

August 10, 2019

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, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
NSE Symbol: RNaval

Dear Sirs,

Sub: Statement of unaudited Financial Results (Stand-alone and consolidated) for the first quarter ended June 30, 2019

Further to our letter dated August 02, 2019 and pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), we enclose herewith Statement of unaudited Financial Results (both Standalone and Consolidated) for the first quarter ended June 30, 2019 of the Financial Year 2019-20 along with Limited Review Reports by the Statutory Auditors of the Company.

The above financial results were approved by the Board of Directors at its meeting held on August 10, 2019. The meeting of the Board of Directors of the Company commenced at 12.15 P.M. and concluded at 1.05 P.M.

Summary of the Financial Results will be published in Newspapers as required under the Listing Regulations.

Yours faithfully,
For Reliance Naval and Engineering Limited


Avinash Godse
Company Secretary



Encl: As above

Reliance Naval and Engineering Limited
(formerly known as Reliance Defence and Engineering Limited)

CIN: L35110GJ1997PLC033193

Registered Office: Pipavav Port, Post Ucchaiya, Via Rajula, Dist. Amreli, Gujarat - 365 560. India. CIN L35110GJ1997PLC033193

Website: www.rnavel.co.in, E-mail: rdel.investers@relianceada.com

Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30, 2019

Sr No	Particulars	Quarter Ended			Year Ended
		30-06-2019	31-03-2019	30-06-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Audited
<i>Rs in Lakhs</i>					
1	Income				
a	Revenue from Operations	2,633	3,539	3,523	18,000
b	Other Income	52	66	208	466
	Total Income (a+b)	2,685	3,605	3,731	18,466
2	Expenses				
(a)	Cost of Materials Consumed	2,358	7,848	3,139	19,638
(b)	Cost of Raw Material Sold/ Traded Goods	143	863	-	4,722
(c)	Changes in Inventories of Work in Progress & Scrap	(67)	(4,902)	(298)	(7,095)
(d)	Employee Benefits Expense	598	536	710	2,451
(e)	Labour/Fabrication and Subcontractor Charges	741	473	408	2,045
(f)	Cost Estimated for Revenue Recognised (Refer note no 2)	(2,960)	(4,219)	(2,909)	(12,074)
(g)	Balances Written off (net)	-	9,179	-	9,179
(h)	Other Expenses	1,512	1,980	2,789	7,701
	Total Expenses	2,325	11,758	3,839	26,567
3	Profit/(Loss) from Operations before Depreciation and Amortisation Expenses, Finance Costs, Exceptional Items and Tax (1-2)	360	(8,153)	(108)	(8,101)
4	Finance Costs	35,727	39,716	30,695	136,825
5	Depreciation and Amortisation Expenses	1,721	(9,056)	5,328	7,050
6	Profit / (Loss) Before Exceptional Items (3-4-5)	(37,088)	(38,813)	(36,131)	(151,976)
7	Exceptional Items	-	(901,609)	-	(901,609)
8	Profit / (Loss) before Tax (6+7)	(37,088)	(940,422)	(36,131)	(1,053,585)
9	Tax Expense - Income Tax for Earlier Years	-	(4,638)	-	(4,638)
10	Tax Expense - Deferred Tax Credit/ (Reversal)	(1)	(34,498)	-	(34,498)
11	Profit / (Loss) After Tax (8+9+10)	(37,089)	(979,558)	(36,131)	(1,092,721)
12	Add: Consolidated share in the profits of associate (P.Y.: Rs. 66 lakhs)	(6)	66	0	66
13	Loss for the year (11 - 12)	(37,095)	(979,492)	(36,131)	(1,092,655)
14	Other Comprehensive Income				
	Items that will not to be reclassified to profit and loss				
(i)	Actuarial gains/(losses) on defined benefit plans	(4)	(27)	10	(17)
(ii)	Income Tax effect	1	5	-	5
	Total Other Comprehensive Income for the year	(3)	(22)	10	(12)
15	Total Comprehensive Income for the year (13+14)	(37,098)	(979,514)	(36,121)	(1,092,667)
16	Paid-up Equity Share Capital (Face Value of Rs. 10 Each)	73,759	73,759	73,759	73,759
17	Other Equity (Reserves and Surplus)	-	-	-	(1,115,908)
18	Earnings Per Share (EPS) before and after extraordinary items (* Not Annualised)				
(a)	Basic EPS (Rs.)	* (5.03)	* (132.80)	* (4.90)	(148.14)
(b)	Diluted EPS (Rs.)	* (5.03)	* (132.80)	* (4.90)	(148.14)



Notes :

- 01 After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on August 10, 2019.
- 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 gets adjusted to the statement of profit and loss as and when actual cost is incurred.
- 03 The holding Company primarily is in the business of Ship Building and Ship Construction. For last few years there is a downtrend in the shipbuilding industry globally and no new orders in commercial ship building and oil & gas sectors are coming to Indian Shipyards, since it is economically unviable. In Indian defence sector also the process of awarding contract has been deferred in respect of many large orders for variety of reasons. This lack of new orders has led to the significant reduction in the Company's current level of operations as compared to its capacity.
- The lack of new orders, losses in the operations, erosion of net worth and calling back of loans by the secured lenders has resulted into financial constraints on the Company. Additionally two of the secured financial creditors and few operational creditors have applied before the NCLT Ahmedabad for the debt resolution under the Insolvency and Bankruptcy Code, 2016 (IBC), none of which has been admitted so far. The Company is endeavouring with the lenders to achieve debt resolution in terms of the RBI circular dated June 07, 2019 and continues to prepare its accounts on a going concern basis.
- 04 Exceptional items for the quarter and year ended March 31, 2019 includes impairment of property plant and equipments and capital work in progress of Rs. 813,289 lakhs and impairment of receivables of Rs. 88,320 lakhs.
- 05 The Company has adopted Ind AS 116 "Leases" effective from April 1, 2019 and applied the Standard to its leases. This has resulted in recognizing a Right-of Use asset and a corresponding Lease Liability of Rs. 2,203 lakhs as at April 1, 2019. The impact of the same to the statement of profit and loss for the quarter is not material.
- 06 The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.
- 07 The figures for the previous periods and for the year ended March 31, 2019 have been rearranged and regrouped to make them comparable with those of current year.

Date : August 10, 2019
Place: Mumbai




Debashis Bir
Whole Time Director and Chief Executive Officer
DIN - 01932925

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Independent Auditor's Review Report on Consolidated Unaudited Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of **Reliance Naval and Engineering Limited** ("the Parent") and its Subsidiaries (the Parent and its Subsidiaries together refer to "the Group"), and its share of the net loss after tax and total comprehensive income of its associate for the quarter ended June 30, 2019, ("the statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended. Attention is drawn to the fact that the consolidated figures for the quarter ended March 31, 2019 and June 30, 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This statement is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting ("Ind AS 34") as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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. 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.

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



4. The statement includes the financial information of following entities:

List of Subsidiaries:

- E Complex Private Limited,
- RMOL Engineering and Offshore Limited (Formerly Reliance Marine & Offshore Limited),
- Reliance Underwater Systems Private Limited (Formerly Reliance Lighter Than Air Systems Private Limited),
- Reliance Technologies and Systems Private Limited,
- REDS Marine Services Limited (Formerly Reliance Engineering and Defence Services Limited),
- PDOC Pte. Ltd. (incorporated and place of business at Singapore).

List of Associate:

- Conceptia Software Technologies Private Limited

5. Based on our review conducted and procedure performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting practices and policies 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty related to Going Concern

Note no. 3 to the Statement regarding preparation of consolidated unaudited financial results of the group on going concern basis, notwithstanding the fact that the group continue to incur cash losses, it's net worth has been fully eroded, defaulted in repayment of principal and interest to it's lenders, loans have been called back by secured lenders, non-current assets are significantly impaired, current liabilities exceeded the total assets of the group, etc. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as going concern. The appropriateness of assumption of going concern is critically dependent upon the group's ability to raise requisite finance / generate cash flows in future to meet it's obligations.

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



Other Matters

7. We draw your attention that the Parent has paid managerial remuneration of Rs. 18 Lakhs to its whole time director as approved by the shareholders of the Parent but without obtaining prior approval from the secured lenders as required under the third proviso of the Section 197(1) of the Act.
8. The consolidated unaudited financial results includes the interim financial information of subsidiaries, whose interim financial information reflect total revenue of Rs. 546 lakhs, total net loss after tax of Rs. (3,594) Lakhs and total comprehensive loss of Rs. (3,594) Lakhs for the quarter ended June 30, 2019 respectively and the interim financial information of an associate which reflects Group's share of net loss after tax of Rs. (6) lakhs and total comprehensive loss of Rs. (6) lakhs for the quarter ended June 30, 2019. These interim financial information have been reviewed by other auditors, whose reports have been furnished to us by the Management. Our conclusion on the statement, in so far as it relates to the affairs of such subsidiaries and an associate is based solely on the reports of the other auditors.

Our conclusion on the Statement is not modified in respect of the above matters.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No. 107783W



Gyandeo Chaturvedi
Partner
Membership No.46806
UDIN No.:19046806AAAAAG7898



Place: Mumbai
Dated: August 10, 2019

Reliance Naval and Engineering Limited
(formerly known as Reliance Defence and Engineering Limited)

CIN: L35110GJ1997PLC033193

Registered Office: Pipavav Port, Post Uchhaiya, Via Rajula, Dist. Amreli, Gujarat - 365 560, India. CIN L35110GJ1997PLC033193

Website: www.navel.co.in, E-mail: rdel.investors@relianceeda.com

Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2019
Rs in Lakhs

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-06-2019	31-03-2019	30-06-2018	31-03-2019
		Unaudited	(Refer Note 7)	Unaudited	Audited
1	Income				
a	Revenue from Operations	2,633	3,539	3,523	18,000
b	Other Income	51	39	206	463
	Total Income (a+b)	2,684	3,578	3,729	18,463
2	Expenses				
(a)	Cost of Materials Consumed	2,358	7,848	3,139	19,638
(b)	Cost of Raw Material Sold	143	863	-	4,722
(c)	Changes in Inventories of Work in Progress & Scrap	(67)	(4,902)	(298)	(7,095)
(d)	Employee Benefits Expense	598	536	710	2,451
(e)	Labour/Fabrication and Subcontractor Charges	741	473	408	2,045
(f)	Cost Estimated for Revenue Recognised (Refer note no 2)	(2,960)	(4,219)	(2,909)	(12,074)
(g)	Balances Written off (net)	-	755	-	755
(h)	Other Expenses	1,484	2,338	3,132	9,085
	Total Expenses	2,297	3,692	4,182	19,527
3	Profit/(Loss) from Operations before Depreciation and Amortisation Expenses, Finance Costs, Exceptional Items and Tax (1-2)	387	(114)	(453)	(1,064)
4	Finance Costs	32,205	36,126	29,117	127,807
5	Depreciation and Amortisation Expenses	1,789	(8,994)	5,151	6,566
6	Profit / (Loss) Before Exceptional Items and Tax(3-4-5)	(33,607)	(27,246)	(34,721)	(135,437)
7	Exceptional Items	-	(874,662)	-	(874,662)
8	Profit / (Loss) before Tax (6+7)	(33,607)	(901,908)	(34,721)	(1,010,099)
9	Tax Expense - Income Tax for Earlier Years	-	(3,508)	-	(3,508)
10	Tax Expense - Deferred Tax Credit/ (Reversal)	(1)	(34,498)	-	(34,498)
11	Profit / (Loss) After Tax (8+9+10)	(33,608)	(939,914)	(34,721)	(1,048,105)
12	Other Comprehensive Income				
	Items that will not to be reclassified to profit and loss				
(i)	Actuarial gains/(losses) on defined benefit plans	(4)	(27)	10	(17)
(ii)	Income Tax effect	1	5	-	5
	Total Other Comprehensive Income for the period / year	(3)	(22)	10	(12)
13	Total Comprehensive Income for the period / year (11+12)	(33,611)	(939,936)	(34,711)	(1,048,117)
14	Paid-up Equity Share Capital (Face Value of Rs. 10 Each)	73,759	73,759	73,759	73,759
15	Other Equity (Reserves and Surplus)				(1,099,585)
16	Earnings Per Share (EPS) before and after extraordinary items (* Not Annualised)				
(a)	Basic EPS (Rs.)	* (4.56)	* (127.43)	* (4.71)	(142.10)
(b)	Diluted EPS (Rs.)	* (4.56)	* (127.43)	* (4.71)	(142.10)



Notes :

- 01 After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on August 10, 2019.
- 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 gets adjusted to the statement of profit and loss as and when actual cost is incurred.
- 03 The Company primarily is in the business of Ship Building and Ship Construction. For last few years there is a downtrend in the shipbuilding industry globally and no new orders in commercial ship building and oil & gas sectors are coming to Indian Shipyards, since it is economically unviable. In Indian defence sector also the process of awarding contract has been deferred in respect of many large orders for variety of reasons. This lack of new orders has led to the significant reduction in the Company's current level of operations as compared to its capacity.
- The lack of new orders, losses in the operations, erosion of net worth and calling back of loans by the secured lenders has resulted into financial constraints on the Company. Additionally two of the secured financial creditors and few operational creditors have applied before the NCLT Ahmedabad for the debt resolution under the Insolvency and Bankruptcy Code, 2016 (IBC), none of which has been admitted so far. The Company is endeavouring with the lenders to achieve debt resolution in terms of the RBI circular dated June 07, 2019 and continues to prepare its accounts on a going concern basis.
- 04 Exceptional items for the quarter and year ended March 31, 2019 includes impairment of property plant and equipments and capital work in progress of Rs. 783.304 lakhs and impairment of receivables of Rs. 75.326 lakhs and provision for financial guarantee obligation in respect of borrowing by one of the wholly owned subsidiary of Rs. 16,032 lakhs.
- 05 The Company has adopted Ind. AS 116 "Leases" effective from April 1, 2019 and applied the Standard to its leases. This has resulted in recognizing a Right-of-Use asset and a corresponding Lease Liability of Rs. 10,834 lakhs as at April 1, 2019. The impact of the same to the statement of profit and loss for the quarter is not material.
- 06 The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.
- 07 The figures for the previous periods and for the year ended March 31, 2019 have been rearranged and regrouped to make them comparable with those of current year. The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figure in respect of full financial year and the published year to date figures up to the third quarter.

Date : August 10, 2019
Place: Mumbai




Debashis Bir
Whole Time Director and Chief Executive Officer
DIN - 01932925

Independent Auditor's Review Report on Standalone Unaudited Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **Reliance Naval and Engineering Limited** ("the Company") for the quarter ended June 30, 2019, ("the 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 ("the Regulation"), as amended.
2. This statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 financial statements are free of material misstatement. 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. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. **Material Uncertainty related to Going Concern**

Note no. 3 to the Statement regarding preparation of standalone unaudited financial results of the Company on going concern basis, notwithstanding the fact that the Company continue to incur cash losses, it's net worth has been fully eroded, defaulted in repayment of principal and interest to it's lenders, loans have been called back by secured lenders, non-current assets are significantly impaired, current liabilities exceeded the total assets of the Company, etc. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance / generate cash flows in future to meet it's obligations.

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

Other Matter

6. We draw your attention that the Company has paid managerial remuneration of Rs. 18 Lakhs to its whole time director as approved by the shareholders of the Company but without obtaining prior approval from the secured lenders as required under the third proviso of the Section 197(1) of the Act.

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

For **Pathak H.D. & Associates**

Chartered Accountants
Firm Reg. No. 107783W



Gyandeo Chaturvedi

Partner

Membership No.46806

UDIN No.:19046806AAAAAF3460



Place: Mumbai

Dated: August 10, 2019