

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review Report To

The Board of Directors of Reliance Naval and Engineering Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Reliance Naval and Engineering Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') which includes the Group's share of net loss after tax in its associates, for the quarter ended June 30, 2024 ("the Statement") attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the regulation") as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the 'Listing Regulations'. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Parent's persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143 (10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The statement includes the result of the following entity: -



N. N. Jambusaria & Co.

Chartered Accountants

Sr.No	Name of the associate
1	Conceptia Software Technologies Private Limited

- Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement has not been prepared in all material respect in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- The unaudited consolidated financial results also includes the Group's share of net loss after tax in its associates of INR 8 lakhs for the quarter ended June 30, 2024, as considered in the unaudited consolidated financial results in respect of one associate whose financial information had not been audited/reviewed by their auditors. These unaudited financial information have been furnished to us by the management and our opinion on the unaudited consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on such unaudited financial information. In our opinion and according to information and explanation given to us by the management, these financial information is not material to the group.
- In case of three subsidiaries the interim financial information for the quarter ended June 30, 2024 is not available. In absence of the aforesaid interim financial information, the interim financial information in respect of the aforesaid subsidiaries for the quarter ended June 30, 2024 have not been included in the unaudited consolidated results. In our opinion and according to information and explanation given to us by the management, these financial information are not material to the group.

For N. N. Jambusaria & CO.
Chartered Accountants
Firm Reg. No: 104030W



Nimesh N. Jambusaria
Partner
Mem. No. 038979
UDIN: 24038979BKBNXJ9136
Place: Mumbai
Date: November 11, 2024



Reliance Naval and Engineering Limited

Registered Office: Pipavav Port, Post Uchhaiya, Via Rajula, Dist. Amreli, Gujarat - 365 560. India.

Website: www.rnaval.co.in, E-mail: rnel@swan.co.in, CIN: L35110GJ1997PLC033193

Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30, 2024

INR in Lakhs

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		Unaudited	Audited	Unaudited	Audited
1	Revenue from Operations	-	-	-	-
2	Other Income	197	21	124	246
3	Total Income (1+2)	197	21	124	246
4	Expenses				
(a)	Cost of Materials Consumed	75	12	3	27
(b)	Cost of Raw Material Sold	-	-	-	-
(c)	Changes in Inventories of Work in Progress & Scrap	-	-	-	-
(d)	Employee Benefits Expenses	392	226	86	472
(e)	Labour/Fabrication and Subcontractor Charges	225	239	129	636
(f)	Power, Fuel and Water	144	147	115	496
(g)	Cost Estimated for Revenue Recognised	-	-	-	-
(h)	Foreign Exchange Difference (net)	-	-	-	-
(i)	Provision for Non-Moving Inventory	-	-	-	-
(j)	Other Expenses	1,991	554	268	1,266
	Total Expenses	2,827	1,178	601	2,897
5	Profit / (Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (3-4)	(2,630)	(1,157)	(477)	(2,651)
6	Finance Costs	1,031	1,029	339	2,639
7	Depreciation and Amortisation Expenses	1,484	1,699	1,706	6,846
8	Loss Before Exceptional Items (5-6-7)	(5,145)	(3,885)	(2,522)	(12,136)
9	Exceptional Items	-	-	-	-
10	Loss before Tax (8+9)	(5,145)	(3,885)	(2,522)	(12,136)
11	Income Tax for Earlier Years	-	-	-	-
12	Deferred Tax Credit / (Reversal)	-	-	-	-
13	Loss After Tax (10+11+12)	(5,145)	(3,885)	(2,522)	(12,136)
14	Other Comprehensive Income				
	Items that will not to be reclassified to profit and loss in the subsequent year				
(i)	Actuarial gains/(losses) on defined benefit plans	-	-	-	-
(ii)	Add:- Consolidated share in the profit/(loss) of associate	(8)	(19)	(1)	77
	Total Other Comprehensive Income for the period/year	(8)	(19)	(1)	77
15	Total Comprehensive Income for the period/year (13+14)	(5,153)	(3,904)	(2,523)	(12,059)
16	Paid-up Equity Share Capital (Face Value of INR 10 Each)	268.22	268.22	268.22	268.22
17	Other Equity	-	-	-	42,396.71
18	Earnings Per Share (EPS) (* Not Annualised)				
(a)	Basic EPS (INR)	* (192.12)	* (145.55)	* (94.06)	(449.59)
(b)	Diluted EPS (INR)	* (192.12)	* (145.55)	* (94.06)	(449.59)



Background of the Company

1. The consolidated financial results comprise the standalone financial results of Reliance Naval and Engineering Limited ("RNEL" or "the Company") and its subsidiaries and associates for the period ended June 30th, 2024. RNEL is a company limited by shares, incorporated and domiciled in India. The registered office of the Company is located at Pipavav Port, Post Uchhaiya, Via- Rajula, District Amreli (Gujarat), and the Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).
The Company is mainly 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 the largest Dry Dock in the world. The Company is the first private sector company in India to obtain the license and contract to build Naval Offshore Patrol Vessels (NOPVs) for the Indian Navy. The Shipyard has the only modular shipbuilding facility in India with the capacity to build fully fabricated and outfitted blocks. The fabrication facility spread over 2.1 million sq. ft. has an annual capacity of 144,000 tons/year. The shipyard has a pre-erection berth of 980 meters in length and 40 meters in width and one Goliath crane with a lifting capacity of 600 tonnes, besides outfitting berth length of 780 meters.
2. The Hon'ble National Company Law Tribunal, Ahmedabad (the "NCLT"), vide its order dated January 15th, 2020 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Insolvency and Bankruptcy Code 2016 (the "IBC" / "Code"). Pursuant to the approval of the Resolution Plan, as per NCLT Order dated December 23rd, 2022 the CIRP of RNEL was concluded and a monitoring committee was constituted to oversee the implementation of the Resolution Plan, and day-to-day operations and management of RNEL until the closing date as defined under the Resolution Plan.
In line with approved resolution plan w.e.f. January 4th, 2024, the MC has ceased to exist, and the board of directors of the company is given full authority as per the Companies Act for management of affairs of the Company. The monitoring committee has appointed M/s P.C. Patni & Company as a monitoring agency to review the cash flow and the proper implementation of the resolution plan by the Company. As per the sanctioned resolution plan, an upfront payment of INR 200 Crore was to be made by SRA by March 23rd, 2023. SRA had taken approval from NCLT for an extension till November 15th, 2023 for depositing the same. The actual deposit was done on October 27th, 2023.
Further, the first tranche of deferred payment of INR 312 Crore was to be made by SRA by December 23rd, 2023. The SRA has taken approval of NCLT for an extension of one year to pay the first tranche i.e. by December 23rd, 2024, which actually has been paid on August 07th, 2024.

Business Revival and Continuity Plan

3. The new management of the company is revitalizing the business through a comprehensive approach that strategically targets key market segments and establishes a clear roadmap to secure a competitive edge by focusing on 5 key levers:
 - a. Liquidation of WIP vessels and inventory: The company acquired 8 work-in-progress vessels presently at the yard and has received offers for liquidation of the OSVs.
 - b. Focused business strategy and sustainable revenue generation: The company is focused on building and converting a robust commercial pipeline by global and domestic reach outs for shipbuilding, repair and offshore fabrication opportunities. The company has received their first repair order starting in August 2024 and will be operational for new build from December 2024.
 - c. Yard Readiness: The company is currently reinstating and operationalizing the 600+ acres shipyard. As of date, the shipyard is ready to dock vessels and provide general repair services and is in the process of fully restoring their fabrication facility.



d. Organization building: The company is also focusing on talent identification and recruitment to build a capable workforce.

e. Capacity augmentation: The company is also actively engaged in planning for additional capacity to integrate a maritime vendor ecosystem and meet the global demand by increasing docking and berthing space. They are in the process of building a comprehensive yard design and layout strategy.

Going Concern

4. The new management has been granted full control of the affairs of the company with effect from January 4th, 2024, the consolidated financial statement for the period ended June 30th, 2024 have been prepared on going concern assumptions by the Board of Directors of the Company. This has been further explained in note 2.

Legal Cases

5. E-Complex Private Limited, a wholly-owned subsidiary of the Company was admitted during 2020-21 for Corporate Insolvency Resolution Process (CIRP) with NCLT Ahmedabad. The CIRP process for E-Complex Private Limited is completed as per the NCLT order dated December 4th, 2023 which has been set aside by NCLAT by its order dated July 25th, 2024. The COC of ECPL has filed an appeal before the Supreme Court of India which is pending admission. The impairment created in the earlier years against this investment is still carried in the books of accounts.

Other

6. The Company is engaged only in the business of Ship-building and Repairs. As such, there are no separate reportable segments.
7. The Company has not recognized net deferred tax assets as the Company is not certain that sufficient future taxable income will be available against which deferred tax assets can be set off, considering its present order book and anticipated orders and opportunities in the defense sector as evidence.
8. As on June 30th, 2024, the Company had given a Security Deposit (short-term and long-term) amounting to INR 9,343.02 Lakhs. Out of the above security deposit, an amount of INR 7,370 Lakhs has been given to M/S E-Complex Private Limited ("ECPL") against the land taken from them on lease as a refundable deposit. ECPL was admitted under CIRP by NCLT. The claim submitted by the Resolution Professional of the Company was not accepted by the Resolution Professional of ECPL. The CIRP process was completed as per the NCLT order dated December 04th, 2023. The said order of NCLT has been set aside by NCLAT by its order dated July 25th, 2024. The COC of ECPL has filed an appeal before the Supreme Court of India which is pending admission. As per lease agreements, the lease tenure of SEZ land is for 60 years in blocks of 20 years. The first block of 20 years is expiring in the year 2028. Till the time the Company is in possession of said land, the question of refund of security deposit doesn't arise and therefore the enduring benefit from use of the land is going to be received by the Company. The company does not foresee any probability in diminution in the value of the security deposit and hence no impairment provision is needed for the same. Further, the recoverability of the said security deposits deposited with the Court against certain legal ongoing cases are subject to the outcome of the said cases.

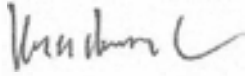


9. As per the applicable accounting framework the entity shall also submit consolidated financial results for the period ending June 30th, 2024. There are three subsidiaries of the company and one associate. The subsidiaries of the Company are separate legal entities, also currently few companies are under CIRP Process, under liquidation and non-operational and the company is not able to obtain relevant data from the available contact details of the subsidiaries. In view of the above, the Company has prepared Consolidated Financial Statements incorporating only Conceptia Software Technologies Private Limited, an associate company. The following wholly-owned subsidiaries are not considered in the consolidation of the financials statement.

Sr no.	Name of the Company	Status
1	E Complex Private Limited	Resolution Plan approved on December 04 th , 2023 which has been set aside by NCLAT by its order dated July 25 th , 2024.
2	PDOC Pte. Limited	Active
3	Reliance Technologies and Systems Private Limited	Active

10. As per NCLT order dated November 21st, 2023, the payment of 1st tranche amounted INR 312 crores is payable to unrelated financial creditors on December 23rd, 2023. Payment of 1st tranche is made on August 7th, 2024. Hence, as per the order, the company charged interest at the rate of 10.50% p.a. on INR 200 Crores and at the rate of 8.55% p.a. on INR 112 crores from December 23rd, 2023, till the date of payment, which is August 7th, 2024. Therefore, the company has charged interest of INR 762.31 lakhs in the Quarter ended June 30th, 2024.

For and on behalf of the Board of Directors,
Reliance Naval and Engineering Limited



Mr. Nikhil Merchant
Chairman & Managing Director
DIN: 00614790
Date: November 11th, 2024
Place: Mumbai



Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review Report To

The Board of Directors of Reliance Naval and Engineering Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Reliance Naval and Engineering Limited (the "Company") for the Quarter ended June 30, 2024 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143 (10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

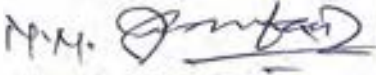


N. N. Jambusaria & Co.

Chartered Accountants

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement has not been prepared in all material respect in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For N. N. Jambusaria & CO.
Chartered Accountants
Firm Reg. No: 104030W



Nimesh N. Jambusaria
Partner
Mem. No. 038979
UDIN: 24038979BKBNXI5172
Place: Mumbai
Date: November 11, 2024



Reliance Naval and Engineering Limited

Registered Office: Pipavav Port, Post Uchhaiya, Via Rajula, Dist. Amreli, Gujarat - 365 560, India.
Website: www.rnavel.co.in, E-mail: mel@swan.co.in, CIN: L35110GJ1997PLC033193

Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2024

Sr. No.	Particulars	Quarter Ended		Year Ended	
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		Unaudited	Audited	Unaudited	Audited
1	Revenue from Operations	-	-	-	-
2	Other Income	197	21	124	246
3	Total Income (1+2)	197	21	124	246
4	Expenses				
(a)	Cost of Materials Consumed	75	12	3	27
(b)	Cost of Raw Material Sold	-	-	-	-
(c)	Changes in Inventories of Work in Progress & Scrap	-	-	-	-
(d)	Employee Benefits Expenses	392	226	86	472
(e)	Labour/Fabrication and Subcontractor Charges	225	239	129	636
(f)	Power, Fuel and Water	144	147	115	496
(g)	Cost Estimated for Revenue Recognised	-	-	-	-
(h)	Foreign Exchange Difference (net)	-	-	-	-
(i)	Provision for Non-Moving Inventory	-	-	-	-
(j)	Other Expenses	1,991	554	268	1,266
	Total Expenses	2,827	1,178	601	2,897
5	Profit / (Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (3-4)	(2,630)	(1,157)	(477)	(2,651)
6	Finance Costs	1,031	1,029	339	2,639
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8	Loss Before Exceptional Items (5-6-7)	(5,145)	(3,885)	(2,522)	(12,136)
9	Exceptional Items	-	-	-	-
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11	Income Tax for Earlier Years	-	-	-	-
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13	Loss After Tax (10+11+12)	(5,145)	(3,885)	(2,522)	(12,136)
14	Other Comprehensive Income				
	Items that will not to be reclassified to profit and loss in the subsequent year				
(i)	Actuarial gains/(losses) on defined benefit plans	-	-	-	-
(ii)	Add:- Consolidated share in the profit/(loss) of associate	-	-	-	-
	Total Other Comprehensive Income for the period/year	-	-	-	-
15	Total Comprehensive Income for the period/year (13+14)	(5,145)	(3,885)	(2,522)	(12,136)
16	Paid-up Equity Share Capital (Face Value of INR 10 Each)	268.22	268.22	268.22	268.22
17	Other Equity	-	-	-	42,069.06
18	Earnings Per Share (EPS) (* Not Annualised)				
(a)	Basic EPS (INR)	* (191.82)	* (144.84)	* (94.03)	(452.46)
(b)	Diluted EPS (INR)	* (191.82)	* (144.84)	* (94.03)	(452.46)



Background of the Company

1. The financial results comprise the financial results of Reliance Naval and Engineering Limited ("RNEL" or "the Company") for the period ended June 30th, 2024. RNEL is a company limited by shares, incorporated and domiciled in India. The registered office of the Company is located at Pipavav Port, Post Ucchaiya, Via- Rajula, District Amreli (Gujarat), and the Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

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2. The Hon'ble National Company Law Tribunal, Ahmedabad (the "NCLT"), vide its order dated January 15th, 2020 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Insolvency and Bankruptcy Code 2016 (the "IBC" / "Code"). Pursuant to the approval of the Resolution Plan, as per NCLT Order dated December 23rd, 2022 the CIRP of RNEL was concluded and a monitoring committee was constituted to oversee the implementation of the Resolution Plan, and day-to-day operations and management of RNEL until the closing date as defined under the Resolution Plan.

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d. Organization building: The company is also focusing on talent identification and recruitment to build a capable workforce.

e. Capacity augmentation: The company is also actively engaged in planning for additional capacity to integrate a maritime vendor ecosystem and meet the global demand by increasing docking and berthing space. They are in the process of building a comprehensive yard design and layout strategy.

Going Concern

4. The new management has been granted full control of the affairs of the company with effect from January 4th, 2024, the financial statement for the period ended June 30th, 2024 have been prepared on going concern assumptions by the Board of Directors of the Company. This has been further explained in note 2.

Legal Cases

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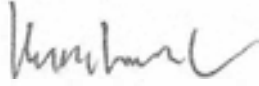
Other

6. The Company is engaged only in the business of Ship-building and Repairs. As such, there are no separate reportable segments.
7. The Company has not recognized net deferred tax assets as the Company is not certain that sufficient future taxable income will be available against which deferred tax assets can be set off, considering its present order book and anticipated orders and opportunities in the defense sector as evidence.
8. As on June 30th, 2024, the Company had given a Security Deposit (short-term and long-term) amounting to INR 9,343.02 Lakhs. Out of the above security deposit, an amount of INR 7,370 Lakhs has been given to M/S E-Complex Private Limited ("ECPL") against the land taken from them on lease as a refundable deposit. ECPL was admitted under CIRP by NCLT. The claim submitted by the Resolution Professional of the Company was not accepted by the Resolution Professional of ECPL. The CIRP process was completed as per the NCLT order dated December 04th, 2023. The said order of NCLT has been set aside by NCLAT by its order dated July 25th, 2024. The COC of ECPL has filed an appeal before the Supreme Court of India which is pending admission. As per lease agreements, the lease tenure of SEZ land is for 60 years in blocks of 20 years. The first block of 20 years is expiring in the year 2028. Till the time the Company is in possession of said land, the question of refund of security deposit doesn't arise and therefore the enduring benefit from use of the land is going to be received by the Company. The company does not foresee any probability in diminution in the value of the security deposit and hence no impairment provision is needed for the same. Further, the recoverability of the said security deposits deposited with the Court against certain legal ongoing cases are subject to the outcome of the said cases.



9. As per NCLT order dated November 21st, 2023, the payment of 1st tranche amounted INR 312 crores is payable to unrelated financial creditors on December 23rd, 2023. Payment of 1st tranche is made on August 7th, 2024. Hence, as per the order, the company charged interest at the rate of 10.50% p.a. on INR 200 Crores and at the rate of 8.55% p.a. on INR 112 crores from December 23, 2023, till the date of payment, which is August 7th, 2024. Therefore, the company has charged interest of INR 762.31 lakhs in the Quarter ended June 30th, 2024.

For and on behalf of the Board of Directors,
Reliance Naval and Engineering Limited



Mr. Nikhil Merchant
Chairman & Managing Director
DIN: 00614790
Date: November 11th, 2024
Place: Mumbai

