

Reliance Naval and Engineering Limited
(Formerly Reliance Defence and Engineering Limited)
Reliance Center, 2nd Floor, South Wing
Prabhat Colony, Off Vakola Flyover
Santa Cruz (East), Mumbai 400 055

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

December 8, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.
BSE Scrip Code: 533107

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE SYMBOL: RNAVAL

Sub: Statement of Standalone Unaudited Financial Results for the quarter ended December 31, 2022.

Dear Sir(s),

This is in continuation to our letter dated November 29, 2023 regarding the intimation of date of meeting for consideration and approval of unaudited Financial Results for the quarter ended December 31, 2022.

In accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), this is to inform you that the Monitoring Committee has today i.e., Friday, December 8, 2023, inter alia, considered and approved the Standalone Un-Audited Financial Results along with Limited review Report of the Company for the quarter ended December 31, 2022 (“Financial Results”).

As per the terms of the approved resolution plan, Monitoring Committee was constituted, and the first meeting of Monitoring Committee was duly held on January 10, 2023. The aforesaid Financial Results have been signed by the Chairman of the Monitoring Committee and Chief Financial Officer of the Company. These Financial Results have been adopted by the Monitoring Committee while exercising the powers of the Board of Directors of the Company, in good faith, solely for the purpose of compliance and discharging their duties which has been conferred upon them as per the terms of the approved resolution plan.

Regulation 33(3)(b) of the SEBI LODR Regulations provides that in case the listed entity has subsidiaries, in addition to the requirement at clause (a) of sub-regulation (3), the listed entity shall also submit quarterly/year-to-date consolidated financial results. The Company has 5 subsidiaries and 1 associate out of which three wholly owned subsidiaries of the Company were admitted under Corporate Insolvency Resolution Process or Liquidation process.

This is to bring to your notice that the Monitoring Committee is not in a position to provide the consolidated financial results, as the subsidiaries of the Company are separate legal entities, also currently non-operational and the team is facing huge difficulty in obtaining relevant data from the said subsidiaries, as also there are no KMPs / senior management personnel (in the Company's subsidiaries), from whom the relevant information can be obtained for the preparation of consolidated financial results of the Company. In view of the above, we are submitting the standalone financial results, you are therefore requested to kindly take the same on record.

Reliance Naval and Engineering Limited
(Formerly Reliance Defence and Engineering Limited)
Reliance Center, 2nd Floor, South Wing
Prabhat Colony, Off Vakola Flyover
Santa Cruz (East), Mumbai 400 055

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

The meeting commenced at 04:00 PM and concluded at 07:15 PM.

This is for your information and records.

Yours Faithfully
For **Reliance Naval and Engineering Limited**

SUDIP
BHATTACHA
RYA

Digitally signed by SUDIP BHATTACHARYA,
DN: cn=IR, postalCode=400027, st=MAHARASHTRA,
serialNumber=1, o=THANE, ou=Personal,
serialNumber=1662563392646820227596294999,
email=OPS@90303703457@vsnl.com,
c=IN, o=IBBI, ou=RESOLUTIONSUDIP@GMAIL.COM,
2.5.2.26=6616611923a116b7d1c0307f46d8b2
5122a7b70d81b8a4db0a1971d20,
email=RESOLUTIONSUDIP@GMAIL.COM, cn=SUDIP
BHATTACHARYA,
Date: 2023.12.08 19:22:16 +05'30'

Sudip Bhattacharya
On behalf of the Monitoring Committee of Reliance Naval and Engineering Limited
Project E-mail: mc.rnel@kroll.com

IBBI Registration no.: IBBI/IPA-003/IP-N00080/2017-18/10703
IBBI Registered Address: 903 Queensgate CHS, Hiranandani Estate,
Off Ghodbander Road, Thane-West, Mumbai – 400607
IBBI Registered E-mail: resolutionsudip@gmail.com



Independent Auditor's Review Report on the Quarter and nine months ended Unaudited Standalone Financial Results of Reliance Naval & Engineering Limited (the 'Company') Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
**The Monitoring Committee of
Reliance Naval and Engineering Limited**

Review Report on the unaudited Standalone Financial Results

1. We were engaged to review the accompanying statement of nine months ended Unaudited Standalone financial results of Reliance Naval & Engineering Limited (the "Company") for the nine months ended December 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The NCLT, vide its order dated January 15, 2020 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code. The said NCLT Order also records the appointment of 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, 2020, the Committee of Creditors (the "CoC") had replaced the existing IRP with Mr. Sudip Bhattacharya as the Resolution Professional ("RP") for the Company. Upon the application filed by CoC, the NCLT has approved the appointment of RP vide its order dated 5th May, 2020.

The Resolution Plan submitted by Hazel Mercantile Limited (Resolution Applicant) in the CIRP of Reliance Naval and Engineering Limited was approved by the members of committee of creditors of the Company (CoC) in their meeting, and subsequently been approved/allowed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) on December 23, 2022. With the approval of the Resolution Plan, the CIRP of the Company has therefore concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Company, effective on and from December 23, 2022. Further, as per the terms of the approved Resolution Plan, a monitoring committee was constituted (to oversee the implementation of the Resolution Plan, day-to-day operations and the management of the Company shall be carried out by the Monitoring Committee until the closing date as defined in the Resolution Plan). The monitoring committee is constituted of 5 (five) members: (a) 2 (two) members identified and appointed by the Resolution Applicant; (b) 2 (two) representatives identified and appointed by the Financial Creditors; and (c) 5th (fifth) member an independent insolvency professional. The Successful Resolution Applicant has deposited upfront payment tranches on October 27th, 2023, as per approved Resolution Plan and the same has been received in the designated bank account of Reliance Naval and Engineering Limited.

The said matter has been discussed in the monitoring committee held on October 30th, 2023 and November 24th, 2023. As on the date of the result the monitoring committee has not been discharged and accordingly the accompanying financial results are discussed and agreed in the meeting of monitoring committee dated December 8th, 2023.

Mumbai Office :

#3,13th Floor, Trade Link,
'E' Wing, 'A' Block,
Kamala Mills, Lower Parel,
Mumbai-400013

Corporate Office :

Pipara Corporate House,
Near Gruh Finance,
Netaji Marg, Law Garden,
Ahmedabad-380006

Delhi Office :

1602,16th Floor,
Ambadeep Building,
K. G. Marg,
New Delhi -110001

New York Office :

1270, Ave of Americas,
FL7, Rockefeller Center,
New York - 10020
(646) 387 2034



In view of the on-going implementation of Plan and the powers of Board of Directors remain suspended and hence, as explained to us, the powers of adoption of the Statement vests with monitoring committee. The erstwhile CFO had rendered its resignation on May 16, 2022 and Company has appointed Mr. Rishi Chopra as CFO w.e.f 3rd February 2023. In the absence of the Company Secretary, and the appointment of the new Chief Financial Officer after December 31, 2022, the employees have made all practical and reasonable efforts from time to time to gather details to prepare these financial results, despite various challenges and complex circumstances. The accompanying unaudited financial results have been prepared by the accounting professionals engaged by the corporate debtor. Basis the financial results prepared by the accounting professional appointed by the Company and the employees of the company, this Statement has been reviewed by the Monitoring Committee while exercising the powers of the Board of Directors of the Company, in good faith, solely for the purpose of compliance and discharging their duties which have been conferred upon them as per the terms of approved resolution plan. This Statement is signed by the Authorized Representative of the Monitoring committee duly authorized by the members of the Monitoring Committee.

3. The Results for the nine months ended December 31, 2022 have been prepared on the basis of the trial balance for the period ended December 31, 2022 which is on the basis of the carrying balance of assets and liabilities as at March 31, 2020 and in turn as at March 31, 2021 and March 31, 2022. Prior to the commencement of CIRP, the Board of Directors, whose powers were subsequently suspended during the CIRP, had oversight on the management of the affairs of the Company together with the KMPs for the year ended 31st March 2020. Thus, the erstwhile Resolution Professional/Monitoring Committee does not assure accuracy and reliability of the opening balances as at 1st April 2020.
4. The primary purpose of publishing the unaudited financial results is for the compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations") , which has been initiated by us for identification purposes.
5. The results for the quarter ended December 31, 2022, have been finalized on 8th December 2023. Accordingly, as required under "SA 560 – Subsequent Events" we have performed audit procedures designed to obtain sufficient appropriate audit evidence that all events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements have been identified and accordingly dealt with in the unaudited standalone unaudited financial results and the limited review report. However, although the upfront payment/initial payment has been made by RA on 27th October 2023, the necessary adjustments as required as per Resolution Plan has not been accounted in the result for the period ended December 31, 2022 and will be dealt with in the subsequent period when the RA will take the full control of the management of the Company. Accordingly, the impact of this subsequent event has not been considered by the management in the accompanying result and our report is qualified for such non- adjustment.
6. Our responsibility is to express a conclusion on this Statement based on our review. In view of the matters described in our 'Basis for Disclaimer of conclusion' mentioned below, we are unable to obtain sufficient appropriate evidence to provide a basis for our conclusion on this statement. Accordingly, we do not express a conclusion on this statement.
7. We conducted our review of the statement in accordance with the standard on Review Engagement (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

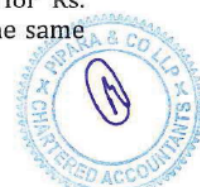


information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable 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.

Basis for Disclaimer of Conclusion

We draw attention to the below mentioned points pertaining to various elements of the Statement that may require necessary adjustments/disclosures in the statement including but not limited to an impact on the ability to continue as a going concern and these adjustments when made, may have material and pervasive impact on the outcome of the statement for the quarter and period ended December 31, 2022. Accordingly, pending these adjustments including certain major points mentioned below and unavailability of sufficient and appropriate evidence in respect of these items, we are unable to express our conclusion on the attached Statement of the Company.

- i. The aggregate carrying value of Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP), Investments, Other Non-Current Assets, Inventories, Trade Receivables and Other Current Assets (Advances to vendors, Shipbuilding Contracts Receivables, etc.) is Rs. 3,63,356 lakhs. On 24th February 2022, two compliant Resolution Plans were submitted by Prospective Resolution Applicants, and it was presented to the Committee of Creditors (CoC) members for approval via e-voting in accordance with Section 30(4) of the Insolvency and Bankruptcy Code, 2016 (Code) read with Regulation 39(3) of the CIRP Regulations. The e-voting on approval of the Resolution Plans was concluded on March 17, 2022 at 8.00 p.m. and the Resolution Plan submitted by Hazel Mercantile Limited was duly approved by 94.86% of CoC members under Section 30(4) of the Code as a successful Resolution Plan subject to the approval of Hon'ble NCLT Ahmedabad. The Resolution Professional (RP) of the Company has duly filed the Resolution Plan as approved by the CoC with the Hon'ble NCLT, Ahmedabad Bench on March 23, 2022, in accordance with Section 30(6) of the Insolvency and Bankruptcy Code, 2016. The Hon'ble NCLT by and under an order dated 23rd December 2022 pronounced orally allowing the IA 292 of 2022 and hence approved the Resolution Plan submitted by the Hazel Mercantile Limited under Section 31 of the Code. The Company has not taken into consideration any impact of impairment in the value of tangible, financial and other assets, if any, in preparation of Financial Statements and has not made full assessment of impairment as required Ind AS 36 - Impairment of Assets" and "Ind AS 109 - Financial Instruments" if any, as on December 31, 2022 in the carrying value of the above assets. Hence, we are unable to comment on the quantum of provision/impairment to be made on the assets appearing in the accompanying standalone unaudited financial results.
- ii. As on 31st December, 2022, the company has given Security Deposit (short- term and long-term) amounting to Rs. 9373.28 Lakhs. Out of the said security deposits, an amount of Rs. 7,370 Lakhs is with one of the related parties i.e., E-Complex Private Limited ("ECPL") towards the land taken on lease. E-Complex Private Limited ("ECPL") has been admitted under NCLT and the resolution Plan submitted for this company is also being approved and hence the recoverability of the same may be doubtful, however no provision has been made on the said security deposit. Further, the recoverability of the Security Deposits deposited with Court against certain ongoing legal cases amounting to Rs. 1,777.97 Lakhs are subject to the outcome of the said cases.
- iii. For the period ended 31st December, 2022, the company has Gross Trade Receivables for Rs. 79,567.44 Lakhs, out of which provision for doubtful debt/ECL has been created for Rs. 79,518.17 Lakhs in the previous financial years. The detailed party wise breakup of the same



was not available with those charged with governance and the officials of the Company. Hence, we are unable to review the party-wise listing of Rs. 79,518.17 Lakhs and accordingly necessary review procedures couldn't be performed on the same.

- iv. In absence of bank confirmations for 35 current accounts, as required under SA 505 – External Balance Confirmation, having a book balance of Rs. 593.50 Lakhs as on December 31, 2022 and borrowings from lenders amounting to Rs. 18,94,014.59 Lakhs; also, non-availability of Bank account statements for 33 current accounts having a book balance of Rs. (4.75) Lakhs as on December 31, 2022, led to incomplete supporting for the purpose of our limited review process. Hence, we are unable to comment on the bank transactions as well as the closing balances as appearing in the books of accounts for the said bank balances.

We draw your attention to the fact that the Company had done a comparison of the figures of Financial Creditors (excluding loans from Body Corporates) as per the CIRP process as on March 31, 2021 and in the books of account of the Company, difference of Rs. 130,165.13 Lakhs are charged to profit and loss account as an extraordinary item during the year ended March 31, 2021. Reason for change in amount of borrowing as on December 2022 and September 2022 as compared to as on June 2022, is mainly due to accounting recognition of finance cost and penal interest on provisional rate of 13% at simple interest on the basis of interest rate available in IDBI sanction letter (being the lead bank).

- v. The finance costs appearing in the accompanying results are based on the transactions accounted in the accounting system on estimated basis, and hence our report is qualified in this matter.

Company has not made any adjustment in its borrowing of financial creditors (other than body corporate) as on December 31, 2022 by comparing the same with the final claim submitted to the NCLT. Accordingly, our report has qualified in this matter.

- vi. During the year as a part of CIRP, financial and operational creditors were called upon to submit their claims to the IRP/RP. Such claims were updated on Company's website and in web portal of IBBI. Adjustments have not been made in the books of accounts for operational creditors for the period ended on December 31, 2022, as per the management the claims submitted will be dealt as per the provisions of the code and in line with approved resolution plan dated December 23, 2022, by the Successful Resolution Applicant (RA), when the RA will take the complete control of the management of the Company. No adjustment entry to this effect has been passed in the books of accounts for the quarter ended December 31, 2022. Hence, we are unable to comment on the outstanding balance of these liabilities and our opinion is qualified on this matter.
- vii. With respect to a contract with Indian Navy 255/DSP/C/11-12/NOPVs (5), the Ship Building Trade Receivable from Indian Navy was Rs. 1,68,431.42 Lakhs as on June 30, 2020. As per the explanation and information received from the management, the Ministry of Defense has sent Show Cause Notice to the company for termination of contract against which the company has filed writ petition and stay application before the Delhi High Court on 15th February, 2020. The captioned matter was listed for hearing before the Hon'ble Delhi High Court on February 17, 2020. After hearing the arguments of both parties at length, the Hon'ble Court was pleased to direct the Ministry of Defense 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 Ministry of Defense in relation to termination of the NOPV Contract is adverse to the interest of the Company, the operation of the said decision shall remain suspended for a period of 7 days after



communication of such decision to the Company. Although the Ministry of Defense has not revived the contract, it has offered the Company an opportunity to present a proposal by August 31, 2020, outlining how it can complete two of the five NOPVs (NS001 and NS002) which were in advance stages of completion by outsourcing the remaining work to a PSU shipyard. However, the proposal submitted by the Company was not agreeable by Ministry of Defense. Accordingly, the contract was terminated vide letter dated September 21, 2020. In response to which, company has filed an application challenging the order in National Company Law Tribunal on October, 2020 which is pending for further hearing.

Considering the above event, the total receivables for shipbuilding contract including bank guarantee invoked by Ministry of Defense amounting to Rs. 1,68,431.42 Lakhs have been considered for the impairment testing by the management and below mentioned accounting effects has been considered under the unaudited financial results for the quarter ended June 30, 2020.

Particular	Amount (Rs. in Lakhs)
Total receivable balance of NOPV contract as on June 30, 2020 before considering for the impairment testing (A)	1,68,431.42
Sub-Total (A)	1,68,431.42
1) Increase in Inventory-WIP to the extent of the actual cost incurred till March 31, 2020**	1,38,788.68
2) Reversal of the provisional liability accounted basis the calculation of contract revenue as per Ind AS 115 and AS-7	23,107.97
3) Excess Receivable balance written off (Shown under the exceptional item)	6,534.77
Sub-Total (B)	1,68,431.42

** Company had not undertaken the impairment testing of the inventory as explained in point above.

Further, in absence of the working for Advance against purchase of Material/ Services and inventories relating to the said project (NOPV), we are unable to comment on the quantum of the impairment/provision to be accounted for with respect to Advance given to vendor related to NOPV and inventories relating to the said project (NOPV) in the unaudited standalone financial result for the period ended December 31, 2022.

viii. The Company has the contract with Indian Navy for the construction of ships (CGTS and FVP) vide contract no. CGTS-AQ/0737/01 and FVP – AQ/0542/14 respectively. The Ship Building Contract receivable from CGTS and FVP were Rs. 8,991.67 lakhs and Rs. NIL respectively, as on June 30, 2020 appearing as Ship Building trade receivable under Other Current Assets. As per the explanation and information received from the management, the Ministry of Defense has sent cancellation Letters to the company for termination of contract on 14th July 2021. The company has not taken any legal action against the said cancellation letters however, the same is contemplated.

Subsequent to quarter ended December 31, 2020, the Ministry of Defense has invoked the Bank Guarantees including Performance Guarantees given to them against the Advances received by the Company.



Considering the above event, the total receivables from shipbuilding contracts amounting to Rs. 8,991.67 and Rs. 0 (NIL) from CGTS and FVP respectively have been considered for impairment testing by the management and accounting effects (as represented below) have been considered in the unaudited financial results for the quarter ended September 30, 2020.

Amount in Rs. Lakhs

Particular	CGTS	FVP
Ship Building Contract Receivable (A)	7,599.01	NIL
Advance received from Customer	NIL	(4,017.06)
Sub-Total (A)	7,599.01	(4,017.06)
1) Increase in Inventory-WIP to the extent of the actual cost incurred till June 30, 2020	15,274.79	4,312.14
2) Advance from Customers on account of Cancellation of Contract*	(7,675.77)	(8,365.07)
3) Reversal of Profit booked on account of the Contract (Shown under the exceptional item)		35.86
Sub-Total (B)	7,599.01	(4,017.06)

*Since the Ministry of Defense has already encashed the Bank Guarantees provided against the Advances Received by Reliance Naval and Engineering Limited, the same has been recorded by the Company as financial Liability and hence liability for advance received from customer towards CGTS and FVP amounting to Rs. 16,040.84 lakhs have been reversed and shown under the exceptional item in the audited financial statement for the year ended March-21.

An action against this termination by way of a petition in NCLT is filed in March 2022. Pending the final decision in the matter no provision / adjustments for Advance against purchase of Material/ Services, Liquidated Damages Provisions and inventories has been made in the above results.

Further, the company had not conducted the impairment testing for the above inventory as on quarter ended December, 2022 for the reason as stated above and accordingly, our report is qualified to that extent.

- ix. ONGC had placed an order for 12 Offshore Vessels (OSVs) in Financial Year (FY) 2009-10 out of which 7 OSVs have been delivered till 2015-16. ONGC has cancelled the order and invoked all the bank guarantees in FY 2018-19. The Arbitration Petition has been filed by the Company against the cancellation of Order. Pending the Award, no provision has been made against Work in progress amounting to Rs. 5,684 Lakhs and Advance against purchase of Material/ Services and Inventories. Further, in absence of the working for Advance against purchase of Material/ Services and inventories relating to the said project (OSVs), we are unable to comment on the quantum of the provision/adjustments to be accounted for with respect to Advance given to vendor related to OSVs and inventories relating to the said project (OSVs) in the unaudited standalone financial result for the quarter ended December 31, 2022.
- x. The Company is currently under the process of implementation of resolution plan and cash flows generated after the initiation of CIRP are inadequate to meet the cash requirement and, hence the business of the company could not be classified as a cash generating unit. However, during the period ended December, 2022, company has not disclosed the assets as discontinued operations, as per the requirement of "Ind AS 105 - Non-Current Assets Held for Sale and Discontinued Operations".



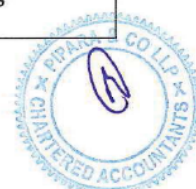
Looking to above facts and in conjunction with “Ind AS 105 - Non-Current Assets Held for Sale and Discontinued Operations”, the revenue from operations and assets should have been disclosed under discontinued operations. However, in terms of the Section 25 of the IBC Code, the Company is treated as continue to operate as a going concern and considering the approved resolution Plan ,the Unaudited Financial Results are being presented on a going concern basis by those charged with governance.

- xi. The reconciliation process between the books of account and Corporate Insolvency Resolution Process (CIRP) cost was undertaken by the employees of RNEL based on the information available with them, however the adjustment with respect to certain provisions/differences has not been accounted in the books of accounts. The same will impact the result of the company for the period ended December 31, 2022 and accordingly we have qualified our opinion on this matter, for non-accounting of these differences in the books of accounts.
- xii. Company has done Actuarial Valuation on yearly basis, therefore for the quarter ended 31st December, 2022, Company has not booked any liabilities for the Gratuity. In the absence of the actuarial valuation, we are unable to comment on the quantum of provision for gratuity to be accounted for in the books of accounts.

8. Emphasis of Matter Para

- i. We draw your attention to Note 08 of the unaudited financial results which states that there was a large-scale damage to Property, Plant and Equipment, Capital Work in Progress and Inventories due to cyclone Tauktae which hit the company premises at Pipavav, Gujarat during May 2021. The company has taken up the matter with insurance company for assessing the damage and settlement of claims. Pending the outcome, no provision has been made in the accounts for quarter ended December 31, 2022.
- ii. We draw your attention to note no. 29 of accompanying unaudited financial results which state that during the period scrap sale of a fixed asset has been conducted for those assets damaged due to the cyclone that occurred in May 2021, the WDV value of those assets as on March 2022 is Rs. 2,961 lakhs, which has been sold at Rs. 1,156 lakhs to Raj Radhe Finance Limited. The impact of loss on the sale of fixed assets is given in the books of accounts in respective period amounting to Rs. 1,805 lakhs as per relevant financial reporting framework.
- iii. We draw your attention to Note 10, 11 and 12 of the unaudited financial results which states that the company has 5 subsidiaries and 1 associate out of which three wholly owned subsidiaries of the Company were admitted under NCLT and IRP / RP were appointed and accordingly investment in these companies have been impaired in previous years. Following is the status of Subsidiary and Associate Companies;

Sr. No.	Name of Company	Nature of Entity	Status
1	E Complex Private Limited	Subsidiary	Resolution Plan Approved on 4 th December 2023
2	RMOL Engineering and Offshore Limited	Subsidiary	Under Liquidation
3	REDS Marine Services Limited	Subsidiary	Under Liquidation
4	Reliance Technologies and Systems Private Limited	Subsidiary	Ongoing



5	PDOC Pte. Limited	Subsidiary	Ongoing
6	Conceptia Software Technologies Private Limited	Associate	Ongoing

- iv. We draw your attention to Note 12 of the unaudited financial results which states that as per Regulation 33(3)(b) of the SEBI LODR Regulations, 2015 which provides that in case the listed entity has subsidiaries, in addition to the requirement at clause (a) of sub-regulation (3), the listed entity shall also submit quarterly/year-to-date consolidated financial results. There are 5 (Five) subsidiaries of the Company and one Associate. This is to bring to your notice that the Monitoring Committee/Resolution Professional is not in a position to provide the consolidated financial statements, as the subsidiaries of the Company are separate legal entities, also currently few subsidiaries' companies are under the CIRP Process, and non-operational and the team is facing huge difficulty in obtaining relevant data from the said subsidiaries. The management has obtained the information with respect to one associate company, but the said information is not in its entirety for the purpose of consolidation. In view of the above, the Company has only prepared Standalone Financial Statements for the period. Accordingly, Company has not complied with the SEBI LODR to this extent.
- v. We draw your attention to Note no 16 of the unaudited financial results which states that companies CS resigned on 28th May 2022 and the Ex-CFO on 31st May 2022. Company had informed the Exchange on February 04, 2023 regarding Appointment of Mr. Rishi Chopra as Chief Financial Officer of the company w.e.f. February 03, 2023. On the date of result position of CS is vacant.
- vi. The company is irregular in payments of Statutory dues and has not filed GST Annual Return for the FY 2018-19, 2019-20, FY 2020-2021 FY 2021-2022 and has also not conducted GST Audit for the said period.
- vii. We draw your attention to Note no 30 of unaudited financial results which states that the Company has accounted certain expenses grouped under other expenses related to previous financial years. During the period prior period income and expenses were booked amounting to INR 69.73 lakhs income and INR 352.46 lakhs expenses net off amounting to INR 282.72 lakhs expense and prior period purchases were booked amounting to INR 20.63 lakhs. Accordingly, the expenses were understated by the management to that extent in previous period.
- viii. We draw your attention on note no. 22 of accompanying unaudited financial results which state that the AGM for the year ended on March 31, 2021 and March 31, 2022, could not be held due to operational and compliance issues. Due to the CIRP Proceedings, the company experienced difficulties as its senior employees, including the Company Secretary left the company.
- ix. We draw your attention on note no. 23 of accompanying unaudited financial results which inter-alia state that, as per regulatory compliance, the company is required to appoint and conduct an internal audit for FY 2022-23. The internal auditor is not appointed the period ending December 31, 2022.
- x. We draw your attention to note no. 25 of accompanying unaudited financial results which states that the Company has not recognized net deferred tax assets as Company is not certain that sufficient future taxable income will be available against which deferred tax assets can be realized considering its present order book and anticipated orders and opportunities in the defense sector as evidences.
- xi. We draw your attention to note no. 27 of accompanying unaudited financial results which states



that the RNEL had one live project of repair and retrofit work of ONGC rig Sagar Gaurav. Due to the suspension of power lines due to cyclone Tauktae, the rig repair work was delayed by 60 days and the final work on the rig was completed by the first week of May 2022. Based on the Final reconciliations for the project including certain out-of-scope work undertaken by RNEL, full and final settlement of INR 40,15,517/- was received on February 22nd, 2023.

- xii. We draw your attention to note no. 28 of accompanying unaudited financial results which state that during the internal stock verification process, we have noted some discrepancy in aluminum sheets and a general diary has been filed on 28th August 2022 for the same and the impact of loss on the inventory is given in the books of accounts in last quarter i.e., as on September 30, 2022 amounting to Rs. 9.93 lakhs as per relevant financial reporting framework.
- xiii. We draw your attention to note no. 26 of accompanying unaudited financial results which state that the rental income(part of other income) includes a provisional income of Rs. 10,00,000/- on which GST is not accounted for and paid. This Pertains to FY 2021-22.
- xiv. We draw your attention to note no. 31 of accompanying unaudited financial results which state that Mr. Rachakonda Venkata Ramana and Ms. Shibby Joby have resigned as directors effective from 30 September, 2023 due to personal reasons.

9. Going Concern Assessment

The lending arrangement of the Company is classified as a non-performing asset by the lenders. The said classification was done by the lead bank IDBI (forming 11% of total debt from lenders) and by SBI Bank limited (consortium member accounting for 16% of said lending). Further, the Corporate Insolvency Resolution process (CIRP) was initiated against the company under the provisions of Insolvency and Bankruptcy Code, 2016 (Code) by an order of National Company Law Tribunal (NCLT), Ahmedabad dated 15th January 2020.

We draw your attention to the Note no. 2 of the Statement of unaudited financial results for the quarter ended December 31, 2022, regarding the preparation of unaudited Standalone financial results of the Company on going concern basis, notwithstanding the fact that the Company continues to incur the cash losses, it's net worth has been fully eroded, defaulted in repayment of principal and interest to its lenders, non-current assets are significantly impaired, current liabilities exceed total assets of the Company, major customers have cancelled the orders, termination notice received to terminate the sub concession lease agreement of land parcel on which Company's EOU unit operates etc. As mentioned above, since the resolution plan of Hazel Mercantile Limited is approved, which is in the process of implementation, the unaudited standalone financial results is continued to be prepared on going concern basis. However, there exists material uncertainty about the Company's ability to continue as a going concern. The appropriateness of preparation of these unaudited financial results for the quarter ended December 31, 2022 on going concern basis is critically dependent upon the future business plan of Successful Resolution Applicant.

In light of the matters indicated above, in our opinion, the company's ability to continue as Going Concern is severely impacted. The underlying results have been prepared by the company on a going-concern basis, resulting in non-statement of assets at their recoverable position (as against currently stated at their brought forward values plus/minus transactions), the quantification of which would be reflected in the subsequent results and / or review reports / annual reports.



10. The Unaudited Standalone Financial Results is the responsibility of the Company's Management and those charged with governance, to prepare in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" 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. Our responsibility is to express a conclusion on these Unaudited Financial Results based on our review.

11. Other Matters

- i. Due to non- payment of various statutory liabilities, there may be potential non-compliances under the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other statutes and regulations.
- ii. As the final outcome of the secretarial audit report is pending and due to non-payment of various statutory liabilities, there may be potential non-compliances under the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, FEMA and other statutes and regulations.

For Pipara & Co LLP

Chartered Accountants

FRN: 107929W/W100219


Bhawik Madrecha

Partner

M. No: 163412



Place: Mumbai

Date: 8th December 2023

UDIN: 23163412BGUPOP9193

RELIANCE

Naval and Engineering

Reliance Naval and Engineering LimitedRegistered Office: Pipavav Port, Post Uchhaiya, Via Rajula, Dist. Amreli, Gujarat - 365 560, India.
Website: www.rnavel.co.in, E-mail: rdel.investors@relianceada.com, CIN: L35110GJ1997PLC033193**Statement of Unaudited Standalone Financial Results for the Quarter and Nine Month Period Ended December 31, 2022**

Sr. No.	Particulars	Quarter Ended			Nine Month Period Ended		Rs in Lakhs
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	40	68	237	316	553	632
2	Other Income	70	133	223	444	667	1,107
3	Total Income (1+2)	110	201	460	760	1,220	1,739
4	Expenses						
(a)	Cost of Materials Consumed	1	1	61	23	104	110
(b)	Cost of Raw Material Sold	-	-	-	-	-	-
(c)	Changes in Inventories of Work in Progress & Scrap	-	-	-	-	-	-
(d)	Employee Benefits Expenses	85	88	101	257	383	480
(e)	Labour/Fabrication and Subcontractor Charges	187	121	157	402	494	624
(f)	Power, Fuel and Water	170	124	157	446	328	498
(g)	Cost Estimated for Revenue Recognised	-	-	-	-	-	-
(h)	Foreign Exchange Difference (net)	-	-	-	-	-	-
(i)	Provision for Non-Moving Inventory	-	-	-	-	-	-
(j)	Other Expenses	945	558	490	3,293	294	1,581
	Total Expenses	1,388	892	966	4,921	2,303	3,293
5	Profit / (Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (3-4)	(1,278)	(691)	(506)	(4,161)	(1,083)	(1,554)
6	Finance Costs	50,833	50,323	50,331	1,50,933	1,50,600	1,99,857
7	Depreciation and Amortisation Expenses	1,718	1,718	1,862	5,139	5,570	7,396
8	Loss before Exceptional Items (5-6-7)	(53,829)	(52,732)	(52,699)	(1,60,233)	(1,57,253)	(2,08,807)
9	Exceptional Items (Refer Note 28)	-	(10)	166	(10)	166	166
10	Loss before Tax (8+9)	(53,829)	(52,742)	(52,533)	(1,60,243)	(1,57,087)	(2,08,641)
11	Income Tax for Earlier Years	-	-	-	-	-	-
12	Deferred Tax Credit / (Reversal)	-	-	-	-	-	-
13	Loss After Tax (10+11+12)	(53,829)	(52,742)	(52,533)	(1,60,243)	(1,57,087)	(2,08,641)
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)	(53,829)	(52,742)	(52,533)	(1,60,243)	(1,57,087)	(2,08,641)
16	Paid-up Equity Share Capital (Face Value of Rs. 10 Each)	73,759	73,759	73,759	73,759	73,759	73,759
17	Other Equity	-	-	-	-	-	(18,12,979)
18	Earnings Per Share (EPS) (* Not Annualised)						
(a)	Basic EPS (Rs.)	* (7.30)	* (7.15)	* (7.12)	* (21.73)	* (21.30)	(28.29)
(b)	Diluted EPS (Rs.)	* (7.30)	* (7.15)	* (7.12)	* (21.73)	* (21.30)	(28.29)

SIGNED FOR IDENTIFICATION
BYPIPARA & CO LLP
CHARTERED ACCOUNTANTSSudip Bhattacharya - Chairman
On Behalf of Monitoring Committee
Reliance Naval & Engineering Limited
IBBI-Reg. No. IBBI/IPA03/N-00080/10703

Notes :

- 01 On September 4th, 2018, IDBI Bank in its capacity of financial creditor had 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 Reliance Naval and Engineering Limited ("the Company").

The NCLT, vide its order dated January 15th, 2020 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code. The said NCLT Order also records the appointment of 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 13th, 2020, the Committee of Creditors (the "CoC") has replaced the existing IRP with Mr. Sudip Bhattacharya as the Resolution Professional ("RP") for the Company. Upon the application filed by CoC, the NCLT has approved the appointment of RP vide its order dated May 5th, 2020.

The powers of Board of Directors of the Company stand suspended with effect from January 15th, 2020 i.e. the commencement of the insolvency proceedings and continue to remain suspended in accordance with the provisions of the approved resolution plan. Pursuant to the approval of the Resolution Plan, the CIRP of RNEI has therefore concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Corporate Debtor, effective on and from December 23rd, 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 RNEI shall be carried out by the Monitoring Committee 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 MC 3rd meeting dated January 31st, 2023.

The Resolution Plan submitted by Hazel Mercantile Limited (Resolution Applicant) in the CIRP of Reliance Naval and Engineering Limited that was approved by the members of committee of creditors of the Company (CoC) in their meeting, has now been approved/allowed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) on December 23rd, 2022. With the approval of the Resolution Plan, the CIRP of the Company has therefore concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Company, effective on and from December 23rd, 2022. Further, as per the terms of the approved Resolution Plan, a monitoring committee was constituted to oversee the implementation of the Resolution Plan, day-to-day operations and the management of the Company shall be carried out by the Monitoring Committee until the closing date as defined in the Resolution Plan. The monitoring committee is constituted of 5 (five) members: (a) 2 (two) members identified and appointed by the Resolution Applicant; (b) 2 (two) representatives identified and appointed by the Financial Creditors; and (c) 1 (one) member an independent insolvency professional.

The Successful Resolution Applicant has deposited upfront payment tranches on October 27th, 2023, as per approved Resolution Plan and the same has been received in the designated bank account of Reliance Naval and Engineering Limited.

The said matter has been discussed in the monitoring committee held on October 30th, 2023 and November 24th, 2023. As on the date of the result the monitoring committee has not been discharged and accordingly the accompanying financial results are discussed and agreed in the meeting of monitoring committee dated December 8th, 2023.

The Resolution Applicant is still in the process of taking complete control of the management of the corporate debtor, on November 24th, 2023 payment against full and final settlement of Operational Creditors and Employees was made. Further, the RNEI team is still in process of reconciling the bounced back payments. Payment were also processed to the secured financial creditors as per the approved resolution plan. Post implementation of the approved resolution plan, necessary adjustment will be made in these statements for the differential amounts, if any. This matter has accordingly been qualified by the auditors in their audit report.

- 02 Pursuant to the approval of the Resolution Plan, the CIRP of RNEI has therefore concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Corporate Debtor, effective on and from December 23rd, 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 RNEI shall be carried out by the Monitoring Committee 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 3rd MC meeting dated January 31st, 2023. The above unaudited Standalone Financial Results of the Company for the period and year ended December 31st, 2022 have been taken on record by the Chairman of the Monitoring Committee and the CFO. Hence the financial results for the period December 31st, 2022 and year ended March 31st, 2022 have been prepared on going concern assumptions.

- 03 Principal amount outstanding of the financial creditors (other than body corporate) is different from the latest position of amount claimed and received (based on the claim sheet dated December 23rd, 2022). Considering monitoring committee has not been discharged and the implementation of the resolution plan is still going on, the company has not made any adjustment in its borrowing of financial creditors (other than body corporate) as on December 31st, 2022 by comparing the same with the latest claim sheet. Accordingly, auditor has qualified in this matter in limited review report.

- 04 During the year as a part of CIRP, financial and operational creditors were called upon to submit their claims to the IRP/RP. Such claims were updated on Company's website and in web portal of IBBI. Adjustments have not been made in the books of accounts for operational creditors for the period ended on December 31, 2022, as per the management the claim submitted will be dealt as per the provisions of the code and in line with approved resolution plan dated December 23, 2022, by the Successful Resolution Applicant (RA), when the RA will take the complete control of the management of the Company. No adjustment entry to this effect has been passed in the books of accounts for the quarter ended December 31, 2022, which has been qualified by the auditors in their audit report.

- 05 ONGC had placed an order for 12 Offshore Vessels (OSVs) in Financial Year (FY) 2009-10 out of which 7 OSVs have been delivered till 2015-16. ONGC has cancelled the order and invoked all the bank guarantees in FY 2018-19. The Arbitration Petition has been filed by the Company against the cancellation of Order. Pending the award no provision has been made against Work in progress (INR 5,684 lakhs), Advance against purchase of Material/ Services, Liquidated Damages Provisions and Inventories, which has been qualified by the auditors in their audit report.


- 06 As on March 31st, 2020, the Company had shipbuilding contracts receivables of INR 173,959.62 lakhs, including invocation of the bank guarantees amounting to INR 93,739 lakhs in January 2020, for 5 Naval Offshore Patrol Vessels (NOPVs) from the Ministry of Defence, New Delhi (the "MOD"). On February 3rd, 2020, the Company had received a Show Cause Notice from the Ministry of Defence for termination of aforesaid Contract. In response to the Notice, the Company replied to the notice and also filed a writ petition along with 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 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 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 advance 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 cancellation of order. Pending the final decision by NCLT and the MOD which is due for hearing, no provision/adjustments for Advance against purchase of Material/ Services, Liquidated Damages Provisions and inventories has been made in the above results, which has been qualified by the auditors in their audit report.

In addition to above, the Company has also received the notice cancelling two contracts i.e. CGTS and 14 FPVs from coast guard (MOD) in July 2021. The MOD has also encashed the BG's amounting to INR 21,182.74 lakhs. An action against this termination by way of a petition in NCLT is contemplated. Pending the final decision in the matter no provision / adjustments for Advance against purchase of Material/ Services, Liquidated Damages Provisions and inventories has been made in the above results.


Sudip Bhattacharya - Chairman
On Behalf of Monitoring Committee
Reliance Naval & Engineering Limited
IBBI-Reg. No. IBBI/IPA03/N-00080/10703



- 07 The aggregate carrying value of Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP), Investments, Other Non-Current Assets, Inventories, Trade Receivables and Other Current Assets (Advances to vendors, Shipbuilding Contracts Receivables, etc) is INR 363,356 lakhs. On 24th February 2022, two compliant Resolution Plans were submitted by Prospective Resolution Applicants, and it was presented to the Committee of Creditors (CoC) members for approval via e-voting in accordance with Section 30(4) of the Insolvency and Bankruptcy Code, 2016 (Code) read with Regulation 39(3) of the CIRP Regulations. The e-voting on approval of the Resolution Plans was concluded on March 17th, 2022 at 8.00 p.m. and the Resolution Plan submitted by Hazel Mercantile Limited was duly approved by 94.86% of CoC members under Section 30(4) of the Code as a successful Resolution Plan subject to the approval of Hon'ble NCLT Ahmedabad. The Resolution Professional (RP) of the Company has duly filed the Resolution Plan as approved by the CoC with the Hon'ble NCLT, Ahmedabad Bench on March 23rd, 2022, in accordance with Section 30(6) of the Insolvency and Bankruptcy Code, 2016. The Hon'ble NCLT by and under an order dated December 23rd 2022 pronounced orally allowing the IA 292 of 2022 and hence approved the Resolution Plan submitted by the Hazel Mercantile Limited under Section 31 of the Code. The company has not taken into consideration any impact on the value of tangible, financial, and other assets, if any, in preparation of Financial Statements and has not made a full assessment of impairment as required by the applicable Ind AS, if any, as on December 31st, 2022 in the carrying value of the above assets, which has been qualified by the auditors in their audit report.
- 08 There was a large scale damage to Property, Plant and Equipment, Capital Work in Progress and Inventories due to cyclone Tauktae which hit company premises during May 2021. Company has taken up the matter with insurance company for assessing the damage and settlement of claims. Pending the outcome no provision has been made in the accounts for period ended December 31st, 2022.
- 09 On March 16th, 2020 and subsequent to year end on May 19th, 2020, the Gujarat Pipavav Port Limited ("GPPL") has issued a termination notice to terminate the Sub-concession Agreement for non payment of lease rent. The agreement was entered between Gujarat Maritime Board ("GMB"), GPPL and the Company to sub lease the certain land parcels owned by GMB to the Company in order to carry out business activities. As the Company is under CIRP, it has requested GPPL to continue with the agreement for the smooth resolution process and expect to pay the lease rent as per the provision of the Code.
- 10 During the financial year 2019 - 2020, RMOL Engineering and Offshore Limited, a wholly owned subsidiary of the Company was admitted under Corporate Insolvency Resolution Process (CIRP) by the National Company Law Tribunal (NCLT), Ahmedabad Bench, and appointed Interim Resolution Professional (IRP). Further IRP was appointed as Resolution Professional and now Liquidator has been appointed in December 2021.
- 11 Application filed in the NCLT, Ahmedabad Bench, by financial creditors against E-Complex Private Limited and REDS Marine Services Limited, wholly owned subsidiaries of the Company was admitted during 2020-21 and IRP / RP were appointed. Resolution plan for the E-Complex Private Limited was also approved by NCLT on December 4th 2023, a liquidator has been appointed for REDS Marine Services Limited in September 2021. The investment of the Company in its subsidiaries has been impaired during the previous year(s).
- 12 As per the applicable accounting framework, the entity shall also submit consolidated financial statements for the period ending December 31st, 2022. There are 5 (Five) subsidiaries of the Company and one Associate. This is to bring to your notice that the Monitoring Committee/Resolution Professional is not in a position to provide the consolidated financial statements, as the subsidiaries of the Company are separate legal entities, also currently few subsidiaries companies are under the CIRP Process, and non-operational and the team is facing huge difficulty in obtaining relevant data from the said subsidiaries. The management has obtained the information with respect to one associate company, but the said information is not in its entirety for the purpose of consolidation. In view of the above, the Company has only prepared Standalone Financial Statements for the period.
- 13 The Finance Cost includes INR 15.67 lakhs as interest on Interim Funding received during CIRP Period will be treated as CIRP Cost. The interest provided on the financial loans (apart from Interim Funding) has been recognised as per the applicable accounting standards and does not form a part of CIRP Expenses.
- 14 The Company is engaged only in the business of Ship-building and Repairs. As such, there are no separate reportable segments.
- 15 The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- Pursuant to an application made by IDBI Bank, the Adjudicating Authority vide its order dated January 15th, 2020, initiated CIR process of the Company in accordance with the provisions of the Code. The Adjudicating Authority appointed Mr. Rajeev Bal Sawangikar as the Interim Resolution Professional (IRP). Subsequently vide order dated May 5th, 2020, Mr. Sudip Bhattacharya having registration number IBBI/PA-003/ IPN 0080/2017-18/10703 was appointed as the Resolution Professional. In terms of Section 23 of the Code read with Section 25 of the Code, the powers of the Board of Directors stand suspended and the management of the affairs of the Company vests in the Resolution Professional (RP) of the Company i.e. Mr. Sudip Bhattacharya. The Resolution Plan submitted by Hazel Mercantile Limited (Resolution Applicant) in the CIRP of Reliance Naval and Engineering Limited that was approved by the members of committee of creditors of the Company (CoC) in their meeting, has now been approved/allowed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) on December 23rd, 2022. With the approval of the Resolution Plan, the CIRP of the Company has therefore concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Company, effective on and from December 23rd, 2022. Further, as per the terms of the approved Resolution Plan, a monitoring committee was constituted (to oversee the implementation of the Resolution Plan, day-to-day operations and the management of the Company shall be carried out by the Monitoring Committee until the closing date as defined in the Resolution Plan). The monitoring committee is constituted of 5 (five) members: (a) 2 (two) members identified and appointed by the Resolution Applicant; (b) 2 (two) representatives identified and appointed by the Financial Creditors; and (c) 1st (first) member an independent insolvency professional. The Successful Resolution Applicant has deposited upfront payment tranches on October 27th, 2023, as per approved Resolution Plan and the same has been received in the designated bank account of Reliance Naval and Engineering Limited. The said matter has been discussed in the monitoring committee held on October 30th, 2023 and November 24th, 2023. As on the date of the result the monitoring committee has not been discharged and accordingly the accompanying financial results are discussed and agreed in the meeting of monitoring committee dated December 8th, 2023. The Resolution Applicant is still in the process of taking complete control of the management of the corporate debtor, on November 24th, 2023 payment against full and final settlement of Operational Creditors and Employees was made. Further, the RNEI team is still in process of reconciling the bounced back payments. Payment were also processed to the secured financial creditors as per the approved resolution plan. Post implementation of the approved resolution plan, necessary adjustment will be made in these statements for the differential amounts, if any. This matter has accordingly been qualified by the auditors in their audit report.
- 16 In the absence of the Company Secretary and other officials who were primarily responsible for the book closure process and financial reporting, the employees have made all practical and reasonable efforts from time to time to gather details to prepare these financial results, despite various challenges and complex circumstances. Basis the financial statements prepared by the accounting professional appointed by the Company and the employees of the company, the Monitoring Committee has considered and approved the unaudited Financial Results of the Company for the quarter that ended December 31st, 2022. Reliance Naval and Engineering Limited had informed the Exchange on February 04th, 2023 regarding Appointment of Mr. Rishi Chopra as Chief Financial Officer of the company w.e.f. February 03rd, 2023.
- 17 The figures for the quarter ended December 31st, 2022 are the balancing figures between the unaudited figure for the period ended December 31st, 2022 and year to date unaudited financial results for the period ended September 30th, 2022.

Sudip Bhattacharya - Chairman
 On Behalf of Monitoring Committee
 Reliance Naval & Engineering Limited
 IBBI-Reg. No. IBBI/PA03/N-00080/10703



18. Financial Creditor from whom the company had taken a loan in foreign currency has submitted the claim for outstanding loan and unpaid interest thereon in CIRP in INR. This claim has been accepted by Resolution Professional. As a result, the loan amount with unpaid interest has not been reinstated at the current exchange rate. The amount payable at the current exchange rate is not more than the amount presently provided for in the books of accounts. As per company estimates, the company is charging 13% P.A. on the claim amount. The claim amount includes the foreign currency loan. The rate of interest charged is much higher than the initial interest and on the principle of conservatism the company is not recognizing Foreign exchange gain.
19. Other Current Financial Liabilities Include a refundable security deposit of INR 5,00,00,000/- received from the prospective resolution applicant. On January 18th, 2023 the same has been repaid.
20. The reconciliation process between the books of account and Corporate Insolvency Resolution Process (CIRP) cost was undertaken by the employees of RNEL based on the information available with them. There are a few items under reconciliation and the impact on the books of accounts, if any will be given post implementation of the approved resolution plan.
21. Interest on Interim finance during CIRP period is considered as Interest accrued but not due.
22. The AGM for the year ended on March 31st, 2021 & March 31st, 2022, could not be held due to operational and compliance issues. During to the CIRP Proceedings, the company experienced difficulties as its senior employees, including the Company Secretary and ex - Chief Financial Officer (Mr. Madan Pendse), left the company.
23. As per regulatory compliance, the company is required to appoint and conduct an internal audit for FY 2022-23. The internal auditor is not appointed for the period ending December 31st, 2022.
24. In respect of contract for supply of Offshore Support Vessels (OSVs), the customer i.e. Oil and Natural Gas Corporation of India (ONGC), has terminated the contract during the year 2018 - 2019 and invoked the performance and other bank guarantees given against the said contract. The Company has challenged the said action of ONGC by invoking arbitration in terms of the contract and hopeful of the positive outcome. However looking at the overall circumstances, the Company has valued the receivables from the contract at their fair market value and considered the same as work in progress.
25. The Company has not recognised net deferred tax assets as 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 defence sector as evidences.
26. The rental income (part of other income) includes a provisional income of INR 10,00,000/- on which GST is not accounted for and paid. Pertaining to FY 2021-22.
27. RNEL had one live project of repair and retrofit work of ONGC rig Sagar Gaurav. Due to the suspension of power lines due to cyclone Tauktae, the rig repair work was delayed by 60 days and the final work on the rig was completed by the first week of May 2022. Based on the Final reconciliations for the project including certain out-of-scope work undertaken by RNEL and Counter party, full and final settlement of INR 40,15,517/- was received on February 22nd, 2023.
28. During the internal stock verification process for the quarter ended September 30th, 2022, we have noted some discrepancy in aluminium sheets and a general diary has been filed on August 28th, 2022 for the same and the impact of loss on the inventory is given in the books of accounts amounting to INR 9.93 lakhs as per relevant financial reporting framework.
29. During the period scrap sale of a fixed asset has been conducted for those assets damaged due to the cyclone that occurred in May 2021, the WDV value of those assets as on March 2022 is INR 2,961 lakhs, and the sale value is INR 1,156 lakhs and the buyer is Raj Radhe Finance Limited. The impact of loss on the sale of fixed assets is given in the books of accounts amounting to INR 1,805 lakhs during the quarter ended June 30th, 2022 as per relevant financial reporting framework.
30. During the period prior period income and expenses were booked amounting to INR 69.73 lakhs income and INR 352.46 lakhs expenses net off amounting to INR 282.72 lakhs expense and prior period purchases were booked amounting to INR 20.63 lakhs.
31. Mr. Rachakonda Venkata Ramana and Ms. Shibby Joby have resigned as directors effective from September 30th, 2023 due to personal reasons.

Date : December 08, 2023
Place: Mumbai




Mr. Rishi Chopra
Chief Financial Officer


Mr. Sudip Bhattacharya
Chairman-Member of Monitoring Committee of
Reliance Naval and Engineering Limited
IBBI Registration No.: IBBI/IPA-003/IP-N00080/2017-18/10703



Sudip Bhattacharya - Chairman
On Behalf of Monitoring Committee
Reliance Naval & Engineering Limited
IBBI-Reg. No. IBBI/IPA03/N-00080/10703