

February 11, 2017

**The General Manager**  
**Corporate Relationship Manager**  
**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: RDEL**

Dear Sirs,

**Sub: Outcome of the Board Meeting held on February 11, 2017**

Further to our letters dated February 4, 2017 and February 8, 2017 and pursuant to the provision of Regulations 30 & 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors at its meeting held today i.e. February 11, 2017, has approved:

1. Unaudited financial results for the quarter and nine months ended December 31, 2016 along with Limited Review Report submitted by the Statutory Auditors of the Company, (enclosed), and
2. Refinancing Scheme with the Lenders of the Company and consequent (a) issuance of Equity Shares, Compulsorily Redeemable Preference Shares and Secured Non-Convertible Debentures, (b) amendment to the Memorandum and Articles of Association of the Company, and (c) convening of an Extraordinary General Meeting for the said purposes.

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

On completion of the process of Refinancing, the Company would exit from the Corporate Debt Restructuring scheme (CDR).

The meeting of the Board of Directors of the Company commenced at 12 noon and concluded at 3.20 p.m.

The information required to be submitted pursuant to Regulation 30 of the Listing Regulations is provided in the enclosed Annexure - I.

We request you to inform your members accordingly.

Yours faithfully  
For Reliance Defence and Engineering Limited



**Ajit Dabholkar**  
**Corporate Counsel & Company Secretary**  
**Membership No: F4424**



Encl: As above

**Statement Of Unaudited Standalone Financial Results For The Quarter And Nine Months Period Ended December 31, 2016**

Sr. No.	Particulars	Quarter Ended			Nine months period ended		Year ended
		31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Gross Income from operations</b>						
(a)	Revenue from Operations	12,131	9,732	5,076	28,792	21,780	31,056
(b)	Other Operating Income	140	133	73	429	390	630
	<b>Total Income from operations</b>	<b>12,271</b>	<b>9,865</b>	<b>5,149</b>	<b>29,221</b>	<b>22,170</b>	<b>31,686</b>
2	<b>Expenses</b>						
(a)	Cost of Materials Consumed	1,218	3,332	1,680	7,458	4,502	8,999
(b)	Changes in Inventories of scrap and work in progress	98	(247)	(172)	(853)	(2,400)	(3,401)
(c)	Excise duty and Service Tax Recovered	37	47	95	135	1,018	1,060
(d)	Employees benefits expense	910	1,146	1,469	3,035	4,676	5,723
(e)	Depreciation and amortisation expense	5,019	5,101	5,391	15,144	16,098	21,426
(f)	Cost Estimated for Revenue Recognised (Refer Note No. 03)	4,454	1,615	11,801	5,048	10,918	13,113
(g)	Other Expenditure	5,149	2,823	2,980	12,661	17,955	21,914
	<b>Total Expenses</b>	<b>16,885</b>	<b>13,817</b>	<b>23,244</b>	<b>42,628</b>	<b>52,767</b>	<b>68,834</b>
3	<b>Profit / (Loss) from operations before Other Income, Finance Costs and Exceptional Items (1-2)</b>	<b>(4,614)</b>	<b>(3,952)</b>	<b>(18,095)</b>	<b>(13,407)</b>	<b>(30,597)</b>	<b>(37,148)</b>
4	Other Income	1,016	803	446	2,203	1,911	3,969
5	<b>Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)</b>	<b>(3,598)</b>	<b>(3,149)</b>	<b>(17,649)</b>	<b>(11,204)</b>	<b>(28,686)</b>	<b>(33,179)</b>
6	Finance Costs	14,252	13,318	11,711	40,867	34,729	47,179
7	<b>Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)</b>	<b>(17,850)</b>	<b>(16,467)</b>	<b>(29,360)</b>	<b>(52,071)</b>	<b>(63,415)</b>	<b>(80,358)</b>
8	Exceptional Items	-	-	-	-	-	-
9	<b>Profit / (Loss) from Ordinary Activities before Tax (7+8)</b>	<b>(17,850)</b>	<b>(16,467)</b>	<b>(29,360)</b>	<b>(52,071)</b>	<b>(63,415)</b>	<b>(80,358)</b>
10	Tax Expense - Deferred Tax Credit	(4,579)	(4,838)	-	(13,720)	(279)	(27,493)
11	<b>Net Profit / (Loss) from Ordinary Activities after Tax (9-10)</b>	<b>(13,271)</b>	<b>(11,629)</b>	<b>(29,360)</b>	<b>(38,351)</b>	<b>(63,136)</b>	<b>(52,865)</b>
12	Extraordinary items (Net of Tax Expense)	-	-	-	-	-	-
13	<b>Net Profit / (Loss) for the Period/Year (11-12)</b>	<b>(13,271)</b>	<b>(11,629)</b>	<b>(29,360)</b>	<b>(38,351)</b>	<b>(63,136)</b>	<b>(52,865)</b>
14	Other Comprehensive Income (after Tax)	-	(35)	-	(35)	26	137
15	<b>Total Comprehensive Income (after Tax) (13 + 14)</b>	<b>(13,271)</b>	<b>(11,664)</b>	<b>(29,360)</b>	<b>(38,386)</b>	<b>(63,110)</b>	<b>(52,728)</b>
16	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	73,621	73,621	73,621	73,621	73,621	73,621
17	Other equity (Reserves and Surplus)						95,840
18	Earnings Per Share (EPS) before and after extraordinary items						
(a)	Basic EPS (Rs.)	* (1.80)	* (1.58)	* (3.99)	* (5.21)	* (8.57)	(7.16)
(b)	Diluted EPS (Rs.)	* (1.80)	* (1.58)	* (3.99)	* (5.21)	* (8.57)	(7.16)

**Notes :**

- 01 The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on February 11, 2017 approved the above results and its release.
- 02 The above results of the Company have been subjected to a "Limited Review" by the Statutory Auditors of the Company.
- 03 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.
- 04 The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.
- 05 The above results are prepared in accordance with recognition and measurement principles laid down in Ind AS 34 on "Interim Financial Reporting".
- 06 Previous period/year figures have been regrouped/rearranged wherever necessary.

Place :- Mumbai  
Date :- February 11, 2017



  
**Vice Admiral (Retd.) H. S. Malhi**  
 Whole Time Director and Chief Executive Officer  
 DIN - 02388929

**INDEPENDENT AUDITOR'S REVIEW REPORT**

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

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results ("the statement") of **Reliance Defence and Engineering Limited** (Formerly Pipavav Defence and Offshore Engineering Company Limited) ("the Company") for the quarter and nine months ended 31<sup>st</sup> December, 2016, attached herewith, 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. This Statement is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. We conducted our review 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.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the applicable Indian Accounting Standards 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: 11<sup>th</sup> February, 2017

Annexure - I

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

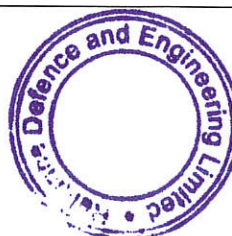
1. Issuance of securities:

a. Issue of Equity Shares:

Particulars of Securities	Details of Securities
a) Type of securities proposed to be issued :	Equity Shares
b) Type of issuance :	Private Placement
c) Total number of securities proposed to be issued or the total amount for which the securities which will be issued :	Not exceeding Rs. 655 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 Refinancing Scheme, subject to all permissions, sanctions and approvals under the applicable provision 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

b. Issue of 0.10% Compulsorily Redeemable Preference Shares:

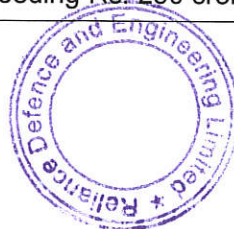
Particulars of Securities	Details of Securities
a) Type of securities proposed to be issued :	0.10% Compulsory Redeemable Preference Shares
b) Type of issuance :	Preferential Issue
c) Total number of securities proposed to be issued or the total amount for which the securities will be issued :	Not exceeding 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 Refinancing 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:	19 Years (April 1, 2016 to March 31, 2035)
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

**c. Issue of Secured Non- Convertible Debentures:**

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. 250 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. 250 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. (April 1, 2016 to March 31, 2031)
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 Refinancing 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 preference shares 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 March 31, 2031, or on such other terms as may be agreed to with the Lenders.

## 2. Amendment In Memorandum and Articles of Association of the Company :

### i) Alteration In Capital Clause:

Reclassification of Authorized Share Capital of the Company pursuant to refinancing scheme.

The Authorized Share Capital will be re-classified into two categories as follows:

- a) Equity Shares : 1100,00,00,000 (Eleven Hundred crore) of Rs 10 each
- b) Preference Shares : 400,00,00,000 (Four Hundred crore) of Rs 10 Each.



**ii) Alteration in Articles of Association:**

Addition of Article: Right of First Refusal to be granted by Lenders in favour of Promoter(s) the Company, if they intend to sell / transfer Equity Shares issued pursuant to Refinancing Scheme.

\*\*\*\*\*

