

January 30, 2018

**The General Manager**  
**Corporate Relationship Department**  
**BSE Limited**  
Phiroze Jeejeeboy Towers  
Dalal Street,  
Mumbai- 400 001  
BSE Scrip Code: 533107

**The Manager**  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051  
NSE Symbol: RNaval

Dear Sirs,

**Sub: Outcome of the Board Meeting**

Further to our letter dated January 23, 2018 and pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") we hereby inform you that the Board of Directors at its meeting held today i.e. January 30, 2018 has, *inter alia* reviewed and approved the followings:

1. Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2017 alongwith Limited Review Report submitted by the Statutory Auditors of the Company (enclosed);
2. Appointment of Shri Raj Narain Bhardwaj (DIN: 01571764) as an Independent Director of the Company with effect from January 30, 2018. The Board noted resignation of Air Chief Marshal (Retd.) Fali Homi Major from the office of Independent Director of the Company.

The information required under Regulation 30 of Listing Regulations is provided in the enclosed **Annexure I**.

3. Modified Refinancing Scheme ('Scheme') with the Lenders of the Company and consequent (a) Issuance of Compulsorily Convertible Debentures ('CCDs'), Compulsorily Redeemable Preference Shares ('CRPSs'), Secured Non-Convertible Debentures ('NCDs') and (b) Convening Extraordinary General Meeting for the said purpose.

The above shall be subject to all permissions, sanctions and approvals, as may be necessary under the applicable provisions of law.

The information required under Regulation 30 of Listing Regulations is provided in the enclosed **Annexure II**.

The meeting of the Board of Directors of the Company commenced at 3.00 p.m. and concluded at 5.45 p.m.

We request you to inform your members accordingly.

Yours faithfully,

For Reliance Naval and Engineering Limited

Ajit Dabholkar

**Corporate Counsel & Company Secretary**  
**Membership No. F4424**

Encl: As above



## Annexure - I

### Information as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

#### i) Reasons for changes:

1. **Shri Raj Narain Bhardwaj (DIN 01571764)** appointed as an Additional Independent Director of the Company.
2. **Air Chief Marshal (Retd.) Fali Homi Major (DIN 03026199)** resigned from the office of the Independent Director of the Company.

#### ii) Date of Appointment / Cessation and Term of Appointment

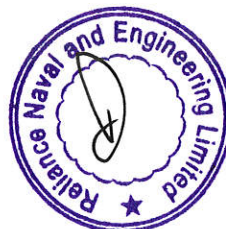
1. **Shri Raj Narain Bhardwaj (DIN 01571764)** is appointed as an Independent Director of the Company with effect from January 30, 2018 for a period of five years upto January 29, 2023 subject to the approval of members of the Company.
2. **Air Chief Marshal (Retd.) Fali Homi Major (DIN 03026199)** resigned as an Independent Director of the Company with effect from January 30, 2018.

#### iii) Brief profile (in case of appointment)

**Shri Raj Narain Bhardwaj (DIN 01571764)**, 72 years, was the Chairman and Managing Director of Life Insurance Corporation of India. Shri R. N. Bhardwaj holds a master's degree in Economics from the Delhi School of Economics and a diploma in Industrial Relations and Personnel Management from the Punjabi University, Patiala. He has over 39 years of experience in various functions including economics, finance, investment and portfolio management. Shri R. N. Bhardwaj has also served as a member of the Securities Appellate Tribunal.

#### iv) Disclosure of relationship between directors (in case of appointment of Directors).

**Shri Raj Narain Bhardwaj** is not related any other existing directors of the Company.





## Annexure - II

### Information as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### I. Issue of 9.00% Compulsory Convertible Debentures ('CCDs') aggregating upto Rs. 1,550 crore;

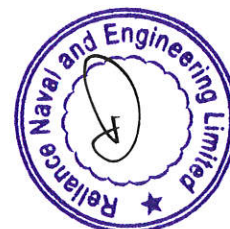
Particulars of Securities	Details of Securities
a) Type of securities proposed to be issued :	9.00% Compulsorily Convertible Debentures
b) Type of issuance :	Preferential Issue
c) Total number of securities proposed to be issued or the total amount for which the securities which will be issued :	Not exceeding Rs. 1,550 crore
d) in case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):	
I. Names of the investors	Issue will be made to the existing Lenders of the Company, pursuant to the Scheme, subject to all permissions, sanctions and approvals under the applicable provisions of law.
II. Post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors	Not Applicable
III. In case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument	Not Applicable

#### II. Issue of 0.10% Compulsorily Redeemable Preference Shares ('CRPSs') aggregating upto Rs. 2,300 crore.

Particulars of Securities	Details of Securities
a) Type of securities proposed to be issued :	0.10% Compulsorily Redeemable Preference Shares
b) Type of issuance :	Preferential Issue
c) Total number of securities proposed to be issued or the total amount for which the securities will be issued :	Not exceeding Rs 2,300 crore
d) In case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):	



I. Names of the investors	Issue will be made to the existing Lenders of the Company, pursuant to the Scheme.
II. Post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors	Not Applicable
III. In case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument	Not Applicable.
e) In case of issuance of debt securities or other non convertible securities the listed entity shall disclose following additional details to the stock exchange(s):	
I. Size of the issue :	Not exceeding Rs. 2,300 crore
II. Whether proposed to be listed? If yes, name of the Stock Exchange:	No
III. Tenure of the instrument - date of allotment and date of maturity:	17 years 6 months from effective date of the Scheme i.e. from October 1, 2017
IV. Coupon/interest offered, schedule of payment of coupon/interest and principal:	Annual dividend of 0.10%; Redemption in 65 structured quarterly installments commencing from March 31, 2019 to March 31, 2035
V. Charge/security, if any, created over the assets:	Not Applicable
VI. Special right/ interest/ privileges attached to the instrument and changes thereof:	Any surplus amount above 125% of projected EBITDA as per base case financial model shall be utilized for early redemption of CRPS in inverse order of maturity
VII. Delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal:	Not Applicable
VIII. Details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any:	Not Applicable
IX. Details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures:	Redemption in 65 structured quarterly installments commencing from March 31, 2019 to March 31, 2035, or on such other terms as may be agreed with Lenders





## III. Issue of Secured Non-Convertible Debentures ('NCDs') aggregating upto Rs. 200 crore;

Particulars of Securities	Details of Securities
a) Type of securities proposed to be issued:	Secured Non Convertible Debentures
b) Type of issuance :	Preferential Issue
c) Total number of securities proposed to be issued or the total amount for which the securities will be issued :	Not exceeding Rs. 200 crore
d) In case of issuance of debt securities or other non convertible securities the listed entity shall disclose following additional details to the stock exchange(s):	
I. Size of the issue :	Not exceeding Rs. 200 crore
II. Whether proposed to be listed? If yes, name of the Stock Exchange:	No
III. Tenure of the instrument - date of allotment and date of maturity:	13 years 6 months from effective date of the Scheme i.e. from October 1, 2017
IV. Coupon/interest offered, schedule of payment of coupon/interest and principal:	Interest rate linked to IDBI Bank's base rate; Repayment in 49 structured quarterly installments commencing from March 31, 2019 and ending March 31, 2031.
V. Charge/security, if any, created over the assets:	The NCDs to be secured inter-alia by a. 1 <sup>st</sup> pari-passu charge, hypothecation, mortgage of movable / immovable properties of the Company, both present and future.  b. Other security as may be stipulated by the Lenders under the Scheme.
VI. Special right/ interest/ privileges attached to the instrument and changes thereof:	N.A.
VII. Delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal:	N.A.
VIII. Details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any:	N.A.



IX. Details of redemption of NCD's indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures:	Repayment in 49 structured quarterly installments commencing from March 31, 2019 and ending on March 31, 2031, or on such other terms as may be agreed to with the Lenders.
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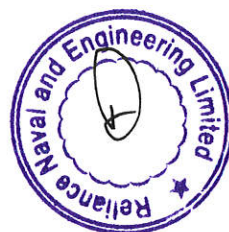
**IV. Issue of Secured Non-Convertible Debentures ('NCDs') aggregating upto Rs. 190 crore;**

Particulars of Securities	Details of Securities
a) Type of securities proposed to be issued:	Secured Non Convertible Debentures
b) Type of issuance :	Preferential Issue
c) Total number of securities proposed to be issued or the total amount for which the securities will be issued :	Not exceeding Rs. 190 crore
d) in case of issuance of debt securities or other non convertible securities the listed entity shall disclose following additional details to the stock exchange(s):	
I. Size of the issue :	Not exceeding Rs. 190 crore
II. Whether proposed to be listed? If yes, name of the Stock Exchange:	No
III. Tenure of the instrument - date of allotment and date of maturity:	15 years 6 months from effective date of the Scheme i.e. from October 1, 2017
IV. Coupon/interest offered, schedule of payment of coupon/interest and principal:	Interest rate linked to IDBI Bank's 1 Year MCLR plus 45 bps; Repayment in 49 structured quarterly installments commencing from March 31, 2020 and ending March 31, 2033.
V. Charge/security, if any, created over the assets:	The NCDs to be secured inter-alia by a. 1 <sup>st</sup> pari-passu charge, hypothecation, mortgage of movable / immovable properties of the Company, both present and future. b. Other security as may be stipulated by the Lenders under the Scheme.
c. Special right/ interest/ privileges attached to the instrument and changes thereof:	N.A.
d. Delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal:	N.A.



# RELIANCE

e. Details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any:	N.A.
f. Details of redemption of NCDs indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures:	Repayment in 53 structured quarterly installments commencing from March 31, 2020 and ending on March 31, 2033, or on such other terms as may be agreed to with the Lenders.





**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
<b>1</b>	<b>Revenue</b>						
(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
	<b>Total Revenue</b>	<b>5,540</b>	<b>9,196</b>	<b>13,264</b>	<b>37,908</b>	<b>31,424</b>	<b>56,414</b>
<b>2</b>	<b>Expenses</b>						
(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
	<b>Total Expenses</b>	<b>4,395</b>	<b>7,892</b>	<b>11,843</b>	<b>27,521</b>	<b>27,484</b>	<b>49,708</b>
<b>3</b>	<b>Profit/(Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (1-2)</b>	<b>1,145</b>	<b>1,304</b>	<b>1,421</b>	<b>10,387</b>	<b>3,940</b>	<b>6,706</b>
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
<b>6</b>	<b>Profit / (Loss) Before Exceptional Items (3-4-5)</b>	<b>(22,096)</b>	<b>(20,457)</b>	<b>(17,850)</b>	<b>(54,654)</b>	<b>(52,071)</b>	<b>(70,623)</b>
7	Exceptional Items (Refer note 3)	79	-	-	(16,240)	-	-
<b>8</b>	<b>Profit / (Loss) before Tax (6+7)</b>	<b>(22,017)</b>	<b>(20,457)</b>	<b>(17,850)</b>	<b>(70,894)</b>	<b>(52,071)</b>	<b>(70,623)</b>
9	Tax Expenses- 'Deferred Tax Credit	5,386	5,390	4,579	16,154	13,720	18,280
<b>10</b>	<b>Profit / (Loss) for the period/ year from continued operations (8+9)</b>	<b>(16,631)</b>	<b>(15,067)</b>	<b>(13,271)</b>	<b>(54,740)</b>	<b>(38,351)</b>	<b>(52,343)</b>
<b>11</b>	<b>Profit/(Loss) for the period</b>	<b>(16,631)</b>	<b>(15,067)</b>	<b>(13,271)</b>	<b>(54,740)</b>	<b>(38,351)</b>	<b>(52,343)</b>
<b>12</b>	<b>Other Comprehensive Income</b>	-	-	-	-	-	-
	<b>Items that will not to be reclassified to profit and loss</b>						
(i)	Actuarial gains/(losses) on defined benefit plans	-	9	-	(16)	(51)	(101)
(ii)	Income Tax effect	-	(3)	-	5	16	31
	<b>Total Other Comprehensive Income for the period</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>(11)</b>	<b>(35)</b>	<b>(70)</b>
<b>13</b>	<b>Total Comprehensive Income for the period (11+12)</b>	<b>(16,631)</b>	<b>(15,061)</b>	<b>(13,271)</b>	<b>(54,751)</b>	<b>(38,386)</b>	<b>(52,413)</b>
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)



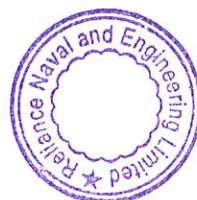


**Notes :**

- 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 5<sup>th</sup> 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 5<sup>th</sup> 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