

October 24, 2019

**BSE Limited**

Phiroze Jeejeeboy Towers  
Dalal Street, Fort  
Mumbai- 400 001  
BSE Scrip Code: 533107

**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 Sir(s),

**Sub: Stand-alone and consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2019**

Further to our letter dated October 16, 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 second quarter and half year ended September 30, 2019 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 October 24, 2019. The meeting of the Board of Directors of the Company commenced at 11.10 A.M. and concluded at 01.35 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**

*Blabe*  
Avinash Godse  
Company Secretary



Encl: As above

[1/14]

**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 September 30, 2019 and year to date from April 01, 2019 to September 30, 2019, ("the statement"), attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulation"), as amended. Attention is drawn to the fact that the consolidated figures for the quarter ended September 30, 2018 and half year ended September 30, 2018, as reported in these consolidated unaudited financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This statement, which 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. 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.

We also performed procedures in accordance with the circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 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 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. 4 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.

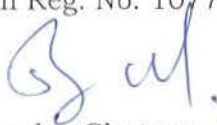


**Other Matters**

7. We draw your attention that the Parent has paid managerial remuneration of Rs. 21 Lakhs and Rs. 39 Lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, 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 financial information of subsidiaries, whose financial information reflect total assets of Rs. 110,427 lakhs, total revenue of Rs. 518 lakhs and Rs. 1,064 lakhs, total net loss after tax of Rs. (3,620) Lakhs and Rs. (7,214) lakhs and total comprehensive loss of Rs. (3,620) Lakhs and Rs. (7,214) lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, and net cash inflows of Rs. 0.17 lakhs for the period from April 01, 2019 to September 30, 2019 as considered in the statement. These 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 is based solely on the reports of the other auditors.
9. The Statement includes interim financial information of an associate which reflects Group's share of net loss after tax of Rs. (4) lakhs and Rs. (10) lakhs and total comprehensive loss of Rs. (4) lakhs and Rs. (10) lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively which are certified by the Management. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

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

For **Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No. 107783W / W100593



Gyandeo Chaturvedi  
**Partner**  
Membership No.46806  
UDIN No.: 19046806AAAAAJ4977



Place: Mumbai  
Dated: October 24, 2019

## Reliance Naval and Engineering Limited

(formerly known as Reliance Defence and Engineering Limited)

CIN: L35110GJ1997PLC033193

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

Website: www.mavel.co.in, E-mail: rdel.investors@relianceada.com

### Statement of Unaudited Consolidated Financial Results for the Quarter and Half Year Ended September 30, 2019

Sr No	Particulars	Quarter Ended			Half Year Ended		Rs in Lakhs
		30-09-19	30-06-19	30-09-18	30-09-19	30-09-18	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31.03.2019 Audited
1	Revenue from Operations	2,056	2,633	5,764	4,689	9,287	18,000
2	Other Income	65	52	139	117	347	466
3	<b>Total Income (1+2)</b>	<b>2,121</b>	<b>2,685</b>	<b>5,903</b>	<b>4,806</b>	<b>9,634</b>	<b>18,466</b>
4	<b>Expenses</b>						
(a)	Cost of Materials Consumed	380	2,358	4,550	2,738	7,689	19,638
(b)	Cost of Raw Material Sold/ Traded Goods	321	143	1,490	464	1,490	4,722
(c)	Changes in Inventories of Work in Progress & Scrap	(392)	(67)	(4,040)	(459)	(4,338)	(7,095)
(d)	Employee Benefits Expenses	558	598	606	1,156	1,316	2,451
(e)	Labour/Fabrication and Subcontractor Charges	744	741	693	1,485	1,101	2,045
(f)	Cost Estimated for Revenue Recognised (Refer note no 2)	(738)	(2,960)	(878)	(3,698)	(3,787)	(12,074)
(g)	Other Expenses	882	1,512	3,438	2,394	6,227	16,880
	<b>Total Expenses</b>	<b>1,755</b>	<b>2,325</b>	<b>5,859</b>	<b>4,080</b>	<b>9,698</b>	<b>26,567</b>
5	<b>Profit / (Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (3 - 4)</b>	<b>366</b>	<b>360</b>	<b>44</b>	<b>726</b>	<b>(64)</b>	<b>(8,101)</b>
6	Finance Costs	36,145	35,727	32,665	71,872	63,360	1,36,825
7	Depreciation and Amortisation Expenses	1,740	1,721	5,391	3,461	10,719	7,050
8	<b>Loss Before Exceptional Items (5-6-7)</b>	<b>(37,519)</b>	<b>(37,088)</b>	<b>(38,012)</b>	<b>(74,607)</b>	<b>(74,143)</b>	<b>(1,51,976)</b>
9	Exceptional Items	-	-	-	-	-	(9,01,609)
10	<b>Loss before Tax (8+9)</b>	<b>(37,519)</b>	<b>(37,088)</b>	<b>(38,012)</b>	<b>(74,607)</b>	<b>(74,143)</b>	<b>(10,53,585)</b>
11	Income Tax for Earlier Years	-	-	-	-	-	(4,638)
12	Deferred Tax Credit / (Reversal)	-	-	-	-	-	(34,498)
13	<b>Loss After Tax (10-11-12)</b>	<b>(37,519)</b>	<b>(37,088)</b>	<b>(38,012)</b>	<b>(74,607)</b>	<b>(74,143)</b>	<b>(10,92,721)</b>
14	Add:- Consolidated share in the profit/(loss) of associate	(4)	(6)	-	(10)	-	66
15	<b>Loss for the year (13 + 14)</b>	<b>(37,523)</b>	<b>(37,094)</b>	<b>(38,012)</b>	<b>(74,617)</b>	<b>(74,143)</b>	<b>(10,92,655)</b>
16	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to profit and loss in the subsequent year						
(i)	Actuarial gains/(losses) on defined benefit plans	(5)	(4)	-	(9)	10	(17)
(ii)	Income Tax effect	-	-	-	-	-	5
	<b>Total Other Comprehensive Income for the period/year</b>	<b>(5)</b>	<b>(4)</b>	<b>-</b>	<b>(9)</b>	<b>10</b>	<b>(12)</b>
17	<b>Total Comprehensive Income for the period/year (15+16)</b>	<b>(37,528)</b>	<b>(37,098)</b>	<b>(38,012)</b>	<b>(74,626)</b>	<b>(74,133)</b>	<b>(10,92,667)</b>
18	Paid-up Equity Share Capital (Face Value of Rs. 10 Each)	73,759	73,759	73,759	73,759	73,759	73,759
19	Other Equity	-	-	-	-	-	(11,15,908)
20	<b>Earnings Per Share (EPS) (* Not Annualised)</b>						
(a)	Basic EPS (Rs.)	* (5.09)	* (5.03)	* (5.15)	* (10.12)	* (10.05)	(148.14)
(b)	Diluted EPS (Rs.)	* (5.09)	* (5.03)	* (5.15)	* (10.12)	* (10.05)	(148.14)



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## STATEMENT OF ASSETS AND LIABILITIES

Particulars	Consolidated	
	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited
<b>I ASSETS</b>		
<b>(1) Non Current Assets</b>		
Property, Plant and Equipment	1,99,973	2,01,212
Capital Work in Progress	10,277	10,277
	2,10,250	2,11,489
Goodwill on Consolidation	1,019	1,019
Financial Assets		
Investments	30,268	30,278
Other Financial Assets	572	3,440
	30,840	33,718
Other Non Current Assets	642	592
	642	592
<b>(2) Current Assets</b>		
Inventories	60,135	62,217
	60,135	62,217
Financial Assets		
Trade Receivables	846	555
Cash and Cash Equivalents	2,922	5,031
Other Bank Balances	3,777	573
Other Current Financials Assets	132	82
	7,677	6,241
Current Tax (net)	893	983
Other Current Assets	99,516	98,372
	1,00,409	99,355
<b>TOTAL ASSETS</b>	<b>4,10,972</b>	<b>4,14,631</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
Share Capital	73,759	73,759
Other Equity	(11,90,534)	(11,15,908)
	(11,16,775)	(10,42,149)
<b>(2) Liabilities</b>		
<b>Non Current Liabilities</b>		
Financial Liabilities		
Borrowings	30,161	27,762
	30,161	27,762
Provisions	204	204
Other Non Current Liabilities	7,179	5,624
	7,383	5,828
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	6,02,517	5,91,645
Trade Payables		
Total outstanding dues of micro and small enterprises	749	852
Total outstanding dues of creditors other than micro and small enterprises	28,433	27,693
Other Current Financial Liabilities	8,22,027	7,61,869
	14,53,726	13,82,059
Other Current Liabilities	5,137	5,993
Provisions	31,340	35,138
	36,477	41,131
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,10,972</b>	<b>4,14,631</b>



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

**Unaudited Consolidated Cash Flow Statement for the half year ended September 30, 2019**

Rs in Lakhs

Sr. No.	Particulars	Half year ended September 30, 2019	Year Ended March 31, 2019
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Loss before Tax	(74,607.03)	(10,53,585.90)
	Adjustments for :-		
	Depreciation and Amortisation Expenses	3,461.47	7,049.51
	Exceptional Items	-	9,01,609.00
	Interest Income	(356.52)	(454.01)
	Dividend on Current Investments	-	(2.55)
	Loss on Sale of Plant, property and equipments (net)	-	3.57
	Finance Costs	71,871.74	1,36,825.09
	Provision for Liquidated Damages	108.35	530.41
	Provision for estimated cost over contract revenue	(112.11)	(284.98)
	Provision for Impairment of Current Assets	-	36.79
	Actuarial gains/(losses) on defined benefit plans	-	(17.33)
	Cost Estimated for Revenue Recognised	(3,698.01)	(12,073.57)
	Balances Written off (net)	(0.02)	9,178.84
	Foreign Exchange Loss/(Gain) (net)	87.30	1,601.06
	<b>Operating profit/(loss) before working capital changes</b>	<b>(3,244.83)</b>	<b>(9,584.07)</b>
	<b>Adjusted for</b>		
	Inventories	2,081.98	7,632.43
	Trade and Other Receivables	(1,483.61)	(2,559.24)
	Trade and Other Payables	2,135.73	(8,147.07)
	<b>Cash Used in Operations</b>	<b>(510.73)</b>	<b>(12,657.95)</b>
	Direct Taxes (Paid) / Refund	90.63	1,317.95
	<b>Net Cash Flow Used in Operating Activities</b>	<b>(420.10)</b>	<b>(11,340.00)</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Property, plant and equipment and Capital Work in Progress	-	(12.09)
	Sale of Property, plant and equipment	-	(14.29)
	Advance to Subsidiaries (Net)	-	(18,109.29)
	Sale of Investments	-	8.03
	FD kept with bank	(336.16)	15,439.26
	Interest Received	(50.20)	1,054.13
	Dividend Received on Current Investments	-	2.55
	Interest Received	-	-
	<b>Net Cash Flow (used in)/from Investing Activities</b>	<b>(386.36)</b>	<b>(1,631.70)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Repayment of Long Term Borrowings	(3,492.11)	(1,32,237.15)
	Short Term Borrowings (Net)	10,117.30	1,69,419.63
	Lease Payment Made	(83.86)	-
	Interest Paid	(7,842.10)	(26,934.46)
	<b>Net Cash Flow (used in) / from Financing Activities</b>	<b>(1,300.77)</b>	<b>10,248.02</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(2,107.23)</b>	<b>(2,723.68)</b>
	Effect of exchange difference on cash and cash equivalent held in foreign currency	0*	0*
	*Exchange Difference on Foreign Currency is Rs. Nil in current year and Rs. 28.861 in previous year.		
	Cash and Cash Equivalents - Opening balance	5,030.69	7,754.37
	Less: on account of Reliance Underwater Systems Private Limited, No longer Subsidiary	(1.24)	-
		5,029.45	7,754.37
	Cash and Cash Equivalents - Closing balance	2,922.22	5,030.69

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 - Cash Flow Statement
- Previous Year Figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.



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**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 October 24, 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 During the quarter, RMOL Engineering and Offshore Limited, a wholly owned subsidiary of the Company has been admitted for corporate insolvency resolution process with NCLT Ahmedabad Bench.
- 04 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 endeavoring with the lenders to achieve debt resolution and continues to prepare its accounts on a going concern basis.
- 05 Exceptional items for the 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.
- 06 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 and period ended September 30, 2019 is not material.
- 07 The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.
- 08 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 : October 24, 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 September 30, 2019 and year to date from April 01, 2019 to September 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 Listing 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 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.
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 the Listing



[9/14]

Regulation, 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. 4 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.

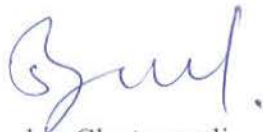
Our conclusion on the Statement is not modified in respect of this matter.

**Other Matter**

6. We draw your attention that the Company has paid managerial remuneration of Rs. 21 Lakhs and Rs. 39 Lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, 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 LLP**  
Chartered Accountants  
Firm Reg. No. 107783W / W100593



Gyandeo Chaturvedi  
**Partner**  
Membership No.46806  
UDIN No.: 19046806AAAAAI8503



Place: Mumbai  
Dated: October 24, 2019

[10/14]

## Reliance Naval and Engineering Limited

(formerly known as Reliance Defence and Engineering Limited)

CIN: L35110GJ1997PLC033193

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

Website: www.rnaval.co.in, E-mail: rdel.investors@relianceada.com

### Statement of Unaudited Standalone Financial Results for the Quarter and Half Year Ended September 30, 2019

Rs in Lakhs

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	2,055	2,633	5,732	4,688	9,255	18,000
2	Other Income	64	51	151	115	357	463
<b>3</b>	<b>Total Income (1+2)</b>	<b>2,119</b>	<b>2,684</b>	<b>5,883</b>	<b>4,803</b>	<b>9,612</b>	<b>18,463</b>
<b>4</b>	<b>Expenses</b>						
(a)	Cost of Materials Consumed	380	2,358	4,551	2,738	7,690	19,638
(b)	Cost of Raw Material Sold	321	143	1,490	464	1,490	4,722
(c)	Changes in Inventories of Work in Progress & Scrap	(393)	(67)	(4,040)	(460)	(4,338)	(7,095)
(d)	Employee Benefits Expenses	558	598	606	1,156	1,316	2,451
(e)	Labour/Fabrication and Subcontractor Charges	744	741	693	1,485	1,101	2,045
(f)	Cost Estimated for Revenue Recognised (Refer note no 2)	(738)	(2,960)	(878)	(3,698)	(3,787)	(12,074)
(g)	Other Expenses	851	1,484	3,733	2,335	6,865	9,840
	<b>Total Expenses</b>	<b>1,723</b>	<b>2,297</b>	<b>6,155</b>	<b>4,020</b>	<b>10,337</b>	<b>19,527</b>
<b>5</b>	<b>Profit / (Loss) from Operations before Depreciation / Amortisation cost and Finance Cost (3-4)</b>	<b>396</b>	<b>387</b>	<b>(272)</b>	<b>783</b>	<b>(725)</b>	<b>(1,064)</b>
6	Finance Costs	32,603	32,205	30,836	64,808	59,953	1,27,807
7	Depreciation and Amortisation Expenses	1,805	1,789	5,205	3,594	10,356	6,566
<b>8</b>	<b>Loss Before Exceptional Items (5-6-7)</b>	<b>(34,012)</b>	<b>(33,607)</b>	<b>(36,313)</b>	<b>(67,619)</b>	<b>(71,034)</b>	<b>(1,35,437)</b>
9	Exceptional Items	-	-	-	-	-	(8,74,662)
<b>10</b>	<b>Loss before Tax (8+9)</b>	<b>(34,012)</b>	<b>(33,607)</b>	<b>(36,313)</b>	<b>(67,619)</b>	<b>(71,034)</b>	<b>(10,10,099)</b>
11	Income Tax for Earlier Years	-	-	-	-	-	(3,508)
12	Deferred Tax Credit / (Reversal)	-	-	-	-	-	(34,498)
<b>13</b>	<b>Loss After Tax (10-11-12)</b>	<b>(34,012)</b>	<b>(33,607)</b>	<b>(36,313)</b>	<b>(67,619)</b>	<b>(71,034)</b>	<b>(10,48,105)</b>
<b>14</b>	<b>Other Comprehensive Income</b>						
	Items that will not to be reclassified to profit and loss in the subsequent year						
(i)	Actuarial gains/(losses) on defined benefit plans	(5)	(4)	-	(9)	10	(17)
(ii)	Income Tax effect	-	-	-	-	-	5
	<b>Total Other Comprehensive Income for the period/year</b>	<b>(5)</b>	<b>(4)</b>	<b>-</b>	<b>(9)</b>	<b>10</b>	<b>(12)</b>
<b>15</b>	<b>Total Comprehensive Income for the period/year (13+14)</b>	<b>(34,017)</b>	<b>(33,611)</b>	<b>(36,313)</b>	<b>(67,628)</b>	<b>(71,024)</b>	<b>(10,48,117)</b>
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	-	-	-	-	-	(10,99,585)
<b>18</b>	<b>Earnings Per Share (EPS) (* Not Annualised)</b>						
(a)	Basic EPS (Rs.)	* (4.61)	* (4.56)	* (4.92)	* (9.17)	* (9.63)	(142.10)
(b)	Diluted EPS (Rs.)	* (4.61)	* (4.56)	* (4.92)	* (9.17)	* (9.63)	(142.10)



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## STATEMENT OF ASSETS AND LIABILITIES

Particulars	Standalone	
	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited
<b>I ASSETS</b>		
<b>(1) Non Current Assets</b>		
Property, Plant and Equipment	1,51,839	1,44,600
Capital Work in Progress	10,277	10,277
	1,62,116	1,54,877
Financial Assets		
Investments	2,050	2,050
Other Financial Assets	573	3,440
	2,623	5,490
Other Non Current Assets	8,010	7,960
	8,010	7,960
<b>(2) Current Assets</b>		
Inventories	60,135	62,217
	60,135	62,217
Financial Assets		
Trade Receivables	846	555
Cash and Cash Equivalents	2,899	5,006
Other Bank Balances	3,777	573
Other Current Financials Assets	132	82
	7,654	6,216
Current Tax (net)	893	890
Other Current Assets	99,509	98,360
	1,00,402	99,250
<b>TOTAL ASSETS</b>	<b>3,40,940</b>	<b>3,36,010</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>(1) Share Capital</b>		
Share Capital	73,759	73,759
Other Equity	(11,67,213)	(10,99,585)
	(10,93,454)	(10,25,826)
<b>(2) Liabilities</b>		
<b>Non Current Liabilities</b>		
Financial Liabilities		
Borrowings	33,526	22,762
	33,526	22,762
Provisions	204	204
Other Non Current Liabilities	5,624	5,624
	5,828	5,828
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	5,38,342	5,26,614
Trade Payables		
Total outstanding dues of micro and small enterprises	749	852
Total outstanding dues of creditors other than micro and small enterprises	28,003	27,283
Other Current Financial Liabilities	7,91,476	7,37,372
	13,58,570	12,92,121
Other Current Liabilities	5,144	5,993
Provisions	31,326	35,132
	36,470	41,125
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,40,940</b>	<b>3,36,010</b>



[12/14]

# Reliance Naval and Engineering Limited

(formerly known as Reliance Defence and Engineering Limited)

## Unaudited Standalone Cash Flow Statement for the half year ended September 30, 2019

Rs in Lakhs

Sr. No. Particulars	Half year ended September 30, 2019	Year Ended March 31, 2019
<b>A Cash Flow from Operating Activities</b>		
Net Loss before Tax	(67,619.35)	(10,10,098.29)
Adjustments for :-		
Depreciation and Amortisation Expenses	3,594.30	6,565.81
Exceptional Items	-	8,74,661.50
Interest Income	(111.84)	(452.28)
Dividend on Current Investments	-	(2.55)
Fair Valuation Impact	164.39	-
Loss on Sale of Plant, property and equipments (net)	-	3.57
Finance Costs	64,644.00	1,27,807.42
Provision for Liquidated Damages	108.35	530.41
Provision for estimated cost over contract revenue	(112.11)	(284.98)
Provision for impairment of Current Assets	-	36.79
Actuarial gains/(losses) on defined benefit plans	-	(17.33)
Cost Estimated for Revenue Recognised	(3,698.01)	(12,073.57)
Balances Written off (net)	-	755.48
Foreign Exchange Loss/(Gain) (net)	87.30	1,600.58
<b>Operating profit/(loss) before working capital changes</b>	<b>(2,942.97)</b>	<b>(10,967.44)</b>
<b>Adjusted for</b>		
Inventories	2,081.98	7,625.08
Trade and Other Receivables	(1,477.95)	(15,525.30)
Trade and Other Payables	(3,281.11)	(7,438.91)
<b>Cash Used in Operations</b>	<b>(5,620.05)</b>	<b>(26,306.57)</b>
Direct Taxes (Paid) / Refund	(3.35)	459.88
<b>Net Cash Flow Used in Operating Activities</b>	<b>(5,623.40)</b>	<b>(25,846.69)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, plant and equipment and Capital Work in Progress	-	(12.09)
Sale of Property, plant and equipment	-	(12.21)
FD kept with bank	(336.57)	6,992.19
Interest Received	61.64	1,133.16
Dividend Received on Current Investments	-	2.55
Interest Received	-	-
<b>Net Cash Flow (used in)/from Investing Activities</b>	<b>(274.93)</b>	<b>8,103.60</b>
<b>C Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowings	0.01	(1,20,847.51)
Short Term Borrowings (Net)	15,581.70	1,58,124.55
Lease Payment Made	(900.41)	-
Interest Paid	(10,890.37)	(22,205.98)
<b>Net Cash Flow from Financing Activities</b>	<b>3,790.93</b>	<b>15,071.06</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(2,107.40)</b>	<b>(2,672.03)</b>
Effect of exchange difference on cash and cash equivalent held in foreign currency	0*	0*
*Exchange Difference on Foreign Currency is Rs. Nil in current year and Rs. 28,861 in previous year.		
Cash and Cash Equivalents - Opening balance	5,005.97	7,678.00
Cash and Cash Equivalents - Closing balance	2,898.57	5,005.97

**Notes :**

- (1) The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 - Cash Flow Statement
- (2) Previous Year Figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.



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**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 October 24, 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 During the quarter, RMOL Engineering and Offshore Limited, a wholly owned subsidiary of the Company has been admitted for corporate insolvency resolution process with NCLT Ahmedabad Bench.
- 04 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 endeavoring with the lenders to achieve debt resolution and continues to prepare its accounts on a going concern basis.
- 05 Exceptional items for the 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.
- 06 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 and the period ended September 30, 2019 is not material.
- 07 The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.
- 08 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 : October 24, 2019  
Place: Mumbai



*Debashis Bir*

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