
NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : SURVEILLANCE	
Download Ref. No.: NSE/SURV/37624	Date: April 25, 2018
Circular Ref. No.:- 93/2018	

To All NSE Members

Sub: Derivatives contracts in Reliance Naval and Engineering Limited (RNAVAL)

This has reference to the audited financial results and auditor's report submitted by the company on April 23, 2018. On Perusal of the financial results submitted by RNAVAL it is observed that the auditors have drawn attention to the "material uncertainty related to going concern", the relevant extract from the Auditor's Report is provided below:

Quote

"Note no. 3 to the statement regarding preparation of standalone financial results of the Company on going concern basis and also recognition of Deferred Tax Assets (DTA) on tax losses notwithstanding the fact that the Company has been incurring cash losses, its net worth has been substantially eroded as on 31st March, 2018, loans have been called back by secured lenders, current liabilities are substantially higher than current assets, applications have been made to National Company Law Tribunal (NCLT), Ahmedabad, under section 9 of the Insolvency Bankruptcy Code 2016 and winding up petitions been filed before Hon'ble Gujarat High Court for recovery of their dues by few operating creditors, for the reasons stated in the said note. The Company is also of the view that no impairment of its noncurrent assets is required. 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, recognition of DTA and evaluation of recoverable value of its noncurrent assets is critically dependent upon the approval of Company's resolution plan by the secured lenders, the Company's ability to raise requisite finance/generate cash flows in future to meet its obligations and to earn profits in future."

Unquote

Members are advised to note that in line with SEBI circular no. SMDRP/DC/CIR-13/02 dated December 18, 2002 the exchange has decided to exclude RNAVAL from Equity Derivative Segment. In view of the same, all the existing Futures and Options contracts, across all expiries shall expire on May 31, 2018. No futures and options contracts shall be available in RNAVAL for trading in Equity derivatives segment from June 01, 2018 onwards.

**For and on behalf of
National Stock Exchange of India Limited**

**Avishkar Naik
Assistant Vice President
Surveillance**

Telephone No	Email id
+91-22-26598129/26598166	surveillance@nse.co.in