Entire credit balances appearing under the Capital Reserve and*
- ii. *Securities Premium, to the extent of remaining debit balance of the Retained Earnings Account*
; as per para 5, Part II of the Scheme.
- b) *The manner of adjustment and transfer of the credit balance in the General Reserve to the Retained Earnings of the Company may also be disclosed in the following format:*

Particulars	SDHIL (Pre-Scheme)	Part I – Reduction & reorganisation	Part I – Amalgamation of TOPL	SDHIL (Post Scheme)
Equity Shares				
RPS (issued to TOPL shareholders)				
Securities Premium				
Retained earnings				
Capital Reserve				
Amalgamation Adjustment Reserves				

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Other Reserves				
OCI				
Total				

- B. In addition to the above, the following disclosures may also be made in the explanatory statement: -*
- a. The built up of accumulated losses since inception*
 - b. The built up of Reserves of the company since inception*
 - c. A simple explanation of the scheme of arrangement*
 - d. The rationale and objectives underlying the proposed scheme,*
 - e. A detailed explanation of the impact of the scheme on shareholders, including any dilution or change in rights,*
 - f. A cost-benefit analysis outlining the anticipated benefits versus associated costs of the scheme,*
 - g. The latest financials of Swan Defence and Heavy Industries Limited (SDHIL), and Triumph Offshore Private Limited (TOPL), not older than 6 months from the date of Stock Exchange NOC, to be hosted on the Company's website and also disclosed in the explanatory statement.*
 - h. Promoter-wise and aggregate shareholding details of the promoter and promoter group in SDHIL, before and after the scheme, and the corresponding change in public shareholding.*
 - i. Promoter-wise and aggregate shareholding details of the promoter and promoter group in SDHIL, before and after execution of all concurrent schemes, if any, and the corresponding change in public shareholding.*
 - j. Details of the Registered Valuer issuing Valuation Report and the Merchant Banker issuing Fairness opinion, along with a summary of the methods considered for arriving at the Share Exchange Ratio and Rationale for adopting such methods.*

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- k. Details of Revenue, PAT and EBIDTA of SDHIL, and TOPL for last 3 financial years.*
 - l. Pre and Post scheme shareholding of SDHIL, and TOPL as on the date of Shareholders' meeting notice, along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.*
 - m. The value of Assets and liabilities of TOPL being transferred to SDHIL, and post-merger balance sheet of SDHIL*
 - n. Disclose all pending actions/proceedings against the entities involved in the scheme, including their promoters/directors/KMPs, and the possible impact of the same on SDHIL*
 - o. Disclosures of conditions imposed by lenders, if any, along with their potential impact on the scheme.*
- IX. The Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*
- X. The Company shall ensure that the proposed Non-convertible Redeemable Preference Shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*
- XI. The Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document*
- XII. The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/tribunals shall be made without specific written consent of SEBI.*
- XIII. The Company shall ensure that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT*
- XIV. The Companies shall ensure that all the applicable additional information, if any, shall form part of disclosures to shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.*
- XV. The Company shall ensure to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme*

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- XVI. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act 2013 to SEBI again for its comments/observations/representations*
- XVII. *The Company shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same*
- XVIII. *Please note that the submission of documents/information in accordance with the Circular to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from March 27, 2026, within which the Scheme shall be submitted to NCLT.

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Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37/59A of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>