

Independent Auditor's Review Report on the Quarterly and Half Yearly 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. The Hon'ble National Company Law Tribunal ("NCLT") admitted an insolvency and bankruptcy petition filed by IDBI Bank, acting as a financial creditor, against Reliance Naval and Engineering Limited ("the Company"). The resolution plan submitted by M/s. Hazel Mercantile Limited, the Resolution Applicant, was approved by the NCLT through an order dated December 23, 2022.

In accordance with the approved resolution plan, majority of payments due to Financial Creditors, Operational Creditors, and Employees, along with the Corporate Insolvency Resolution Process ("CIRP") and Monitoring Committee ("MC") period costs, were paid by January 4, 2024. Subsequently, the MC was discharged on January 4, 2024, and the newly appointed board of directors ("New Management") of the Company was given full authority to manage the Company's affairs in compliance with the Companies Act, 2013.

The impact of resolution plan has been given in the financial statement for the quarter and nine months ended December 31, 2022

2. 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 profit after tax in its associate, for the quarter and half year ended September 30, 2023 ("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.
3. 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.



4. 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.

5. The statement includes the results of the following entity: -

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

6. Based on our review conducted and procedures performed as stated in paragraph 4 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.
7. The unaudited consolidated financial results also include the Group’s share of net profit after tax in its associate of INR 50 lakhs and net profit of INR 48 lakhs for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, respectively, as considered in the unaudited consolidated financial results, for which financial information had not been audited/reviewed by their auditor. This 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 the information and



explanation given to us by the management, this financial information is not material to the group.

8. In case of three subsidiaries the interim financial information for the quarter and half year ended September 30, 2023, is not available. In absence of the aforesaid interim financial information, the same 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.

**9. Other Matter**

Although the unaudited consolidated financial results for the quarter and half year ended September 30, 2023, along with the audited financial statements as of March 31, 2024, were signed and approved by the Board of Directors on the same date, we, as the auditors, have reviewed and issued Limited Review Report on the interim financial results for the respective quarter and half year ended.

Our conclusion on the statement is not modified in respect of this matter.

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



**Nimesh N. Jambusaria**  
Partner  
Mem. No. 038979  
UDIN: 24038979BKBNXB6690  
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 Consolidated Financial Results for the Quarter and Half Year Ended September 30, 2023

INR in Lakhs

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	-	-	68	-	276	316
2	Other Income	51	124	133	175	374	460
3	<b>Total Income (1+2)</b>	<b>51</b>	<b>124</b>	<b>201</b>	<b>175</b>	<b>650</b>	<b>776</b>
4	<b>Expenses</b>						
(a)	Cost of Materials Consumed	2	3	1	5	22	26
(b)	Cost of Raw Material Sold	-	-	-	-	-	-
(c)	Changes in Inventories of Work in Progress & Scrap	-	-	-	-	-	-
(d)	Employee Benefits Expenses	82	86	88	168	172	326
(e)	Labour/Fabrication and Subcontractor Charges	130	129	121	259	215	528
(f)	Power, Fuel and Water	115	115	124	230	276	567
(g)	Cost Estimated for Revenue Recognised	-	-	-	-	-	-
(h)	Foreign Exchange Difference (net)	-	-	-	-	-	-
(i)	Provision for Non-Moving Inventory	-	-	-	-	-	-
(j)	Other Expenses	188	268	558	456	2,848	3,957
	<b>Total Expenses</b>	<b>517</b>	<b>601</b>	<b>892</b>	<b>1,118</b>	<b>3,533</b>	<b>5,404</b>
5	<b>Profit / (Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (3-4)</b>	<b>(466)</b>	<b>(477)</b>	<b>(691)</b>	<b>(943)</b>	<b>(2,883)</b>	<b>(4,628)</b>
6	Finance Costs	796	339	50,323	1,135	1,00,100	1,46,973
7	Depreciation and Amortisation Expenses	1,721	1,706	1,718	3,427	3,421	6,829
8	<b>Profit / (Loss) Before Exceptional Items (5-6-7)</b>	<b>(2,983)</b>	<b>(2,522)</b>	<b>(52,732)</b>	<b>(5,505)</b>	<b>(1,06,404)</b>	<b>(1,58,430)</b>
9	Exceptional Items	-	-	(10)	-	(10)	19,52,123
10	<b>Profit / (Loss) before Tax (8+9)</b>	<b>(2,983)</b>	<b>(2,522)</b>	<b>(52,742)</b>	<b>(5,505)</b>	<b>(1,06,414)</b>	<b>17,93,693</b>
11	Income Tax for Earlier Years	-	-	-	-	-	-
12	Deferred Tax Credit / (Reversal)	-	-	-	-	-	-
13	<b>Profit / (Loss) After Tax (10+11+12)</b>	<b>(2,983)</b>	<b>(2,522)</b>	<b>(52,742)</b>	<b>(5,505)</b>	<b>(1,06,414)</b>	<b>17,93,693</b>
14	<b>Other Comprehensive Income</b>						
	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	50	(1)	27	48	30	21
	<b>Total Other Comprehensive Income for the period/year</b>	<b>50</b>	<b>(1)</b>	<b>27</b>	<b>48</b>	<b>30</b>	<b>21</b>
15	<b>Total Comprehensive Income for the period/year (13+14)</b>	<b>(2,933)</b>	<b>(2,523)</b>	<b>(52,715)</b>	<b>(5,457)</b>	<b>(1,06,384)</b>	<b>17,93,714</b>
16	Paid-up Equity Share Capital (Face Value of Rs. 10 Each)	268.22	268.22	73,759	268.22	73,759	268.22
17	Other Equity	-	-	-	-	-	54.456
18	<b>Earnings Per Share (EPS) (* Not Annualised)</b>						
(a)	Basic EPS (Rs.)	* (109.35)	* (94.06)	* (7.15)	* (203.45)	* (114.42)	66,874.73
(b)	Diluted EPS (Rs.)	* (109.35)	* (94.06)	* (7.15)	* (203.45)	* (114.42)	66,874.73



Unaudited Consolidated Statement of assets and liabilities for the half year ended September 30, 2023

Particulars	As at September 30, 2023	As at March 31, 2023
	Unaudited	Audited
<b>I ASSETS</b>		
<b>(1) Non Current Assets</b>		
(a) Property, Plant and Equipment	1,13,603	1,16,486
(b) Right-of-use Assets	6,188	6,732
(c) Capital Work in Progress	3,669	3,669
(d) Intangible Assets	-	-
(e) Financial Assets		
(i) Investments	453	404
(f) Deferred Tax Assets (net)		
(g) Other Non Current Assets	9,343	9,343
<b>Total Non Current Assets (A)</b>	<b>1,33,256</b>	<b>1,36,634</b>
<b>(2) Current Assets</b>		
(a) Inventories	1,40,512	1,40,515
(b) Financial Assets		
(i) Trade Receivables	-	-
(ii) Cash and Cash Equivalents	2,069	810
(c) Current Tax Assets (net)	17	25
(d) Other Current Assets	1,045	558
<b>Total Non Current Assets (B)</b>	<b>1,43,643</b>	<b>1,41,908</b>
<b>TOTAL ASSETS (A+B)</b>	<b>2,76,899</b>	<b>2,78,542</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>(1) (a) Equity Share Capital</b>		
(a) Equity Share Capital	268	268
(b) Other Equity	49,001	54,456
<b>Total Equity (A)</b>	<b>49,269</b>	<b>54,724</b>
<b>(2) Liabilities</b>		
<b>2.1 Non Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	1,89,558	1,85,000
(ii) Lease Liability	7,614	8,137
(b) Provisions	43	43
<b>Total Non Current Liabilities (B)</b>	<b>1,97,215</b>	<b>1,93,180</b>
<b>2.2 Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	20,000	20,000
(ii) Lease Liability	943	809
(iii) Trade Payables		
Total outstanding dues of micro and small enterprises	-	28
Total outstanding dues of creditors other than micro and small enterprises	8,982	7,798
(iv) Other Financial Liabilities	473	1,925
(b) Other Current Liabilities	17	78
(c) Provisions	-	-
<b>Total Non Current Liabilities (C)</b>	<b>30,415</b>	<b>30,638</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>	<b>2,76,899</b>	<b>2,78,542</b>



## Reliance Naval and Engineering Limited

### Unaudited Consolidated Cash Flow Statement

INR in Lakhs

Sr. No. Particulars	As at September 30, 2023	As at March 31, 2023
	Unaudited	Audited
<b>A Cash Flow from Operating Activities</b>		
Profit / (Loss) before Tax and associate profit	(5,503)	17,93,693
Adjustments for :-		
Depreciation and Amortisation Expenses	3,427	6,828
Interest Income	-	(12)
Loss on Sale of Plant, property and equipments (net)	-	1,805
Finance Costs	1,135	1,46,973
RoU recalculation Fixed asset Impairment and W/off	-	221
Operating cash flow before working capital changes	(941)	19,49,508
<b>Movement in Working Capital</b>		
(Increase) / Decrease in Inventories	3	68,117
(Increase) /Decrease Trade and Other Receivables	(487)	15,355
Increase in / (Decrease) Trade and Other Payables	725	(18,90,455)
<b>Cash Used in Operations</b>	<b>(700)</b>	<b>1,42,525</b>
Income Taxes (Paid) / Refund	8	308
<b>Net Cash from Operating Activities</b>	<b>(692)</b>	<b>1,42,833</b>
<b>B Cash Flow from Investing Activities</b>		
Sale of Property, Plant and Equipment and Capital Work in Progress	-	1,156
Interest Received	-	12
<b>Net Cash Flow (used in)/from Investing Activities</b>	<b>-</b>	<b>1,168</b>
<b>C Cash Flow from Financing Activities</b>		
Finance Costs	(1,135)	(1,46,973)
Borrowings (From Hazel Infra Ltd)	4,000	1,000
Repayment of Borrowings (Interim funding)	(792)	-
Interest paid of repayment of Borrowings (Interim funding)	(121)	-
<b>Net Cash used in Financing Activities</b>	<b>1,952</b>	<b>(1,45,973)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>1,260</b>	<b>(1,972)</b>
Cash and Cash Equivalents - Opening balance	810	2,782
Cash and Cash Equivalents - Closing balance	2,069	810





### 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 September 30<sup>th</sup>, 2023. 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. On September 4<sup>th</sup>, 2018, IDBI Bank in its capacity of financial creditor filed a petition under the Insolvency and Bankruptcy Code 2016 (the "IBC" / "Code") with the Hon'ble National Company Law Tribunal, Ahmedabad (the "NCLT") against the Company. The NCLT, vide its order dated January 15<sup>th</sup>, 2020 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code and appointed Mr. Rajeev Bal Sawangikar as the Interim Resolution Professional ("IRP") in accordance with Section 16 of the Code. Subsequently, pursuant to the meeting held on March 13<sup>th</sup>, 2020, the Committee of Creditors (the "CoC") replaced IRP with Mr. Sudip Bhattacharya as the Resolution Professional ("RP") for the Company. Upon the application filed by CoC, the NCLT approved the appointment of RP vide its order dated May 5<sup>th</sup>, 2020. The powers of the Board of Directors of the Company were suspended with effect from January 15<sup>th</sup>, 2020 i.e. the commencement of the insolvency proceedings, and continue to remain suspended till the end of current period, i.e. June 30<sup>th</sup>, 2023. Pursuant to the approval of the Resolution Plan, the CIRP of RNEL has been concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Corporate Debtor, effective on and from December 23<sup>rd</sup>, 2022. Furthermore, as per the terms of the approved Resolution Plan, 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. Accordingly, as per the resolution plan and the decision of the members of the Monitoring Committee, Mr. Sudip Bhattacharya has been appointed as the Chairman of the Monitoring Committee vide its 3<sup>rd</sup> MC meeting dated January 31<sup>st</sup>, 2023.

In line with approved resolution plan the Successful Resolution Applicant ("SRA") has deposited upfront payment tranches on October 27<sup>th</sup>, 2023, and the same has been received in the designated bank account of the Company. By January 4<sup>th</sup>, 2024, majority of the payment to Financial Creditors, Operational Creditors, and Employees as per the approved plan along with CIRP and MC period Cost has been made. Hence it was decided in the MC meeting held on January 4<sup>th</sup>, 2024 that with effect from the said date 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 23<sup>rd</sup>, 2023. SRA had taken approval from NCLT for an extension till November 15<sup>th</sup>, 2023 for depositing the same. The actual deposit was done on October 27<sup>th</sup>, 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 07, 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 4, 2024, the consolidated financial statement for the period ended September 30<sup>th</sup>, 2023 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. The amount of INR 1,73,219.05 lakhs were shown as impairment against the Shipbuilding Contracts Receivables from ONGC against the order of Offshore Vessels (OSVs) and Naval Offshore Patrol Vessels (NOPVs) from the Ministry of Defense (MOD). After getting the relevant information, the new management realized that the amount of INR 1,73,219.05 lakhs representing various contracts is not receivable and hence has been considered for write-off from the books of accounts. In response to the Show Cause Notice from Ministry of Defence, the Company replied to the notice and also filed a writ petition along with a stay application before the Delhi High Court on February 15th, 2020.

The captioned matter was listed for hearing before the Hon'ble Delhi High Court on February 17th, 2020. After hearing the arguments of both parties at length, the Hon'ble Court was pleased to direct the MOD to consider the writ petition as a representation in response to the Impugned Termination Notice and take a decision on termination as per law. The Hon'ble Court was further pleased to direct that in case the final decision of the MOD in relation to the termination of the NOPV Contract is adverse to the interests of the Company, the operation of the said decision shall remain suspended for a period of 7 days after the communication of such decision to the Company.





Although the MOD has not revived the contract, it had offered the Company an opportunity to present a proposal by August 31st, 2020, outlining how it can complete two of the five NOPVs (NS001 and NS002) which are in advanced stages of completion by outsourcing the remaining work to a PSU shipyard. This is at a proposal stage and only if the MOD is agreeable of the proposal, the MOD may accept the plan for two of the five NOPVs. RP has filed I.A. in NCLT against the cancellation of the order. Pending the final decision by NCLT and the MOD which is due for hearing, the Company has conservatively decided to write off the same.

6. 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 25<sup>th</sup>, 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

7. The Company is engaged only in the business of Ship-building and Repairs. As such, there are no separate reportable segments.
8. 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.
9. The Number of equity shares in the company stands reduced based on the approved resolution plan by the Hon'ble National Company Law Tribunal in the ratio of 1 share each for 275 shares held in the company, resulting in the reduction of equity capital by INR 73,490.91 lakhs. As per the approved resolution plan, Hazel Infra Limited was to invest INR 5,000 lakhs by way of 5 crores equity shares of INR 10 each in the company. The infusion of the amount happened on October 27<sup>th</sup>, 2023.
10. New Management has been appointed as follows on the board of the Company.

Name of Director	Designation	Date of Appointment
Nikhil Vasantlal Merchant*	Chairman & Managing Director	December 8th, 2023
Paresh Vasantlal Merchant	Director	December 8th, 2023
Bhavik Nikhil Merchant	Director	December 8th, 2023
Vivek Paresh Merchant	Director	December 8th, 2023
Kaiyoze Beji Billimoria	Independent Director	December 14th, 2023
Ashishkumar Bairagra	Independent Director	December 14th, 2023
Arun Sinha	Independent Director	December 14th, 2023
Prabhakar Reddy Patil	Independent Director	December 16th, 2023
Maya Swaminathan Sinha	Independent Director	December 14th, 2023
Arvind Jayasing Morbale	Whole-time Director	December 14th, 2023

\*Mr. Nikhil Vasantlal Merchant was appointed as Non-Executive Director on December 8<sup>th</sup>, 2023, and has been redesignated as Chairman & Managing Director w.e.f February 13<sup>th</sup>, 2024, at the board meeting held on February 13<sup>th</sup>, 2024.



11. As on September 30<sup>th</sup>, 2023, 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 04<sup>th</sup>, 2023. The said order of NCLT has been set aside by NCLAT by its order dated July 25<sup>th</sup>, 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.
12. As per the applicable accounting framework the entity shall also submit consolidated financial results for the period ending September 30<sup>th</sup>, 2023. 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, 2023 which has been set aside by NCLAT by its order dated July 25, 2024. |
| 2      | PDOC Pte. Limited                                 | Active  |
| 3      | Reliance Technologies and Systems Private Limited | Active  |
13. During the period June 30<sup>th</sup>, 2023 prior period income was booked amounting to INR 40.35 lakhs income.
14. As per NCLT order dated August 1st, 2023 interest at the rate of SBI MCLR plus 200 basis points is payable with effect from 23.06.2023 till the making up full upfront payment of INR 200 Crs to unrelated financial creditors. Hence as per the order, the company has charged interest of INR 40.27 lakhs at the rate of 10.50% from 23.06.2023 to 30.06.2023. In the Meeting of the Joint Lenders of the company, held on 12.09.2023, the unrelated financial creditors have agreed to give an extension of time for making the balance upfront payment subject to payment of interest for the delay, at SBI MCLR of 1 year (8.5%) plus 250 basis points from 15.09.2023 till the date of payment on reducing balance basis. Therefore, the company has charged interest of INR 517.68 lakhs in the second quarter.



15. The Finance Cost includes INR 0.85 lakhs as interest on Interim Funding received during CIRP Period which is treated as CIRP Cost.
16. The consolidated figures for the quarter ended September 30<sup>th</sup>, 2023 are the balancing consolidated figures between the unaudited consolidated figure in respect of half financial year and year to date consolidated unaudited financial results for the quarter ended June 30<sup>th</sup>, 2023. The consolidated figures for the previous periods and for the year ended March 31<sup>st</sup>, 2023 have been restated and regrouped to make them comparable with those of current year.

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

  
Mr. Nikhil Merchant

Chairman & Managing Director

■IN: 00614790

Date: November 11th, 2024

Place: Mumbai





**Independent Auditor's Review Report on the Quarterly and Half Yearly 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. The Hon'ble National Company Law Tribunal ("NCLT") admitted an insolvency and bankruptcy petition filed by IDBI Bank, acting as a financial creditor, against Reliance Naval and Engineering Limited ("the Company"). The resolution plan submitted by M/s. Hazel Mercantile Limited, the Resolution Applicant, was approved by the NCLT through an order dated December 23, 2022.

In accordance with the approved resolution plan, majority of payments due to Financial Creditors, Operational Creditors, and Employees, along with the Corporate Insolvency Resolution Process ("CIRP") and Monitoring Committee ("MC") period costs, were paid by January 4, 2024. Subsequently, the MC was discharged on January 4, 2024, and the newly appointed board of directors ("New Management") of the Company was given full authority to manage the Company's affairs in compliance with the Companies Act, 2013.

The impact of resolution plan has been given in the financial statement for the quarter and nine months ended December 31, 2022

2. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Reliance Naval and Engineering Limited (the "Company") for the Quarter and half year ended September 30, 2023 ("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.
3. 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.



4. 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.
5. Based on our review conducted and procedures performed as stated in paragraph 4 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.
6. Although the unaudited standalone financial results for the quarter and half year ended September 30, 2023, along with the audited financial statements as of March 31, 2024, were signed and approved by the Board of Directors on the same date, we, as the auditors, have reviewed and issued Limited Review Report on the interim financial results for the respective quarter and half year ended.

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

*N.N. Jambusaria*  
Nimesh N. Jambusaria  
Partner

Mem. No. 038979  
UDIN: 24038979BKBNXC7702  
Place: Mumbai  
Date: November 11, 2024



**Statement of Unaudited Standalone Financial Results for the Quarter and Half Year Ended September 30, 2023**

Sr. No.	Particulars	Quarter Ended			Half Year Ended		INR in Lakhs
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	-	-	88	-	276	316
2	Other Income	51	124	133	175	374	460
3	<b>Total Income (1+2)</b>	<b>51</b>	<b>124</b>	<b>201</b>	<b>175</b>	<b>650</b>	<b>776</b>
4	<b>Expenses</b>						
(a)	Cost of Materials Consumed	2	3	1	5	22	26
(b)	Cost of Raw Material Sold	-	-	-	-	-	-
(c)	Changes in Inventories of Work in Progress & Scrap	-	-	-	-	-	-
(d)	Employee Benefits Expenses	82	86	88	168	172	324
(e)	Labour/Fabrication and Subcontractor Charges	130	129	121	259	215	528
(f)	Power, Fuel and Water	115	115	124	230	276	567
(g)	Cost Estimated for Revenue Recognised	-	-	-	-	-	-
(h)	Foreign Exchange Difference (net)	-	-	-	-	-	-
(i)	Provision for Non-Moving Inventory	-	-	-	-	-	-
(j)	Other Expenses	188	268	558	456	2,848	3,957
	<b>Total Expenses</b>	<b>517</b>	<b>601</b>	<b>892</b>	<b>1,118</b>	<b>3,533</b>	<b>5,404</b>
5	<b>Profit / (Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (3-4)</b>	<b>(466)</b>	<b>(477)</b>	<b>(691)</b>	<b>(943)</b>	<b>(2,883)</b>	<b>(4,628)</b>
6	Finance Costs	796	339	50,323	1,135	1,00,100	1,46,973
7	Depreciation and Amortisation Expenses	1,721	1,706	1,718	3,427	3,421	6,829
8	<b>Profit / (Loss) Before Exceptional Items (5-6-7)</b>	<b>(2,983)</b>	<b>(2,522)</b>	<b>(52,732)</b>	<b>(5,505)</b>	<b>(1,06,404)</b>	<b>(1,58,430)</b>
9	Exceptional Items	-	-	(10)	-	(10)	19,52,123
10	<b>Profit / (Loss) before Tax (8+9)</b>	<b>(2,983)</b>	<b>(2,522)</b>	<b>(52,742)</b>	<b>(5,505)</b>	<b>(1,06,414)</b>	<b>17,93,693</b>
11	Income Tax for Earlier Years	-	-	-	-	-	-
12	Deferred Tax Credit / (Reversal)	-	-	-	-	-	-
13	<b>Profit / (Loss) After Tax (10+11+12)</b>	<b>(2,983)</b>	<b>(2,522)</b>	<b>(52,742)</b>	<b>(5,505)</b>	<b>(1,06,414)</b>	<b>17,93,693</b>
14	<b>Other Comprehensive Income</b>						
	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	-	-	-	-	-	-
	<b>Total Other Comprehensive income for the period/year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Total Comprehensive Income for the period/year (13+14)</b>	<b>(2,983)</b>	<b>(2,522)</b>	<b>(52,742)</b>	<b>(5,505)</b>	<b>(1,06,414)</b>	<b>17,93,693</b>
16	Paid-up Equity Share Capital (Face Value of INR 10 Each)	268.22	268.22	73,759	268.22	73,759	268.22
17	Other Equity	-	-	-	-	-	54,205
18	<b>Earnings Per Share (EPS) (* Not Annualised)</b>						
(a)	Basic EPS (INR)	* (111.21)	* (94.03)	* (7.15)	* (205.24)	* (14.43)	66,873.95
(b)	Diluted EPS (INR)	* (111.21)	* (94.03)	* (7.15)	* (205.24)	* (14.43)	66,873.95





# Unaudited Standalone Statement Of Assets and Liabilities

Particulars	As at September 30, 2023	As at March 31, 2023
	Unaudited	Audited
<b>I ASSETS</b>		
<b>(1) Non Current Assets</b>		
(a) Property, Plant and Equipment	1,13,603	1,16,486
(b) Right-of-use Assets	6,188	6,732
(c) Capital Work in Progress	3,669	3,669
(d) Intangible Assets	-	-
(e) Financial Assets		
(i) Investments	153	153
(f) Deferred Tax Assets (net)	9,343	9,343
(g) Other Non Current Assets		
<b>Total Non Current Assets (A)</b>	<b>1,32,956</b>	<b>1,36,383</b>
<b>(2) Current Assets</b>		
(a) Inventories	1,40,512	1,40,515
(b) Financial Assets		
(i) Trade Receivables	-	-
(ii) Cash and Cash Equivalents	2,069	810
(c) Current Tax Assets (net)	17	25
(d) Other Current Assets	1,045	558
<b>Total Non Current Assets (B)</b>	<b>1,43,643</b>	<b>1,41,908</b>
<b>TOTAL ASSETS (A+B)</b>	<b>2,76,599</b>	<b>2,78,291</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>(1) Equity Share Capital</b>		
(a) Equity Share Capital	268	268
(b) Other Equity	48,702	54,205
<b>Total Equity (A)</b>	<b>48,970</b>	<b>54,473</b>
<b>(2) Liabilities</b>		
<b>2.1 Non Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	1,89,558	1,85,000
(ii) Lease Liability	7,614	8,137
(b) Provisions	43	43
<b>Total Non Current Liabilities (B)</b>	<b>1,97,215</b>	<b>1,93,180</b>
<b>2.2 Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	20,000	20,000
(ii) Lease Liability	942	809
(iii) Trade Payables		
Total outstanding dues of micro and small enterprises	-	28
Total outstanding dues of creditors other than micro and small enterprises	8,982	7,798
(iv) Other Financial Liabilities	473	1,925
(b) Other Current Liabilities	17	78
(c) Provisions	-	-
<b>Total Non Current Liabilities (C)</b>	<b>30,414</b>	<b>30,638</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>	<b>2,76,599</b>	<b>2,78,291</b>



# Unaudited Standalone Cash Flow Statement

INR in Lakhs

Sr. No.	Particulars	September 30, 2023	March 31, 2023
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Profit / (Loss) before Tax	(5,503)	17,93,693
	Adjustments for :-		
	Depreciation and Amortisation Expenses	3,427	6,828
	Interest Income	-	(12)
	Loss on Sale of Plant, property and equipments (net)	-	1,805
	Finance Costs	1,135	1,46,973
	RoU recalculation Fixed asset Impairment and W/off	-	221
	Operating cash flow before working capital changes	(941)	19,49,508
	<b>Movement in Working Capital</b>		
	(Increase) / Decrease in Inventories	3	68,117
	(Increase) / Decrease Trade and Other Receivables	(487)	15,355
	Increase in / (Decrease) Trade and Other Payables	725	(18,90,455)
	<b>Cash Used in Operations</b>	(700)	1,42,525
	Income Taxes (Paid) / Refund	8	308
	<b>Net Cash from Operating Activities</b>	(692)	1,42,833
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Sale of Property, Plant and Equipment and Capital Work in Progress	-	1,156
	Interest Received	-	12
	<b>Net Cash Flow (used in)/from Investing Activities</b>	-	1,168
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Finance Costs	(1,135)	(1,46,973)
	Borrowings (From Hazel Infra Ltd)	4,000	1,000
	Repayment of Borrowings (Interim funding)	(792)	-
	Interest paid of repayment of Borrowings (Interim funding)	(121)	-
	<b>Net Cash used in Financing Activities</b>	1,952	(1,45,973)
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	1,260	(1,972)
	Cash and Cash Equivalents - Opening balance	810	2,782
	Cash and Cash Equivalents - Closing balance	2,069	810



#### 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 September 30<sup>th</sup>, 2023. 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. On September 4<sup>th</sup>, 2018, IDBI Bank in its capacity of financial creditor filed a petition under the Insolvency and Bankruptcy Code 2016 (the "IBC" / "Code") with the Hon'ble National Company Law Tribunal, Ahmedabad (the "NCLT") against the Company. The NCLT, vide its order dated January 15<sup>th</sup>, 2020 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code and appointed Mr. Rajeev Bal Sawangikar as the Interim Resolution Professional ("IRP") in accordance with Section 16 of the Code. Subsequently, pursuant to the meeting held on March 13<sup>th</sup>, 2020, the Committee of Creditors (the "CoC") replaced IRP with Mr. Sudip Bhattacharya as the Resolution Professional ("RP") for the Company. Upon the application filed by CoC, the NCLT approved the appointment of RP vide its order dated May 5<sup>th</sup>, 2020. The powers of the Board of Directors of the Company were suspended with effect from January 15<sup>th</sup>, 2020 i.e. the commencement of the insolvency proceedings, and continue to remain suspended till the end of current period, i.e. June 30<sup>th</sup>, 2023. Pursuant to the approval of the Resolution Plan, the CIRP of RNEL has been concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Corporate Debtor, effective on and from December 23<sup>rd</sup>, 2022. Furthermore, as per the terms of the approved Resolution Plan, 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. Accordingly, as per the resolution plan and the decision of the members of the Monitoring Committee, Mr. Sudip Bhattacharya has been appointed as the Chairman of the Monitoring Committee vide its 3<sup>rd</sup> MC meeting dated January 31<sup>st</sup>, 2023.

In line with approved resolution plan the Successful Resolution Applicant ("SRA") has deposited upfront payment tranches on October 27<sup>th</sup>, 2023, and the same has been received in the designated bank account of the Company. By January 4<sup>th</sup>, 2024, majority of the payment to Financial Creditors, Operational Creditors, and Employees as per the approved plan along with CIRP and MC period Cost has been made. Hence it was decided in the MC meeting held on January 4<sup>th</sup>, 2024 that with effect from the said date 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 23<sup>rd</sup>, 2023. SRA had taken approval from NCLT for an extension till November 15<sup>th</sup>, 2023 for depositing the same. The actual deposit was done on October 27<sup>th</sup>, 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 07, 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 4, 2024, the financial statement for the period ended September 30<sup>th</sup>, 2023 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. The amount of INR 1,73,219.05 lakhs were shown as impairment against the Shipbuilding Contracts Receivables from ONGC against the order of Offshore Vessels (OSVs) and Naval Offshore Patrol Vessels (NOPVs) from the Ministry of Defense (MOD). After getting the relevant information, the new management realized that the amount of INR 1,73,219.05 lakhs representing various contracts is not receivable and hence has been considered for write-off from the books of accounts. In response to the Show Cause Notice from Ministry of Defence, the Company replied to the notice and also filed a writ petition along with a stay application before the Delhi High Court on February 15th, 2020.

The captioned matter was listed for hearing before the Hon'ble Delhi High Court on February 17th, 2020. After hearing the arguments of both parties at length, the Hon'ble Court was pleased to direct the MOD to consider the writ petition as a representation in response to the Impugned Termination Notice and take a decision on termination as per law. The Hon'ble Court was further pleased to direct that in case the final decision of the MOD in relation to the termination of the NOPV Contract is adverse to the interests of the Company, the operation of the said decision shall remain suspended for a period of 7 days after the communication of such decision to the Company.



Although the MOD has not revived the contract, it had offered the Company an opportunity to present a proposal by August 31st, 2020, outlining how it can complete two of the five NOPVs (NS001 and NS002) which are in advanced stages of completion by outsourcing the remaining work to a PSU shipyard. This is at a proposal stage and only if the MOD is agreeable of the proposal, the MOD may accept the plan for two of the five NOPVs. RP has filed I.A. in NCLT against the cancellation of the order. Pending the final decision by NCLT and the MOD which is due for hearing, the Company has conservatively decided to write off the same.

6. 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 25<sup>th</sup>, 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

7. The Company is engaged only in the business of Ship-building and Repairs. As such, there are no separate reportable segments.
8. 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.
9. The Number of equity shares in the company stands reduced based on the approved resolution plan by the Hon'ble National Company Law Tribunal in the ratio of 1 share each for 275 shares held in the company, resulting in the reduction of equity capital by INR 73,490.91 lakhs. As per the approved resolution plan, Hazel Infra Limited was to invest INR 5,000 lakhs by way of 5 crores equity shares of INR 10 each in the company. The infusion of the amount happened on October 27<sup>th</sup>, 2023.
10. New Management has been appointed as follows on the board of the Company.

Name of Director	Designation	Date of Appointment
Nikhil Vasantlal Merchant*	Chairman & Managing Director	December 8th, 2023
Pareesh Vasantlal Merchant	Director	December 8th, 2023
Bhavik Nikhil Merchant	Director	December 8th, 2023
Vivek Pareesh Merchant	Director	December 8th, 2023
Kaiyoze Beji Billimoria	Independent Director	December 14th, 2023
Ashishkumar Bairagra	Independent Director	December 14th, 2023
Arun Sinha	Independent Director	December 14th, 2023
Prabhakar Reddy Patil	Independent Director	December 16th, 2023
Maya Swaminathan Sinha	Independent Director	December 14th, 2023
Arvind Jayasing Morbale	Whole-time Director	December 14th, 2023

\*Mr. Nikhil Vasantlal Merchant was appointed as Non-Executive Director on December 8<sup>th</sup>, 2023, and has been redesignated as Chairman & Managing Director w.e.f February 13<sup>th</sup>, 2024, at the board meeting held on February 13<sup>th</sup>, 2024.



11. As on September 30<sup>th</sup>, 2023, 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 04<sup>th</sup>, 2023. The said order of NCLT has been set aside by NCLAT by its order dated July 25<sup>th</sup>, 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.
12. During the period June 30<sup>th</sup>, 2023 prior period income was booked amounting to INR 40.35 lakhs income.
13. As per NCLT order dated August 1st, 2023 interest at the rate of SBI MCLR plus 200 basis points is payable with effect from 23.06.2023 till the making up full upfront payment of INR 200 Crs to unsecured financial creditors. Hence as per the order, the company has charged interest of INR 40.27 lakhs at the rate of 10.50% from 23.06.2023 to 30.06.2023. In the Meeting of the Joint Lenders of the company, held on 12.09.2023, the unrelated financial creditors have agreed to give an extension of time for making the balance upfront payment subject to payment of interest for the delay, at SBI MCLR of 1 year (8.5%) plus 250 basis points from 15.09.2023 till the date of payment on reducing balance basis. Therefore the company has charged interest of INR 517.68 lakhs in the second quarter.
14. The Finance Cost includes INR 0.85 lakhs as interest on Interim Funding received during CIRP Period which is treated as CIRP Cost.
15. The figures for the quarter ended September 30<sup>th</sup>, 2023 are the balancing figures between the unaudited figure in respect of half financial year and year to date unaudited financial results for the quarter ended June 30<sup>th</sup>, 2023. The figures for the previous periods and for the year ended March 31<sup>st</sup>, 2023 have been restated and regrouped to make them comparable with those of current year.

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

