

RELIANCE NAVAL AND ENGINEERING LIMITED
(formerly known as "Reliance Defence and Engineering Ltd" and "Pipavav Defence and Offshore Engineering Company Ltd)

CIN: L35110GJ1997PLC033193

Statement Of Standalone Unaudited Financial Results for the quarter and nine month ended December 31, 2017
Rs in Lacs

Sr. No.	Particulars	Quarter Ended			Nine month ended		Year ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue						
(a)	Revenue from Operations	5,399	8,329	12,248	30,208	28,792	51,946
(b)	Other Income	141	867	1,016	7,700	2,632	4,468
	Total Revenue	5,540	9,196	13,264	37,908	31,424	56,414
2	Expenses						
(a)	Cost of Materials Consumed	3,116	20,759	1,218	32,745	7,458	23,153
(b)	Changes in Inventories of Work in Progress & Scrap	(42)	(5)	98	(49)	(853)	3,707
(c)	Excise Duty	-	-	14	8	135	71
(d)	Employee Benefits Expenses	742	880	910	2,510	3,035	3,801
(e)	Labour/Fabrication and Subcontractor Charges	2,163	2,864	1,089	9,015	4,084	7,540
(f)	Cost Estimated for Revenue Recognised (Refer note no 2)	(3,182)	(19,758)	4,454	(24,583)	5,048	(3,487)
(g)	Other Expenses	1,598	3,152	4,060	7,875	8,577	14,923
	Total Expenses	4,395	7,892	11,843	27,521	27,484	49,708
3	Profit/(Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (1-2)	1,145	1,304	1,421	10,387	3,940	6,706
4	Finance Costs	18,253	16,773	14,252	50,139	40,867	57,264
5	Depreciation and Amortisation Expenses	4,988	4,988	5,019	14,902	15,144	20,065
6	Profit / (Loss) Before Exceptional Items (3-4-5)	(22,096)	(20,457)	(17,850)	(54,654)	(52,071)	(70,623)
7	Exceptional Items (Refer note 3)	79	-	-	(16,240)	-	-
8	Profit / (Loss) before Tax (6+7)	(22,017)	(20,457)	(17,850)	(70,894)	(52,071)	(70,623)
9	Tax Expenses- 'Deferred Tax Credit	5,386	5,390	4,579	16,154	13,720	18,280
10	Profit / (Loss) for the period/ year from continued operations (8+9)	(16,631)	(15,067)	(13,271)	(54,740)	(38,351)	(52,343)
11	Profit/(Loss) for the period	(16,631)	(15,067)	(13,271)	(54,740)	(38,351)	(52,343)
12	Other Comprehensive Income	-	-	-	-	-	-
	Items that will not to be reclassified to profit and loss						
(i)	Actuarial gains/(losses) on defined benefit plans	-	9	-	(16)	(51)	(101)
(ii)	Income Tax effect	-	(3)	-	5	16	31
	Total Other Comprehensive Income for the period	-	6	-	(11)	(35)	(70)
13	Total Comprehensive Income for the period (11+12)	(16,631)	(15,061)	(13,271)	(54,751)	(38,386)	(52,413)
14	Paid-up Equity Share Capital (Face Value of Rs. 10 Each)	73,759	73,759	73,621	73,759	73,621	73,621
15	Other Equity (as per audited balance sheet of previous accounting year)						43,427
16	Earnings Per Share (EPS) (* Not Annualised)						
(a)	Basic EPS (Rs.)	* (2.25)	* (2.04)	* (1.80)	* (7.42)	* (5.21)	(7.11)
(b)	Diluted EPS (Rs.)	* (2.25)	* (2.04)	* (1.80)	* (7.42)	* (5.21)	(7.11)

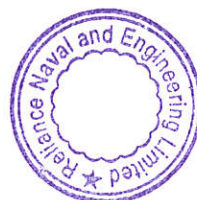


Notes :

- 01 The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.
- 02 In respect of vessels other than the commercial vessels, including offshore support vessels, the Company accounts contract revenue and expenses based on the proportionate completion of contract method as certified by the technical experts. In order to evenly allocate the profit on the said contract to whole of the contract period, provision for proportionate cost to be incurred has been made and charged to statement of profit and loss as "Cost Estimated for Revenue Recognised", which will be adjusted to the statement of profit and loss as and when actual cost is incurred.
- 03 As per the letter dated April 28, 2017 the CDR- Cell had approved Company's exit from Corporate Debt Restructuring Scheme (CDR). Further, IDBI Bank has also confirmed the Company's exit from CDR vide their letter dated May 06, 2017. Consequently the one time cost towards right of recompense payable to the lenders on exit from CDR has been accounted during the period ended December 31, 2017. Accordingly Rs 16,240 lacs was charged to Statement of Profit or Loss and shown as "Exceptional Items" for the period and Rs 7,989 Lacs has been capitalised as borrowing cost. The Company's proposal of refinancing of its debts is under consideration by the lenders.
- 04 As a part of refinancing, during the period ended December 31, 2017, the Company has allotted 1,384,994 Equity Shares having face value of Rs 10 each per share at a premium of Rs. 49.35 per share and 42,245,764 Compulsorily Redeemable Preference Shares having face value of Rs 10 each per share to one of its lenders against its outstanding debt.
- 05 The Company had issued a corporate guarantee for loan availed by Reliance Marine and Offshore Limited ("RMOL"), a wholly owned subsidiary from IFCI Limited ("IFCI"). Due to nonpayment by RMOL, IFCI recalled the loan and invoked the corporate guarantee issued by the Company. During the quarter, IFCI has filed applications before National Company Law Tribunal, Ahmedabad against RMOL and the Company under section 7 of the Insolvency and Bankruptcy Code, 2016 for its claim of Rs. 159.60 Crore. The applications of IFCI are contested by the Company and RMOL. The next date of hearing is February 14, 2018. The Management is of the view that the value of securities provided to IFCI is sufficient to recover the outstanding dues of IFCI. Accordingly, no provision against the above corporate guarantee is considered necessary at this stage.
- 06 After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on January 30, 2018. The Statutory Auditors of the Company have carried out a limited review of the results.
- 07 The figures for the previous quarters/periods and for the year ended March 31, 2017 have been restated, regrouped and reclassified to make them comparable with those of current period.

Place :- Mumbai

Date :- January 30, 2018



Kartik Subramaniam

Cmde. Kartik Subramaniam (Retd.)

Whole Time Director and Chief Executive Officer

DIN - 01957227

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



INDEPENDENT AUDITOR'S REVIEW REPORT

To,
The Board of Directors
Reliance Naval and Engineering Limited
(Formerly known as Reliance Defence and Engineering Limited and Pipavav Defence and Offshore Engineering Company Limited)

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results ("the statement") of **Reliance Naval and Engineering Limited** (Formerly known as Reliance Defence and Engineering Limited and Pipavav Defence and Offshore Engineering Company Limited) ("the Company") for the quarter and nine months period ended December 31, 2017 being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.
2. The preparation of the Statement 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 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review 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 misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Emphasis of Matter**

We draw attention to note no. 5 to the statement regarding applications under section 7 of the Insolvency and Bankruptcy Code, 2016 against the Company and Reliance Marine and Offshore Limited, a wholly owned subsidiary, by IFCI Limited ("IFCI"). The Management is of the view that the value of securities provided to IFCI is sufficient to recover the outstanding dues of IFCI. Accordingly, no provision against the claim under the invoked corporate guarantee is considered necessary at this stage.

Our conclusion is not modified in respect of the said above matter.



5. Based on our review conducted as stated above, read with our comments in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed or that it contains any material misstatement.

For Pathak H.D. & Associates
Chartered Accountants
Firm Regn. No. – 107783W


Gyandeo Chaturvedi
Partner
Membership No. – 46806



Place: Mumbai
Date: January 30, 2018