RELIANCE NAVAL AND ENGINEERING LIMITED

27TH ANNUAL REPORT

For The Year Ended March 31, 2024

BOARD OF DIRECTORS

Mr. Nikhil Merchant
(Chairman & Managing Director w.e.f. December 08, 2023)

Mr. Arun Sinha
(Independent Director w.e.f. December 14, 2023)

Mr. Kaiyoze Billimoria
(Independent Director w.e.f. December 14, 2023)

Mr. Ashishkumar Bairagra
(Independent Director w.e.f. December 14, 2023)

Ms. Maya Sinha
(Independent Director w.e.f. December 14, 2023)

Mr. Prabhakar Reddy Patil
(Independent Director w.e.f. December 16, 2023)

Mr. Paresh Merchant
(Director w.e.f. December 08, 2023)

Mr. Vivek Merchant
(Director w.e.f. December 08, 2023)

Mr. Bhavik Merchant
(Director w.e.f. December 08, 2023)

Mr. Arvind Morbale
(Whole-time Director w.e.f. December 14, 2023)

KEY MANAGERIAL PERSONNEL

RAdm Vipin Kumar Saxena (Retd.)
(Chief Executive Officer w.e.f. November 10, 2024)

Mr. Rishi Chopra
(Chief Financial Officer w.e.f. February 03, 2023)

Mr. Vishant Shetty
(Company Secretary w.e.f. December 08, 2023)

STATUTORY AUDITORS

M/s. N. N. Jambusaria & Co., Chartered Accountants

SECRETARIAL AUDITOR

M/s Jignesh M Pandya & Co, Company Secretaries

Mr. Sudip Bhattacharya
Chairman of Monitoring Committee,
(Ceased to be Chairman of Monitoring Committee w.e.f. January 03, 2024)

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REGISTERED OFFICE

Pipavav Port, Post Ucchaiya, Via-Rajula, District Amreli 365 560, Gujarat
Tel No. +91 022-40587300
E-mail: rnel@swan.co.in

WEBSITE

www.rnaval.co.in

Registrar And Transfer Agent

KFin Technologies Limited
(Formerly KFin Technologies Private Limited), Selenium Tower – B, Plot No. 31 & 32
Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda, Hyderabad 500 032
Website: www.kfintech.com

CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

- Nikhil Merchant

Dear Shareholders,

It's an honor to share with you our vision and milestones achieved since taking over the management control in January 2024, as well as highlight the strategic path forward for your Company. We are at a pivotal moment for both the global maritime industry and India's place within it, and there could not be a better opportunity for your Company to focus on meeting the needs of ship owners and operators, and heavy fabrication customers, globally.

With the unprecedented growth in global seaborne trade, the demand for new fleets is driving an impressive orderbook of over 4,600 vessels worldwide. Leading shipbuilding nations are facing substantial backlogs, opening unique opportunities for Indian shipyards, including your Company's, to provide competitive offers.

Operational highlights:

Your company has one of the largest infrastructure facilities in the world, equipped with an expansive dry dock measuring 662 x 65 m with vessel building capacity of 400,000 DWT. The dry dock can be split into multiple slots, hence delivering multiple vessels at a time.

Your company's fabrication capacity of 144,000 tonnes annually across a 2.5 Million sq. ft. Block Construction Site (BCS), is more than the cumulative fabrication capacity of most yards in India. The semi-automatic fabrication line can produce complex, high-quality block structures that meet international standards. The pipe shop is also the largest in India with a capacity of 1000 pipe spools per day.

Additionally, the extensive offshore fabrication facility spans 750 x 265 m, with a floor strength exceeding 25 tonnes per sq. m, allowing us to efficiently produce large-scale offshore structures for sectors such as offshore wind, and oil and gas.

As we focus on yard restoration including critical infrastructure such as the dry dock and goliath crane, we have also strategically planned for ramping the shipbuilding and offshore capabilities to be 'future-ready'. This includes significant equipment upgrades and new certifications that make your Company compliant with international standards.

One of the key milestones of your Company was achieved when ship repair operations commenced in August 2024 with the Indian Coast Guard as the first customer. As per near term plans, we will be docking two more vessels in November 2024.

Order book build:

To drive your company's expansion and reinforce its market presence, the business development activities are well underway. Through proactive outreach to both domestic and international players, we are strengthening our pipeline, with many opportunities now in advanced stages. We are also leveraging the advantageous location, extensive infrastructure, and cost-effective operations to position your company as the go-to choice for clients worldwide.

Your company is actively seeking partnerships with leading design agencies and international shipyards, which will allow the team to gain crucial expertise, expedite production timelines, and ensure your company remains at the cutting edge of the industry. With an existing stake in the design house Conceptia, your Company has additionally signed MoUs and framework agreements with both global and Indian design agencies. Further, your company is building a robust supply chain through OEM networks, which will bolster its resilience and help with competitive pricing.

Beyond shipbuilding, we are excited to expand our footprint into offshore projects. With an immediate focus on heavy steel fabrication and offshore fabrication for oil and gas players, we are in discussions regarding potential work sharing, and additional equipment and infrastructure manufacturing requirements, among others.

Human resources:

Your Company's skilled workforce of over 1,100+ on-ground manpower (both on-roll and contractual) is strong and growing. It is the foundational strength of the overall business and we are investing heavily in their well-being, training, and development to ensure a secure and sustainable work environment.

Other upcoming priorities:

As we look to the horizon, we're not only investing in the present but also preparing for the future. Over the next 15 years, we foresee $35 billion in opportunities across domestic defense, commercial shipbuilding, and repair markets.

With offshore wind energy on a rapid growth trajectory, we see immense potential for growth in fabricating wind turbine foundations and subsea structures. By entering the renewable energy space, we are aligning ourselves with global efforts to reduce carbon emissions while diversifying our portfolio.

Through the Ship Building Financial Assistance Policy, we are seeing the benefits of structured financial support, aimed particularly at the future-ready vessels essential for sustainable growth. In line with the government's overall initiatives for green shipping, we are exploring options for producing vessels powered by sustainable fuels such as hydrogen, ammonia, and methanol. These green technologies are at the forefront of your Company's growth strategy, not only to address current environmental demands but also to position it as a leader in the next era of shipbuilding. Through the ongoing partnerships with OEMs and other stakeholders, we are advancing innovations in areas such as automation, propulsion efficiency, and emission control technologies.

Your Company's commitment to innovation and sustainability will be central to its success. We are investing in automated fabrication processes, robotics, and the latest in IT systems to enhance precision, reduce lead times, and meet global quality standards. With plans to adopt best-in-class digital platforms, we're setting the stage for seamless operations that maximize both productivity and client satisfaction.

Conclusion:

While we remain aware of the challenges that lie ahead, our resilience is unwavering. With a clear focus on strategic partnerships, operational efficiencies, and sustainable practices, we are confident in your Company's ability to navigate the complexities of this industry. The global market is calling for reliable, innovative, and environmentally responsible shipbuilders, and your company is primed to answer that call.

I would also like to take this opportunity to extend my heartfelt and immense gratitude to all our stakeholders, including our team members, clients, and partners, for their support and confidence in our Company. As we advance, let us keep your Company's core values of excellence, innovation, and integrity at the forefront of all we do. Together, with dedication and vision, we are building not just ships, but a legacy of growth, leadership, and impact for India on the global maritime stage.

Thank you!

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the members of **Reliance Naval and Engineering Limited** will be held on Friday December 27, 2024 at 1.00 PM (IST) through Video Conferencing **("VC")** or Other Audio-Visual Means **("OAVM")** to transact the following business(es):

ORDINARY BUSINESS:

1. **Adoption of Audited Financial Statements**

   To receive, consider and adopt the Audited Financial Statements containing Balance Sheet as at March 31, 2024, Statement of Changes in Equity, Profit & Loss Account for the year ended on that date, and Cash Flow Statements for the financial year ended March 31, 2024, (Standalone & Consolidated), together with the Reports of the Board of Directors and Auditors thereon.

2. **Appointment of Mr. Nikhil Merchant (DIN: 00614790) as Director, liable to retire by rotation**

   To appoint a Director in place of Mr. Nikhil Merchant (DIN: 00614790) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offer himself for re-appointment

3. **Appointment of Statutory Auditors and fix their remuneration for a term of 5 years**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors, M/s N. N. Jambusaria & Co., Chartered Accountants (Firm Registration No. 104030W), be and are hereby appointed as the Statutory Auditors of the Company, for a term of 5 years i.e. from the conclusion of this 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting of the Company, to examine and audit accounts of the Company at a remuneration upto ₹ 16.30 lakh per annum, plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year 2024-25, and the Board of Directors be and is hereby further authorized to finalize the terms and conditions of appointment, including remuneration of the Statutory Auditor for the remaining period, based on the recommendation of the Audit Committee."

   "RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby severally authorized to do all such acts, deeds, things etc. and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. **Approval of Material Related Party Transactions**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time, and based on the approval of the Audit Committee, approval of the Members be hereby accorded to the Board of Directors of the Company, to continue, to enter into and/or execute the Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), falling within the definition of 'Related Party Transaction' under Regulation 2(1)(zc) of the Listing Regulations to be entered into by the Company with parties as detailed in the explanatory statement to this Resolution, on such terms and conditions as may be agreed between the Parties therein, for availing fund based and non-fund-based support including receiving investments in equity /debt/ Inter-corporate deposits, convertible/ non-convertible instruments and Guarantee/ security to be availed, in connection with loans to be availed; during financial year 2024-25, aggregating up to ₹ 2,000 crore, subject to such contract(s)/ arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company"**.**

   "RESOLVED FURTHER THAT the Board, be and is hereby authorized, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing nature of transactions, the terms and conditions, methods and modes in respect thereof, finalizing and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/ Regulatory Authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

   "RESOLVED FURTHER THAT the Board except the interested Directors, if any, as mentioned in the Explanatory Statement to this Resolution, be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s) or Key Managerial Personnel / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

"RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

By Order of the Board of Directors

Vishant Shetty
Company Secretary and Compliance Officer
Membership No.: A38378

Date: November 11, 2024
Place: Mumbai

Registered Office
Pipavav Port, Post Ucchaiya,
Via Rajula, Amreli, Gujarat, 365 560
Website: www.rnaval.co.in
Email: rnel@swan.co.in
CIN: L35110GJ1997PLC033193

NOTES:

1. Pursuant to the Order dated January 15, 2020 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from January 15, 2020 (Corporate Insolvency Resolution Process Commencement Date).

   For the period between January 15, 2020, and January 04, 2024, specifically during the reporting period, the Company's management was suspended. During this period, the management control and affairs of the Company were entrusted to the Monitoring Committee until January 03, 2024, and thereafter to the new management until the end of the year.

2. In light of the relaxation provided by the Ministry of Corporate Affairs through various circulars issued over time, the latest being General Circular No. 09/2024 dated September 19, 2024, your Company will conduct the 27th AGM exclusively through the VC/OAVM facility.

3. Further, based on the relaxation provided by the Securities and Exchange Board of India through various circulars issued over time, the latest being Circular dated October 03, 2024, the electronic copies of the Notice of 27th AGM and Annual Report for the financial year 2023-24 are being sent to all the Members whose e-mail IDs are registered with the Company/Depository on November 29, 2024 being record date for the purpose of AGM.

4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts relating to Special Businesses to be transacted at the AGM, as set out in this Notice, is annexed hereto.

5. The Company has made necessary arrangements for the participation of the Members in the 27th AGM through the VC / OAVM facility provided by KFin Technologies Limited (KFintech). The instructions for participation by the Members in the AGM are given in the subsequent paragraphs. Members may note that the VC facility provided by KFintech, allows participation of at least 1000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first come- first-served principle.

6. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary instructions are given in the subsequent paragraphs.

7. Members are requested to note that the Monitoring Committee, in accordance with the order of the Hon'ble NCLT, Ahmedabad Bench, dated December 23, 2022, fixed Friday, July 14, 2023, as the Record Date for the cancellation and extinguishment of all currently outstanding ordinary equity shares, as well as for the issuance of fresh equity shares to existing shareholders and Hazel Infra Limited.

8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

9. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Wednesday, December 18, 2024 may cast their vote by remote e-Voting. The remote e-voting period commences on Tuesday, December 24, 2024 (09:00 hours IST) and ends on Thursday, December 26, 2024 (17:00 hours IST). The remote e-voting module shall be disabled by KFintech for voting thereafter. Once the vote on a resolution is cast by the Member, the Member are not be allowed to change it

subsequently. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e., Wednesday, December 18, 2024.

10. Members joining the meeting through VC / OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC / OAVM but shall not be entitled to cast their vote again.

11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. As the 27th AGM is being held through VC / OAVM as permitted under the aforesaid MCA and the SEBI Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 27th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

13. The reconstituted Board has appointed CS Jignesh Pandya, Practicing Company Secretary (Membership No. ACS 7346) (PCS No. 7318), to act as the Scrutinizer, to scrutinize the remote e-voting and e-voting process in a fair and transparent manner.

14. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting / e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to jigneshpandyacs@gmail.com (scrutinizer email) with a copy marked to rnel@swan.co.in.

15. As permitted under the said MCA and SEBI Circulars, the notice of the 27th AGM along with the Annual Report 2023-24 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2023-24 will also be available on the Company's website at www.rnaval.co.in websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFintech at https://evoting.kfintech. com.

16. As the 27th AGM is being held through VC / OAVM, the route map is not annexed to this Notice.

17. Norms for furnishing of PAN, KYC, Bank details and Nomination: To mitigate unintended challenges on account of freezing of folio, SEBI vide circular dated November 17, 2023 has done away with the provision regarding freezing of folios not having PAN, KYC and nomination details. The forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3 and SH-13 are available on the website of the Company's RTA at https://ris.kfintech.com/clientservices/isc/isrforms.aspx. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

18. Brief profile of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of Regulation 36(3) of the SEBI LODR and Secretarial Standard on General Meetings ('SS-2') and as per provisions of the Act are forming part of the explanatory statement to this Notice.

19. With a view to help us serve the members better, our RTA, KFINTECH in accordance to Master SEBI Circular has created an online application which can be accessed via the link : https://kprism.kfintech.com/ by registering with the PAN of the first holder.

INSTRUCTIONS FOR REMOTE E-VOTING

1. Use the following URL for e-voting from KFintech website: https://evoting.kfintech.com. Members of the Company holding shares either in physical form or in dematerialized form, as on December 18, 2024, the cutoff date, may cast their vote electronically.

2. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, use your existing User ID and password for casting your votes.

3. After entering the details appropriately, click on LOGIN.

   You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $ etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. You need to login again with the new credentials.

4. On successful login, the system will prompt you to select the EVENT i.e., Reliance Naval and Engineering Limited.

   On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/ dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

   Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

   Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.

   The Portal will open for voting from 9.00 a.m. on December 24, 2024 and closes at 5.00 p.m. on December 26, 2024.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.kfintech.com or contact KFintech at Tel No. 1800 309 4001 (toll free).

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Procedure to login through websites of Depositories

NSDL	CDSL
1. Users already registered for IDeAS facility of NSDL a. Click on URL: https://eservices.nsdl.com. b. Click on the "Beneficial Owner" icon under 'IDeAS' section. c. Enter your User ID and Password for accessing IDeAS, d. On successful authentication, you will enter your IDeAS service login. e. Click on "Access to e-Voting". f. Click on Company name or e-voting service provider and you will be re-directed to KFintech website for casting the vote during the remote e-voting period. **2. Users not registered for IDeAS facility of NSDL** a. To register, click on URL: https://eservices.nsdl.com b. Select "Register Online for IDeAS". c. Proceed to complete registration using your DPID, Client ID, Mobile Number, etc. d. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.	**1. Users already registered for Easi / Easiest facility of CDSL** a. Click on URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi b. Enter your User ID and Password for accessing Easi / Easiest. c. Click on Company name or e-voting service provider for casting the vote **2. Users not registered for Easi / Easiest facility of CDSL** a. To register, click on URL https://web.cdslindia.com/myeasi/ home/login b. Proceed to complete registration using your User ID, Client Id, Mobile Number, etc. c. After successful registration, please follow steps give under Sr. No. 1 above to cast your vote.
3. Users may directly access the e-voting module of NSDL as per the following procedure: a. Click on URL: https://www.evoting.nsdl.com/ b. Click on the button "Login" available under "Shareholder / Member" section. c. Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen d. On successful authentication, you will enter the e-voting module of NSDL e. Click on Company name or e-voting service provider and you will be re-directed to KFintech website for casting the vote during the remote e-voting period.	**3. Users may directly access the e-voting module of CDSL as per the following procedure:** a. Click on URL: www.cdslindia.com b. Provide demat account number and PAN c. System will authenticate user by sending OTP on registered mobile & email as recorded in the demat account d. On successful authentication, your will enter the e-voting module of CDSL. e. Click on Company name or e-voting service provider and you will be re-directed to KFintech website for casting the vote during the remote e-voting period.

Procedure to login through their demat accounts / website of Depository Participant

Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL. An option for "e-Voting" will be available once they have successfully logged-in through their respective logins. Click on the option "e-Voting" and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). Click on the e-Voting link available against the name of Company or select e-Voting service provider "KFintech" and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.

Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" / "Forgot Password" options available on the websites of Depositories / Depository Participants.

Contact details in case of technical issue on NSDL website	Contact details in case of technical issue on CDSL website
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia. com or Call of toll free No.1800 225 533

Immediately after the conclusion of voting at the AGM, the scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The scrutinizer shall prepare a consolidated scrutinizer's report of the total votes cast in favor or against, if any. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.

The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rnaval.co.in and the website of the Registrar and Share Transfer Agent viz.,https://evoting.kfintech.com immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

INSTRUCTIONS FOR PARTICIPATING IN THE AGM THROUGH VC/OAVM

1. Members will be able to attend the 27th AGM through VC/ OAVM through KFintech-voting system at https://evoting. kfintech.com under shareholders login by using the remote e-voting credentials and selecting the EVENT for the Company's 27th AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice of AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging in to the e-voting system.
2. Members will be required to use internet with a good speed to avoid any disturbance during the Meeting. It is recommended to join the Meeting through Google Chrome for better experience.
3. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
4. Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. REGISTRATION AS A SPEAKER FOR THE AGM
6. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL https://evoting.kfintech.com/ and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number, and city, during the period starting from December 16, 2024 at 09.00 a.m. IST to December 20, 2024 at 05.00 p.m IST. Only those members who have registered themselves as speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date i.e., December 18, 2024.

6. Members, who would like to seek clarifications with regard to the financial statements or the operations of the Company, may do so by sending a request from their registered email id to reach the Company's email id rnel@swan.co.in at least seven days prior to the date of the meeting, so as to enable the Management to respond suitably.
7. The Chairman shall, after responding to the questions raised by the Members at the AGM, formally propose to the Members participating through VC/OAVM to vote on the Resolutions as set out in the Notice of the 27th AGM and announce the start of the casting of vote through e-voting system. After the Members participating through VC/OAVM, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the Meeting.
8. Only those Members who will be present in the AGM through the VC / OAVM facility and have not cast their vote through remote e-voting are eligible to vote through e-voting in the AGM.
9. Members who need assistance or help during the AGM, can contact KFintech at toll free number 1800-309-4001 or write to them at evoting@kfintech.com

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('ACT')

ITEM NO 3:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

M/s N. N. Jambusaria & Co., the existing Statutory Auditor was appointed to fill causal vacancy created by the Resignation of M/s Pipara & Co LLP, Chartered Accountants (FRN: 107929W / W100219) at 25th Annual General Meeting of the Company, to hold office until the conclusion of 27th Annual General Meeting. Consequently, M/s N. N. Jambusaria & Co. would vacate the office as statutory auditor on the conclusion of 27th Annual General Meeting scheduled to be held on December 27, 2024.

Accordingly, the Board of Directors ("Board") of the Company on the recommendation of the Audit Committee, has recommended the appointment of M/s N. N. Jambusaria & Co., ("N. N. Jambusaria") Chartered Accountants (Firm registration number 104030W) as Statutory Auditors for a period of 5 continuous years i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014.

Basis of recommendation:

The Board and the Audit Committee considered various parameters while recommending the appointment of N. N. Jambusaria as Statutory Auditors of the Company including but not limited to their capability to serve a diverse and complex business landscape as that of the Company, existing experience in the Company's business verticals and segments, market standing of the firm, clientele and technical knowledge. N. N. Jambusaria was found suitable to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Credentials of N. N. Jambusaria:

Established in 1986, M/s N N Jambusaria & CO. (NNJ) is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) having Office in Mumbai. The audit firm has a valid peer review certificate. The Firm primarily provides Audit & Assurance services, tax and advisory services, to its clients. The Firm's Audit & Assurance practice has significant experience across various industries, markets and geographies.

Terms and Conditions of appointment of N. N. Jambusaria:

Tenure:

5 years from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting

Audit Fees:

The fixed fees for the statutory audit, limited review, audit of internal control over financial reporting, statutory certifications, and other professional work are ₹ 16.30 Lakh for FY 2024-25, plus applicable taxes, travel, and other out-of-pocket expenses incurred in connection with the statutory audit. The proposed fees are based on the scope of work, team size, industry experience, expertise, and the time and effort required from N. N. Jambusaria for FY 2024-25. Further, the Fees for the remaining tenure of N. N. Jambusaria as statutory auditors for FY 2025-26 to FY 2028-29 will be approved by the Board of Directors and/or the Audit Committee

N. N. Jambusaria has given their consent to act as Statutory Auditors of the Company and have confirmed that the said appointment if made will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Accordingly, the consent of the members is sought for appointment of N. N. Jambusaria as Statutory Auditors of the Company

The Directors recommend this resolution for approval of the shareholders

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

ITEM NO 4:

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ["SEBI Listing Regulations"], mandates approval of Members by means of an ordinary resolution, in case of any 'Material Related Party Transaction(s)' [i.e., any transaction with a Related Party with an aggregate value exceeding ₹ 1,000 Crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower].

The Company proposes entering and/ or continuing with Material Related Party Transactions with Hazel Infra Limited ["HIL"] & Swan Energy Limited (SEL) the value of which is likely to exceed the prescribed threshold, up to an amount not exceeding ₹ 2,000 Crore [Rupees Two Thousand Crore only] during financial year 2024-25.

Accordingly, the Board of Directors hereby recommend this Resolution for your approval.

Background, details, and rational for entering the transactions:

Pursuant to the order of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"), dated January 15, 2020, the Corporate Insolvency Resolution Process ("CIRP") was initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"/"Code") and related rules and regulations, effective from January 15, 2020 (the "CIRP Commencement Date"). Consequently, the Management controls and affairs of the Company were initially vested with the Resolution Professional until December 23, 2022, after which they were managed by the Monitoring Committee, with the Resolution Professional serving as the Chairman of the Committee. The affairs of the Company were later handed over by the Monitoring Committee to the Successful Resolution Applicant ("SRA")/New Management, effective from January 04, 2024.

During this period, the Company's operations were severely impacted for various reasons, and as of March 31, 2024, the Revenue from Operations was reported as Nil. Further, the new management, upon taking control of the Company's affairs from the Monitoring Committee on January 04, 2024, appointed a leading consulting firm to advise on the operationalization of the Company, including yard operationalization, commercial pipeline development, and strategic business planning. Given the Company's financial situation, particularly the absence of internal accruals, the Company must rely on financial support from Hazel Infra Limited ("HIL") and Swan Energy Limited ("SEL") until its operations begin generating revenues. In line with the approved Resolution Plan, HIL / SEL have an obligation to arrange the necessary funds for the Company and the aforesaid transactions are in furtherance of the sanctioned Resolution Plan, as approved by the Hon'ble NCLT, Ahmedabad Bench, to meet the Company's funding requirements.

The Management has provided the Audit Committee with the relevant details, as required under law, regarding proposed related-party transactions (RPTs), including the material terms and pricing basis. After reviewing all necessary information, the Audit Committee has approved entering into RPTs with HIL/SEL, for an aggregate value of up to ₹ 2,000 crore, to be entered into during FY 2024-25. The Audit Committee has noted that these transactions will be conducted on an arm's-length basis and in the ordinary course of business.

Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No 4 of the accompanying Notice to the Members for approval.

Details of the proposed transactions with HIL and SEL, being a related party of the Company, are as follows:

S.N.	Description	Details	
		Swan Energy Limited (SEL)	Hazel Infra Limited (HIL)
1.	Details of summary of information provided by the Management to the Audit Committee		
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	SEL is a part of Promoter Group and consequently a related party	HIL is a Promoter and holding company and consequently a related party
b.	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Nikhil Merchant Chairman & Managing Director of the Company is also a Promoter and Managing Director. Further, Mr. Paresh Merchant, Non-Executive Director of the Company is a Whole-time Directors of SEL.	Mr. Vivek Merchant and Mr. Bhavik Merchant Non-Executive Directors of the Company is also a Directors of HIL.
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	Availing fund based and non-fund-based support including receiving of investments in equity /debt/ Inter-corporate deposits, convertible/ non-convertible instruments and Guarantee/ security to be availed., in connection with loans to be availed; during financial year 2024-25, aggregating up to ₹ 2,000 crore.	Availing fund based and non-fund-based support including receiving of investments in equity /debt/ Inter-corporate deposits, convertible/ non-convertible instruments and Guarantee/ security to be availed., in connection with loans to be availed; during financial year 2024-25, aggregating up to ₹2,000 crore.
d	Value of Transaction	up to ₹ 2,000 crore.	up to ₹ 2,000 crore.
e	Percentage of annual consolidated turnover considering FY 2023-24 as the immediately preceding financial year	Not comparable due to the loss incurred by the Company for the reasons mentioned above	
2.	Justification for the transaction	Please refer to *"Background, details, and rational for entering the transactions"* which forms part of the explanatory statement to the Item No 4	
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:		

<table>
<tr><th rowspan="2">S.N.</th><th rowspan="2" colspan="2">Description</th><th colspan="2">Details</th></tr>
<tr><th>Swan Energy Limited (SEL)</th><th>Hazel Infra Limited (HIL)</th></tr>
<tr><td></td><td>i.</td><td colspan="2">details of the source of funds in connection with the proposed transaction</td><td rowspan="4">Not Applicable</td></tr>
<tr><td></td><td>ii.</td><td colspan="2">where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments
- nature of indebtedness;
- cost of funds; and
- tenure</td></tr>
<tr><td></td><td>iii.</td><td colspan="2">applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security</td></tr>
<tr><td></td><td>iv.</td><td colspan="2">the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT</td></tr>
<tr><td>4.</td><td colspan="2">A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder</td><td colspan="2">At present, the nature of transaction has not been decided, and therefore, no valuation report or other external report has been relied upon by the Company in relation to the proposed transaction. However, if the proposed transactions are determined to involve an investment in securities, a valuation report will be obtained at the relevant time, in compliance with applicable laws. Further, in case transaction of inter corporate fund based/ non fund based transaction(s) entered, the interest charged will be in compliance with the provisions of sections 185(3)(b) and 186 of the Companies Act, 2013.</td></tr>
<tr><td>5.</td><td colspan="2">Any other information that may be relevant</td><td colspan="2">All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice</td></tr>
</table>

By Order of the Board of Directors

Vishant Shetty
Company Secretary and Compliance Officer
Membership No.: A38378

Date: November 11, 2024
Place: Mumbai

Registered Office
Pipavav Port, Post Ucchaiya,
Via Rajula, Amreli, Gujarat, 365 560
Website: www.rnaval.co.in
Email: rnel@swan.co.in
CIN: L35110GJ1997PLC033193

Details of Director seeking appointment

[Pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard–2 on General Meetings]

Name of the Director	Mr. Nikhil Vasantlal Merchant
DIN	00614790
Date of Birth	06/07/1960
Age	64 years
Date of First Appointment	December 08, 2023
Qualification	B.S. (Textile Engineering)
Expertise	• Industry experience, Research & Development and Innovation • Strategic Leadership & Planning / Operational experience • Corporate Governance, Risk and Compliance • Financial Expertise / Regulatory / Legal & Risk Management • Global experience/ exposure • Information Technology
Directorships in other Companies (excluding foreign companies)	1. Swan Energy Limited 2. Precision Asset Solutions Private Limited 3. Swan Engitech Works Private Limited 4. Gazdar Bandh Developers Private Limited 5. Swan Constructions Private Limited 6. Swan International Private Limited 7. Precious Tradecomm Private Limited 8. Rasraj Suppliers Private Limited 9. Vijayshree Agency Private Limited 10 Dave Leasing And Holdings Private Limited 11. Swan Defence Private Limited 12. Feltham Steels Private Limited 13. Feltham Resources Private Limited 14. Sahajanand Soaps And Chemicals Pvt Ltd
Membership / Chairpersonship of Committees in other companies (excluding foreign companies)	Nil
Listed entities from which the Director has resigned from Directorship in last 3 (three) years	Veritas (India) Limited w.e.f. August 30, 2024.
Inter-se relationship with other Directors and Key Managerial Personal	Mr. Nikhil Merchant is a brother of Mr. Paresh Merchant, father of Mr. Bhavik Merchant and uncle of Mr. Vivek Merchant
No. of shares held by Own	Nil
For other persons on a beneficial basis	16,90,61,500

DIRECTORS' REPORT

To,
The Members
Reliance Naval and Engineering Limited

The newly constituted Board of Directors of the Company hereby present the 27th (Twenty Seventh) Directors' Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2024.

Pursuant to the Order dated January 15, 2020, of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"), the Corporate Insolvency Resolution Process ("CIRP") was initiated in respect of the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"/ "Code") and related rules and regulations issued thereunder, effective from January 15, 2020 (the "CIRP Commencement Date"). Shri Rajeev Sawangikar was appointed as the Interim Resolution Professional ("IRP") pursuant to the NCLT Order.

Thereafter, the Committee of Creditors ("CoC") of the Company resolved with the requisite voting share to replace the IRP with Shri Sudip Bhattacharya as the Resolution Professional ("RP" or "Resolution Professional"). Subsequently, the Hon'ble NCLT approved the appointment of Shri Sudip Bhattacharya as the RP for the Company vide its Order dated May 05, 2020

The powers of the Board of Directors of the Company were suspended effective from the commencement date of the Corporate Insolvency Resolution Process (CIRP), and such powers, along with the management of the Company's affairs, were vested in the Interim Resolution Professional (IRP), Resolution Professional (RP), or Monitoring Committee (MC) in accordance with the provisions of the Insolvency and Bankruptcy Code (IBC) and the Resolution Plan.

Under Regulation 15(2A) and 15(2B) of the SEBI (LODR) Regulations, 2015, the provisions of Regulations 17, 18, 19, 20, and 21 relating to the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, and the Risk Management Committee do not apply to a listed entity undergoing the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code (IBC). However, the role and responsibilities of the Board of Directors, and its Committees, were fulfilled by the Resolution Professional (RP) or Monitoring Committee, in accordance with Sections 17 and 23 of the IBC and the Sanctioned Resolution Plan.

Pursuant to the NCLT order dated December 23, 2022 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by Hazel Mercantile Limited ("Resolution Applicant") for the Company under Section 31 of the Code. In accordance with the provisions of the Code and the NCLT order, the Approved Resolution Plan is binding on the corporate debtor and its employees, members, creditors, guarantors, and other stakeholders involved in the resolution plan.

In terms of approved Resolution Plan, Monitoring Committee comprising 2 (Two) representatives of the Financial Creditors, 2 (Two) representatives of the Resolution Applicants, was constituted on December 23, 2022, to manage the affairs of the Company as a going concern and supervise the implementation of the Resolution Plan until January 04, 2024.

Members are kindly requested to note that the incumbents of the reconstituted Board of Directors of the Company were appointed on the Board of the Company with effect from December 08, 2023 and took over the affairs of the company with effect from January 04, 2024. Prior to that, the Resolution Professional was handling the affairs of the company during the Corporate Insolvency Resolution Process ("CIRP") until December 23, 2022, and thereafter till January 04, 2024 the Monitoring Committee ("MC") were entrusted with and responsible for the management of the Company's affairs.

The reconstituted Board of Directors, which took over the management of the Company's affairs from the Monitoring Committee on January 04, 2024, is presenting this Report and the Financial Statements for the year ended March 31, 2024, under the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("the Act"), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The present Board of Directors disclaims any responsibility for all current and future liabilities, including contingent liabilities, whether crystallized or uncrystallized, arising from non-compliance with statutory obligations by the Resolution Professional or the Monitoring Committee during their tenure. This includes, but is not limited to, non-compliance with the Act, Listing Regulations, and other SEBI/ Corporate Laws up to January 04, 2024.

An immunity has been provided to the new management as per the provision contained in the sanctioned Resolution Plan and relief provided by virtue of the order passed by the National Company Law Tribunal from all the past non-compliance committed by the erstwhile management / resolution professional / monitoring committee prior to the acquisition of control of the Company. This disclaimer clarifies that the newly constituted Board of Directors, its officers, and the new management are insulated from any irregularities or legal obligations incurred before assuming control of the Company's management on January 04, 2024.

For the period under review, the Company was not operational due to the suspension of its management. The management control of the Company was entrusted to the Resolution Professional until December 23,2022, and thereafter the Monitoring Committee ("MC") had management control till January 04, 2024. Board of the Company took over the affairs of the company with effect from January 04, 2024.

In view of the above facts, the Directors Report for the year under review has been prepared to the extent applicable.

Financial Results

The financial performance of the Company, on standalone basis, for the financial year ended March 31, 2024 is summarised below:

(Amount in ₹ In Lacs)

Particulars	Financial year ended March 31, 2024	Financial year ended March 31, 2023
Total Income	246	776
Profit / (Loss) before taxation	(12136)	(1,58,430)
Exceptional items		19,52,123
Tax expenses (Net) (including deferred tax and tax for earlier years)	-	
Profit / (Loss) after taxation	(12136)	17,93,693
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	(12136)	17,93,693

Financial Performance and State of Affairs of the Company:

There were no business operations during the year under review as the Company was under Corporate Insolvency Resolution Process ("CIRP") until January 09, 2023 and was under the supervision of Monitoring Committee until January 04, 2024, for the rest of period, newly reconstituted board. was in power. However, the income from other source were ₹ 246 Lakhs.

Dividend:

During the year under review, since the Company was under CIRP and due to current year losses, no dividend on the equity shares of the Company has been recommended.

Reserves:

In view of the losses incurred during the financial year ended March 31, 2024, no amount has been transferred to Reserve.

Subsidiary Companies, Associate and Joint venture:

Following is the status of Subsidiary and Associate Companies:

Sr. No.	Name of the Company	Nature of entity	Status	Accounting of investment
1	E Complex Private Limited	Wholly Owned Subsidiary	Under CIRP	Impaired in FY 2020-21
2	RMOL Engineering and Offshore Limited	Wholly Owned Subsidiary	Under liquidation	Impaired in FY 2018-19 and written off in FY 2022-23
3	REDS Marine Services Limited	Wholly Owned Subsidiary	Under liquidation	Impaired in FY 2018-19 and written off in FY 2022-23
4	Reliance Technologies and Systems Private Limited	Wholly Owned Subsidiary	Ongoing	Impaired in FY 2018-19 and written off in FY 2022-23
5	PDOC Pte. Limited	Subsidiary	Ongoing	Impaired in FY 2018-19 and written off in FY 2022-23
6	Conceptia Software Technologies Private Limited	Associate	Ongoing	Carried in the books

Due to the write-off and impairments of investments in subsidiary companies, the financial information of the subsidiaries has not been considered for the consolidation of the financial statements of the Company, except for one associate, i.e., Conceptia Software Technologies Private Limited.

Material Changes Post Closure of Financial Year:

The upfront payment, as per approved resolution plan, was due by March 23, 2023. The Company obtained extension from the Committee of Creditors ("CoC") as well as the Hon'ble NCLT, Ahmedabad Bench, for the payment of the upfront amount. In accordance with the extension granted by the Hon'ble NCLT, the upfront payment, along with interest for the delay, was made on October 27, 2023

The first tranche, as per the plan, was due by December 23, 2023. The Company obtained an extension from the CoC as well as the Hon'ble NCLT, and the payment was deferred to December 23, 2024, as per the deferred payment agreement. The payment was made on August 07, 2024, along with interest as stipulated in the deferred payment agreement.

Corporate Governance:

During the period under the review, the Management Control of the Company was in the hands of the Monitoring Committee till January 04, 2024 and thereafter with the New Management. In view of the same, information in relation to the same forms part of the Annual Report as Corporate Governance Report to the extent applicable.

Number of Board Meetings and Committee meetings

The reconstituted Board after assuming the management control met twice (2) until March 31, 2024. Details of the Board and Committee meeting and the attendance therein is explained in details in Corporate Governance Section of the Annual Report.

Declaration of Independence:

The Company has received Declaration of Independence as stipulated under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Independent Directors confirming that he/she is not disqualified from being appointed/re-appointed/ continue as an Independent Director as per the criteria laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA). In terms of section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Performance Evaluation

The Independent Directors of the newly constituted Board of the Company, at their first meeting held on March 28, 2024, reviewed and discussed various matters, including the performance evaluation of the Board and individual Directors. It was agreed that, given the Board's constitution in December 2023 following the NCLT proceedings, and the appointment of the new management, including the Chairman, in February 2024, the financial year ending March 31, 2024, was too brief to conduct a meaningful evaluation of the Board, its Committees, and the Chairman. Consequently, no evaluation was undertaken.

Deposits / Unpaid dividend:

Following the assumption of management responsibility by the reconstituted Board on January 4, 2024, the Board has neither accepted nor renewed any deposits from the public in accordance with Section 73 of the Companies Act, 2013 ('the Act') and the applicable Rules thereunder. Further, pursuant to the sanctioned resolution plan, any unpaid dividends owed to the equity shareholders of the Company have been extinguished, and no claims shall remain outstanding against the Company or its officers.

Particulars of Loans, Guarantees or Investments:

Details of loans, guarantees or investments covered under the provisions of Section 186 of the Act are given in notes to the standalone financial statements forming part of the Annual Report.

Change in the nature of business:

There was no change in the nature of business of the Company during the year under review.

Internal Financial Control ("IFC") systems and their adequacy:

The management of the Company is currently in the process of implementing effective internal control systems pertaining to financial reporting.

Significant and Material Orders impacting going concern basis passed by the regulators or courts or tribunals

The Hon'ble National Company Law Tribunal ('NCLT') vide its order dated December 23, 2022, approved the resolution plan submitted by Hazel Mercantile Limited **("Resolution Applicant")** for the Company under Section 31 of the Code. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding including but not limited on the Company and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan.

Management Discussion and Analysis Report

Considering that the Company was entirely non-operational and under the supervision of the Resolution Professional until January 04, 2024, the Management Discussion and Analysis Report has been prepared in so far as applicable and is included in the Annual Report.

Change in Share Capital

As a part of the implementation of the Resolution Plan approved by the Hon'ble NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016, vide its order dated December 23, 2022 the following changes have taken place in the share capital of your Company during the year under review:

a. Cancellation and extinguishment of all equity shares and allotment of shares to existing shareholders in the ratio 275: 1 pursuant to the approved resolution plan;

b. Allotment of 5,00,00,000 fresh ordinary equity shares of face value of ₹ 10/- each to the Special Purpose Vehicle 'Hazel Infra Limited'

Authorised Share Capital

As of March 31, 2024, there is no change in the Authorised Capital of the Company

Paid-up Share Capital

Pursuant to the approved of Resolution Plan as approved by Hon'ble NCLT:

a. All existing ordinary equity shares, totaling 73,75,91,263 shares of ₹ 10 each, held by the shareholders, were cancelled and extinguished. In exchange, 26,82,150 new ordinary equity shares of ₹ 10 each were issued to the shareholders, at a ratio of 1 (one) new equity share of ₹ 10 face value for every 275 (two hundred seventy-five) ordinary equity shares previously held

b. 5,00,00,000 fresh ordinary equity shares of ₹ 10 each were issued to the Special Purpose Vehicle, 'Hazel Infra Limited.'

c. The existing issued, subscribed, and paid-up 42,245,764 Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each were fully cancelled and extinguished.

As on March 31, 2024, the total equity paid-up share capital of your Company was ₹ 5,268 Lakhs divided into 5,26,82,150 equity shares of ₹ 10 each fully paid-up.

Particulars of employees and related Disclosures:

Due to absence of information, the reconstituted Board is unable to furnish the disclosures required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Directors' Responsibility Statement:

Members may kindly note that, the management control of Company was handed over to the Reconstituted Board only on January 04, 2024. Monitoring Committee appointed as per approved resolution plan was the in charge of management of the affairs of the Company from April 01, 2023 to January 03, 2024 and the Reconstituted Board of Directors assumed control over the affairs and of the Company on January 04, 2024.

Accordingly, pursuant to Section 134(5) of the Act, the Reconstituted Board of Directors, based on the knowledge/information gained by them, about the actions of Monitoring Committee (i.e. who were entrusted with and responsible for the management of the affairs of the Company prior to January 04, 2024) and the affairs of the Company in a limited period of time from January 04, 2024 to March 31, 2024, from the records of the Company, state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis; and

e) the Directors, are in the process of reviewing existing internal financial controls and strengthening it wherever required taking into consideration future scale of operation of the Company. However, the Directors are of the opinion that existing internal financial controls are commensurate with its current level of commercial activity.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013:

Details of the complaints received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, have been explained in Corporate Governance section.

Statutory Auditors and Auditors' Report:

At the 23rd Annual General Meeting ("AGM") of the Company held on November 10, 2020, M/s Pipara and Co LLP, Chartered Accountants, were appointed as the statutory auditors for a term of five consecutive years, until the conclusion of the 28th AGM. However, M/s Pipara and Co LLP resigned on October 12, 2024, before completing their term.

Following the resignation, and based on the recommendation of the Audit Committee, the Board of Directors appointed M/s N. N. Jambusaria & Co., Chartered Accountants, as the statutory auditors to fill the casual vacancy caused by the resignation, at their meeting on October 17, 2024.

Further, M/s N. N. Jambusaria & Co., the existing Statutory Auditor was appointed to fill causal vacancy created by the Resignation of M/s Pipara & Co LLP, Chartered Accountants (FRN: 107929W / W100219) at 25th Annual General Meeting of the Company, to hold office until the conclusion of 27th Annual General Meeting. Consequently, M/s N. N. Jambusaria & Co. would vacate the office as statutory auditor on the conclusion of 27th Annual General Meeting scheduled to be held on December 27, 2024.

Accordingly, the Board of Directors ("Board") of the Company on the recommendation of the Audit Committee, has recommended the appointment of M/s N. N. Jambusaria & Co., ("N. N. Jambusaria") Chartered Accountants (Firm registration number 104030W) as Statutory Auditors for a period of 5 continuous years i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014.

Terms and Conditions of appointment of N. N. Jambusaria:

Tenure:

5 years from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting

Audit Fees:

The fixed fees for the statutory audit, limited review, audit of internal control over financial reporting, statutory certifications, and other professional work are ₹ 16.30 Lakh for FY 2024-25, plus applicable taxes, travel, and other out-of-pocket expenses incurred in connection with the statutory audit. The proposed fees are based on the scope of work, team size, industry experience, expertise, and the time and effort required from N. N. Jambusaria for FY 2024-25. Further, the Fees for the remaining tenure of N. N. Jambusaria as statutory auditors for FY 2025-26 to FY 2028-29 will be approved by the Board of Directors and/or the Audit Committee

Reporting of Fraud:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder, either to the Company or to the Central Government.

Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Resolution professional had appointed M/s. Jignesh M Pandya & Co, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed towards the end of this report.

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

Cost Auditors and Cost Audit Records:

There was no appointment of Cost Auditors during the Reporting Period.

Particular of contracts or arrangements with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013:

The transactions with Related Parties have been disclosed in the financial statement of the Company for FY 2023-24.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

Due to the unavailability of confirmation regarding the disclosure of Conservation of energy, technology absorption and foreign exchange earnings and outgo, the reconstituted Board is not in a position to confirm the status of the disclosure during the reporting period.

Whistle Blower Policy:

Due to the lack of confirmation regarding compliance under the Vigil Mechanism system, the reconstituted Board is unable to verify compliance with this disclosure under whistle blower policy

Familiarization programme for Independent Director:

As part of the implementation of the Resolution Plan approved by the Hon'ble NCLT through its order dated December 23, 2022, the erstwhile Board of Directors of the Company was replaced by a new Board of Directors, effective December 08, 2023, which took control of the management of the Company from January 04, 2024. During the Board meetings held in the financial year 2023-24, following the reconstitution of the Board, presentations were made on various matters, including the Company's business and operations, industry and regulatory updates, and other relevant topics as part of the familiarization programs.

Vigil Mechanism:

Due to the lack of confirmation regarding compliance under the Vigil Mechanism system, the reconstituted Board is unable to verify compliance with this disclosure.

Acknowledgement:

Reconstituted Board would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review and also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of Board of Directors

Paresh Merchant Director DIN: 00660027	**Nikhil Merchant** Chairman & Managing Director DIN: 00614790

Date: November 11, 2024
Place: Mumbai

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Reliance Naval and Engineering Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Naval and Engineering Limited** (hereinafter called the "company").

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the **financial year ended on March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the **financial year ended on March 31, 2024** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLIABLE DURING THE PERIOD UNDER REVIEW** and

  (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **NOT APPLIABLE DURING THE PERIOD UNDER REVIEW;**

(vi) Laws applicable to the industry to which the Company belongs, as identified by the Management is given in the enclosed **Annexure 2**.

We have also examined compliance with the applicable clauses of the following:

  (j) Secretarial Standards issued by The Institute of Company Secretaries of India.

  (ii) The Listing Agreement entered into by the Company with Stock Exchange(s).

During the period under review, we report that:

1. In accordance with the Order dated January 15, 2020, issued by the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"), the Corporate Insolvency Resolution Process ("CIRP") was initiated for the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"/"Code"), with effect from January 15, 2020 (the "CIRP Commencement Date"). During the period from January 15, 2020, to January 4, 2024, and specifically for the reporting period, the management of the Company was initially entrusted to the Monitoring Committee, which oversaw its affairs until January 3, 2024. Subsequently, the management was transferred to the newly constituted Board as of January 04, 2024. On December 8, 2023, the Monitoring Committee passed a resolution to reconstitute the Board and formally handed over the management responsibilities to the new Board. As of March 31, 2024, the Company has complied, to the extent applicable, with the requirements of the Companies Act. 2013.

The new Management have made all practical and reasonable efforts from time to time to gather details to prepare the accounts, despite various challenges and complex circumstances. The said accounts have been adopted by the new Management, in good faith for the purpose of compliance and discharging their duties which have been conferred upon them as per terms of approved resolution plan.

2. As of March 31, 2024, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and a Woman Director;

3. After constituted of new Board, adequate notice is given to all Directors of the schedule of the Board and Committee Meetings and Agenda & detailed notes on agenda were sent at least seven days in advance and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting;

4. All decisions of the Board and Committee meetings were carried either unanimously or by the requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that as of March 31, 2024, there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events have occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- The Monitoring Committee on December 8, 2023 had (a) cancelled, extinguished, and allotted shares to existing shareholders in the ratio 275:1 pursuant to the approved resolution plan (b) allotted 5,00,00,000 fresh ordinary equity shares of face value of ₹ 10/- each to the Special Purpose Vehicle 'Hazel Infra Limited'
- the existing issued, subscribed and paid up 42,245,764 Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each stood fully cancelled and extinguished
- The Monitoring Committee reconstituted Board of Directors on December 8, 2023 and handed over the management controlled to the newly constituted Board on January 4, 2024.
- The Directors appointed by the Monitoring Committee and the Board were duly confirmed by the members of the Company at their Extra-Ordinary General Meeting held on March 7, 2024,
- The members of the Company, at their Extra-Ordinary General Meeting held on March 2024, approved the proposal of change of name from 'Reliance Naval & Engineering Limited' to 'Swan Defence and Heavy Industries Limited.' The application submitted to the Ministry of Corporate Affairs ('MCA') is currently pending approval.

This Report is to be read with our letter of even date which is annexed as Annexure '1' and forms an integral part of this Report.

For Jignesh M. Pandya & Co.
Practicing Company Secretary

Proprietor
ACS 7346/ CP 7318
Peer Review No: 2727/2022

Place: Mumbai
Date: 11/11/2024
UDIN: A007346F002027518

'Annexure 1'

To the Members Reliance Naval and Engineering Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and

Books of Accounts of the company.

4. The compliance of the provisions of Corporate and other applicable laws, Rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Jignesh M. Pandya & Co.
Practicing Company Secretary

Proprietor
ACS 7346/ CP 7318
Peer Review No: 2727/2022

Place: Mumbai
Date: 11/11/2024
UDIN: A007346F002027518

'Annexure 2'

Laws applicable to the Company:

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Maharashtra Housing (Regulation and Development) Act, 2012;
4. Information Technology Act, 2000
5. The Indian Electricity Rules 1956
6. The Standard Weight and Measurement Act, 1976
7. The Public Liability Insurance Act, 1991
8. The Hazardous Material Transport Act (HMT) Act, 1975
9. Trade Marks Act, 1999 & Copy Right Act, 1957;
10. The Legal Metrology Act, 2009;
11. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
12. Acts prescribed under prevention and control of pollution;
13. Acts prescribed under Environmental protection;
14. Acts prescribed under Direct Tax and Indirect Tax;
15. Land Revenue laws of respective States;
16. Labour welfare Act of respective States;
17. Acts as prescribed under Shop and Establishment Act of various local authorities.
18. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

For Jignesh M. Pandya & Co.
Practicing Company Secretary

Proprietor
ACS 7346/ CP 7318
Peer Review No: 2727/2022

Place: Mumbai
Date: 11/11/2024
UDIN: A007346F002027518

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL OUTLOOK AND INDIA'S PRESENCE IN THE MARKET

1. Global seaborne trade is the backbone of international commerce, and it is expected to handle volume of 13+ Bn tonnes by 2030 with slightly over 70% share of overall global trade. This is driving an orderbook of 4600+ vessels across categories, with bulkers and tankers driving more than 35% of the total. China, South Korea, and Japan account to >80% of this orderbook.
2. However, the surge in orderbook has led to a significant backlog in the leading shipbuilding nations. Major shipbuilders across Japan have a backlog of 3+ years, similarly Chinese shipyards have a backlog of orders amounting to 140 Mn DWT.
3. In the overall global context, India is increasingly becoming a viable option for shipowners who need timely, efficient, and cost-effective construction of new vessels. This is evident from the current orderbook of 70+ export vessels being built across Indian shipyards. The overall Indian maritime sector has experienced significant growth, with major ports expanding capacity by over 65% in the last seven years, and inland waterway cargo volume increasing by 19% annually over the past five years.
4. Indian shipyards continue to face stiff competition from leading shipbuilding nations who have maintained a competitive advantage with higher productivity, lower material and financing costs, as well as strong regulatory support from the home countries. Japan, Korea, and China have frequently provided subsidies, low-interest financing, tax incentives, and direct bailouts for their shipyards.

   These nations have also maintained continuous investments in advanced technologies such as automation and digitization, as well as infrastructural upgrades to develop cutting-edge facilities.
5. Government of India has recognized shipbuilding as one of the key sectors and has extended support across multiple areas:
   a) Ship Building Financial Assistance Policy (SBFAP): The Indian Government, amongst other incentives, is actively supporting Indian shipyards with SBFAP. With a total budgeted outlay of INR 4000 Cr., the SBFAP offers up to 14% of the shipbuilding contract/ fair price as financial assistance in FY24-25 and 11% in FY25-26, with higher financial assistance for green vessels. The government is also evaluating revising the same as the current policy expires in 2026.
   b) Maritime India Vision 2030, published by Hon'ble Prime Minister in 2019 envisions India as one of the Top 10 Ship Building and Ship Repair nations. To achieve this vision, India's share of Global Ship Building market needs to increase multi-fold, from the current levels of sub-1%.

      The targets set under MIV 20230 include:
      I. Gross tonnage of ships built in India to increase from 27k GT to 500k GT
      II. Size of the Indian ship repair industry to increase from 3.5-4k Cr to 12-15k Cr.
      III. Gross tonnage of scrap through ship recycling to increase from 6.4Mn GT to 54Mn GT.
   c) Several initiatives have also been launched by GoI to propel green shipping ecosystem in India.
      i. SBFAP provides financial assistance of
         1. 30% for vessels where main propulsion is achieved by means of green fuels such as Methanol /Ammonia /Hydrogen fuel cells
         2. 20% for vessels with electric means of propulsion or vessels fitted with hybrid propulsion system
      ii. Green Tug Transition Program is expected to involve an investment of ₹ 1000 Cr. for converting at least 50% of India's tugboats to hybrid or hydrogen-powered vessels by 2030.
      iii. Harit Nauka Inland Vessels Green Transition Guidelines were published on 8th January 2024 with a goal to achieve 100% green vessels by 2047
      iv. The National Green Hydrogen Mission (NGHM) plans to produce 5 Mn MT of green hydrogen annually by 2030. The Shipping Corporation of India (SCI) is expected to retrofit at least 2 ships by 2027 to run on green hydrogen or its derivative.
      v. Establishment of the National COE for Green Ports & Shipping (NCoEGPS) in collaboration with TERI aimed to foster research and innovation in green maritime technologies.
6. Indian shipyards are looking at $35+ Bn worth opportunities over the next 10-15 years with equal contribution from domestic defence, and domestic and export commercial shipbuilding.

   Ship building: More than $20 Bn of opportunity is estimated from domestic defence shipbuilding. However, the gestation period for these projects is higher compared to commercial orders.

Another $10+ Bn opportunity from the commercial segment is largely driven by two factors.

a) Replacement market where 15-20% vessels are more than 40 years old.

b) Demand for larger vessels: While 15-20% vessels with ageing more than 40 years are more than 100m LoA, this number is 50-55% in the newer fleet (less than 20 years old).

Ship repair: The annual ship repair market is estimated at $2-2.5 Bn by 2030 of which domestic defence market is almost 50%.

a) Future growth in domestic defence is likely to be driven by addition of new fleet such as P17A, Talwar Frigates, etc., whereas that in global defence is expected to come from Japan and Australia's Naval fleet.

b) Ship repairs related to special conversions will be an important factor in driving the future demand in Indian commercial market and potential yard partnerships for that in foreign commercial market.

7. Offshore wind market is expected to witness a strong growth of 30%+ in the next five years, accounting to a cumulative offshore wind capacity of 140+ GW. This will however be limited to three key regions – NAMR, Europe, and Asia. While the Indian offshore wind energy market is still in nascent stages, India plans to bid out 37 GW by 2030, signaling strong growth potential and government support for offshore wind energy development.

   Other heavy fabrication market including segments such as hull fabrication, rail wagons, pre-engineered buildings, and containers is estimated at $170+ Bn annually, with rolling stock accounting to almost 50%.

8. Other key opportunities in Green shipping include:

   a. **Alternative fuels:** Of the current available fuels, methanol, ammonia, and hydrogen emit 85-100% less than traditional fuel, a far greater impact than LNG but ammonia and methanol are still not mature, with hydrogen even less viable due to low density & long horizon, leaving LNG and biodiesel as transition fuels.

   b. **Technological efficiency solutions:** Fastest growth of 15-17% p.a. expected in Propulsion systems, Drag reduction and other technical solutions both growing stably at 4-6% p.a.

   c. **Data-enabled operational efficiency** market was ~$1-3 Bn in 2023, with vessel optimization being almost 60% of the market. The total market is expected to grow at 12-17% p.a. till 2028.

Focus areas for Pipavav Shipyard in the near-term

Considering the backlog in traditional supply markets such as China, South Korea and Japan, we plan to ramp up our ship building and offshore fabrication capabilities and are focused on both restoring the yard and further upgrading the equipment to make them 'future ready'.

1. **Yard restoration and operationalization:** We are making bold strides in revitalizing our shipyard, focusing on critical infrastructure like the dry dock and goliath crane to position ourselves as a powerhouse in shipbuilding. With our commitment to excellence, we are securing top industry certifications to ensure full compliance with the highest standards. These include the factory license, contract labor license, commercial ship building license, among others.

2. Our dedicated efforts alongside OEMs for comprehensive health assessments and machinery upgrades in our workshops underscore our relentless drive to bring our shipyard to peak operational readiness.

3. **Orderbook build:** Given the nature of this industry where new build orders are structured on milestone-based payments, ensuring steady cash flows is a challenge. Hence, it is critical to build a strong commercial pipeline across diverse areas including new build, ship repair, and fabrication project. This also helps us maximize resource utilization and operational efficiency.

   Business development activities at Pipavav shipyard are a big focus area as we are getting interest from both domestic and international players. With 700+ reach outs and multiple proposals in mature stages of discussion, the yard is advancing towards a solid pipeline till FY30. Conversations are also underway for the sale of the already 8 launched vessels available for sale at the yard.

4. **Organization structure and hiring:** Our workforce is our utmost priority, and we are heavily invested in recruiting top talent while retaining our experienced staff. We have an 1100+ strong workforce already on the ground, deployed on various stages of shipyard operations. We are committed to employee well-being and are developing township facilities to ensure a safe and sustainable work environment.

5. **Green vessels:** For India's shipbuilding sector and Pipavav Shipyard to be future-ready and competitive on a global scale, it is imperative to focus on adopting green technologies. This is being achieved using energy efficient designs, emission control technologies, and alternative fuels.

6. **Innovation and sustainability:** In near to mid-term, Pipavav shipyard is also focused on integrating automation, and using advanced manufacturing techniques. These include,

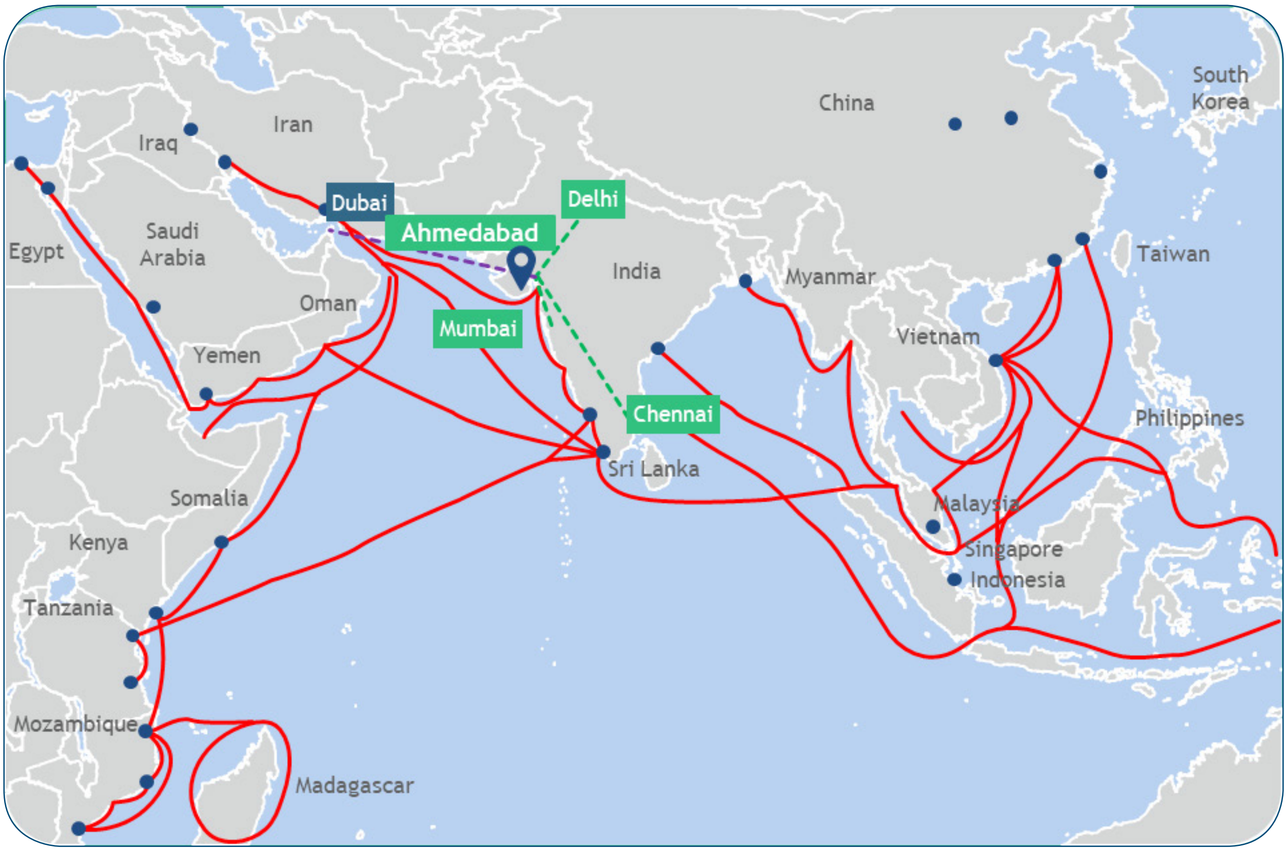
   a) **Automation** in fabrication and assembly processes to improve precision and efficiency, and vessel navigation and port calls for new build of autonomous vessels

   b) **Robotics** for welding, painting, and other labor-intensive tasks

SWOT analysis:

Strengths:

1. **Strategic location:** Pipavav shipyard is ideally located to access global trade routes connecting to USA, EU, China, Korea, Gulf, and Africa. Its proximity to one of the world's busiest maritime hubs in Dubai is an added advantage. The location is conducive for seamless movement of material via Ro-Ro facility, container terminal and Pipavav Port.



2. **Large infrastructure and capacity:**

   a) Largest dry dock in India, measuring 662x65m that can accommodate up to 6 slots for simultaneous shipbuilding and repair works.

   b) 144k MT of annual steel production capacity ready to cater mid to large size vessels.

   c) 750m X 265m offshore fabrication facility with a floor strength of over 25 Tn/m2 which enables us to seamlessly produce offshore structures for sectors such as oil and gas, wind energy, etc.

3. **Tax advantages:** The shipyard's ship construction site (SCS) is located in an Export Oriented Unit (EOU) and the block construction site (BCS) is in a Special Economic Zones (SEZ), allowing Pipavav shipyard to enjoy working capital advantages and taxation efficiencies with regards to custom duties and GST, helping reduce finance costs.

4. **Access to industrial workforce:** Situated in India's manufacturing hub with 38,000+ operational factories, and with access to ~6Mn+ industrial laborers in Gujarat, Pipavav shipyard is well placed compared to its Indian peers.

5. **Team:** With an experienced group of promoters and senior leadership that have a proven track record in this industry, Pipavav shipyard is laying a solid foundation for sustainable business growth and resilience. Our workforce is a balanced mix of people with experience in both commercial and defence vessels.

6. **Cost advantages:** India continues to provide a cost-effective labor force compared to its international peers, with labor rates significantly lower than those in the Philippines, Korea, and Japan - by as much as 2x to 4x.
7. **Synergies with group companies:** Close direct and indirect synergies with sister companies of the broader Swan group with businesses in petrochemical and oil and gas also provide an added advantage to the shipyard. The FSRU based LNG import terminal in Jaffarabad is located approximately an hour away from the shipyard.

Weaknesses:

1. **Historic events:** Pipavav shipyard has undergone change of management a few times over the last 15+ years. While the new management has already proven great zeal with the quick restoration of the yard, it is a challenge to gain customer confidence in the short-term.
2. **Challenges in offering competitive financing:** Financial incentives by GoI under initiatives such as Ship Building Financial Assistance Policy (SBFAP) are limited for conventional vessels and the shift to green vessels is still gradual. This limits our ability to attract international customers who may find more favorable financing terms in countries with government-backed financing support.
3. **Cost disadvantage against Chinese peers:** It is challenging to match the low raw material prices offered by Chinese suppliers, which impacts the production costs. This puts us at a disadvantage to compete on pricing with Chinese shipyards.

Opportunities:

1. **Strategic partnerships with design agencies:** Collaborating with experienced design agencies that specialize in vessels within Pipavav's focus areas, including green vessels, presents a significant opportunity. Such partnerships would allow Pipavav to access proven designs and expertise, accelerating its capability to produce high-quality, innovative ships that meet global standards and regulatory requirements.
2. **Capability building through assistance from experienced shipyards:** Partnering with established shipyards can help Pipavav develop essential capabilities and get access to production best practices, quality control, and technical processes. In turn, Pipavav's capacity to ensure the timely availability of dock slots offers an attractive proposition to these partners, who may have a backlog of orders. This synergy can help Pipavav streamline its production, reduce lead times, and meet growing client demand while advancing its skills and competitive positioning.
3. **Strengthening the OEM network with a proposed Gujarat Maritime Cluster:** As the momentum for establishment of the Gujarat Maritime Cluster increases, Pipavav can tap into a more accessible, efficient supply chain, reducing its reliance on imports and benefiting from shorter lead times. This network can help lower procurement costs, improve supply chain reliability, and enable the shipyard to respond more effectively to project needs, enhancing its overall competitiveness and resilience.

Threats:

1. **Economic and Currency Fluctuations:** Exchange rate volatility and economic instability can impact Pipavav's costs and profitability, particularly due to its dependence on imported materials and equipment. Currency fluctuations can increase the cost of foreign raw materials, while economic downturns may reduce demand for new shipbuilding projects, leading to potential losses or project delays.
2. **Dependence on Government Policies and Regulatory Changes:** The shipyard's growth is closely tied to government policies and incentives. Changes in government regulations, tax policies, or delays in approving maritime infrastructure projects could adversely impact operations, increase costs, and reduce Pipavav's competitiveness, especially compared to shipyards in countries with consistent government support.
3. **Vulnerability to Supply Chain Disruptions:** Given Pipavav's reliance on imported equipment and raw materials, disruptions in global supply chains, such as those caused by geopolitical conflicts, or trade restrictions, can severely impact operations. Delays in material availability can lead to project hold-ups, increased costs, and potentially strained client relationships. Significant lead time in procurement of main engines can delay the delivery timelines for new vessels.

Business Development and marketing initiatives

Pipavav Shipyard has undertaken various business development initiatives aimed at enhancing its market reach, expanding capabilities, and positioning itself as a competitive player in the global shipbuilding industry.

1. **New ship build:** We have received multiple new build enquiries across different vessel types including tankers, carriers, cruises, etc. To enhance its attractiveness to clients, Pipavav shipyard is further exploring partnerships with financial institutions to offer flexible financing options.
2. **Ship repair:** The yard has commenced its ship repair operations in August 2024 with one of the vessels of the Indian Coast Guard. It has also bolstered its reach out to large domestic and international ship owners

3. **Offshore and heavy steel fabrication:** We are actively pursuing contracts for offshore oil and gas projects, including the fabrication of offshore platforms, rigs, and support structures. The Company has also issued RFQ for onboarding a PMC which will help access new markets, win larger contracts, and deliver complex fabrication projects with the support of established industry expertise.
4. **Focus on Renewable Offshore Projects:** With increasing global interest in renewable energy, Pipavav is exploring opportunities in offshore wind farm construction, including the fabrication of wind turbine foundations and subsea structures. By positioning itself in this emerging market, the shipyard is able to diversify its portfolio and cater to the green energy segment.
5. **Strategic Partnerships and Alliances:** The shipyard is focusing on establishing partnerships with leading design agencies and experienced shipyards to bolster its technical expertise, improve production efficiencies. It has already signed MoUs with multiple design firms. These alliances will help Pipavav meet international standards and accelerate its entry into specialized segments.
6. **Global positioning:** The shipyard also participated at SMM Hamburg in September this year where we addressed the Tradewinds Shipowners Forum. Several collaterals were distributed among the participants and more than 50+ B2B connects were conducted across OEM players, shipyards, ship owners, and ship managers. We would continue to participate in such events on a global stage.

Human resources and skill development

A robust and skilled team is critical for the success of Pipavav Shipyard, particularly in an industry that demands highly specialized skills and technical expertise. Given the complex and precision-driven nature of shipbuilding, Pipavav Shipyard prioritizes workforce training, skill enhancement, and leadership development to ensure operational excellence.

1. 30+ key positions have been hired
2. Robust hiring and onboarding process is underway to hire for 50+ more positions
3. Skill development is underway in specialized areas such as CAD/CAM design, automation, and advanced materials handling. This ensures the workforce is prepared to handle complex projects, from large cargo ships to specialized defense vessels.
4. 100+ SOPs are being defined in key areas of commercial, planning & project management, design, and procurement, among others.

To foster a productive and engaged workforce, Pipavav Shipyard also offers employee welfare programs, competitive benefits, and performance-linked incentives. By addressing social and labor-related challenges proactively, the shipyard seeks to maintain high morale and reduce turnover.

IT roadmap

1. The shipyard is in the process of transitioning most of its business processes to SAP, to enable seamless integration. It also includes procurement, inventory management, finance, and human resources.
2. We have benchmarked with global shipyards to identify best in class IT systems. For instance, Aviva Marine is used for designing, including concept and detailed designs.
3. Further, a detailed roadmap is being defined for exhaustive gap assessment, prioritization and implementation.

KEY FINANCIAL INDICATORS

Sr	Particulars	FY 2023-24	FY 2022-23	Change in % as compared to FY 2022-23	Detailed explanation for change of 25% or more
1	Debtors Turnover	-	0.13	-	During FY 2022-23, there was recasting gain of ₹ 19,52,132.53 Lakh to give effect of the resolution plan of the Company as approved by NCLT, Ahmedabad bench vide order dated December 23, 2022 and assessment of various other assets and liabilites that was undertaken by the management. The same is one time impact and hence shown as "exceptional item" in the statement of Profit & Loss Account for year ended March 31, 2023. Hence RONW of FY 24 is not comparable with FY 23. The Company was not operational during the year and hence loss declared is represeting overheads cost incurred by the Company during the year.
2	Inventory Turnover	0.0002	0.0001	31.81	
3	Interest Coverage	-1.00	13.25	-107.58	
4	Current Ratio	2.53	4.63	-45.44	
5	Debt Equity Ratio	4.51	3.76	19.78	
6	Operating Profit Margin (%)	-	616,100.74	-100.00	
7	Net Profit Margin (%)	-	567,444.82	-100.00	

Return on Net Worth

Sr	Particulars	FY 2023-24	FY 2022-23	Change in % as compared to FY 2022-23	Detailed explanation for change
1	Return on Net Worth (%)	-23.84	-212.93	-89%	During FY 2022-23, there was recasting gain of ₹ 19,52,132.53 Lakh to give effect of the resolution plan of the Compnay as approved by NCLT, Ahmedabad bench vide order dated December 23, 2022 and assessment of various other assets and liabilites that was undertaken by the management. The same is one time impact and hence shown as “exceptional item” in the statement of Profit & Loss Account for year ended March 31, 2023. Hence RONW of FY 24 is not comparable with FY 23. The Company was not operational during the year and hence loss declared is represeting overheads cost incurred by the Company during the year.

Segment wise Product Wise Performance

The risk - return profile of the Company’s business is determined predominantly by the nature of its products. The Company is engaged in the business of Shipbuilding, Repair and Fabrication. Further based on the organisational structure, internal management reporting system, nature of production process and infrastructure facilities used, there are no separate reportable segments.

Internal Control

From January 10, 2023, the management of the Company was with Monitoring Committee which was appointed by the Committee of Creditors. New management has taken full control over affairs of the Company from January 04, 2024 only. The new management is in the process of reviewing existing internal financial controls and strengthening it wherever required taking into consideration future scale of operation of the Company. However, the management is of the opinion that existing internal financial controls are commensurate with its current level of commercial activity.

Cautionary Statement

Statements in this management discussion and analysis of financial condition and results of operations of the Company describing the company’s objectives, expectations or predictions may be forward looking within the meaning of applicable Securities Laws and Regulations. Forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The company assumes no responsibility to publicly amend, modify or revise forward looking statements on the basis of any subsequent development, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company’s operations include government’s strategy relating to acquisition of naval platforms, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

CORPORATE GOVERNANCE REPORT

Your director's present the Company's Corporate Governance Report for the year ended March 31, 2024 in terms of Regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*"Listing Regulations"*).

The Company was admitted in Corporate Insolvency Resolution Process (CIRP) on January 15, 2020. The Hon'ble NCLT, Ahmedabad bench, vide its order dated December 23, 2022 approved the Resolution Plan submitted by the Successful Resolution Applicant.

For the period between 15th January 2020, and 04th January 2024, specifically during the reporting period, the Company was not operating at full capacity, as management was suspended. During this period, the management control and affairs of the Company were entrusted to the Monitoring Committee until 03rd January 2024, and thereafter to the new management until the end of the year. The reconstituted Board of Directors, which took over the management of the Company's affairs from the Monitoring Committee on 04th January 2024, has submitted this Report, as required under the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("the Act"), and the.

BOARD OF DIRECTORS

Composition, Category and size of the Board

The Company has a balanced and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors and the same is in conformity with the Act and Listing Regulations. The Company is managed by the board of directors in co-ordination with the senior management team.

As of 31st March 2024, the Board of Directors of the Company comprises 10 (ten) Directors, drawn from diverse fields and professions. The Board is led by the Chairman & Managing Director, supported by 1 (one) Executive Director, 3 (three) Non-Executive Directors, and 5 (five) Independent Directors, including one Independent Woman Director. The composition of the Board, as of 31st March 2024, is in conformity with the provisions of the Act and Regulation 17 of the Listing Regulations.

Board meetings held and Directors' attendance record

The reconstituted Board after assuming the management control met twice (2) until March 31, 2024. The following table gives the composition and category of the directors on the Board as on March 31, 2024, their attendance at the board meetings during the year under review and at the last annual general meeting, as also the number of directorships and committee memberships/ chairmanships held by them in other Companies and names of the other Listed Companies where he/she is a director & the category of directorship.

Name of Director	Category	Attendance Particulars		Number of other Directorships and Committee Memberships/Chairmanships			Name of other Listed Companies & category of Directorship as on March 31, 2024
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships	
Mr. Nikhil Merchant	Chairman & Managing Director	2	Yes	15	-	-	1. Swan Energy Limited - MD 2. Veritas (India) Limited – C
Mr. Arun Sinha	Non-Executive & Independent Director	1*	Yes	7	-	-	-
Mr. Kaiyoze Billimoria	Non-Executive & Independent Director	1*	Yes	4	1	1	-
Mr. Ashishkumar Bairagra	Non-Executive & Independent Director	1*	Yes	12	3	2	1. Swan Energy Limited- ID
Ms. Maya Sinha	Non-Executive & Independent Director	1*	Yes	13	7	2	1. Ceinsys Tech Limited-ID 2. Shriram Finanace Ltd-ID 3. Vishnusurya Project and Infra Ltd-ID
Mr. Prabhakar Patil	Non-Executive & Independent Director	1#	Yes	5	1	-	1. KHFM's Hospitality & Facility Management Services Ltd – ID 2. Swan Energy Limited – ID
Mr. Paresh Merchant	Non-Executive & Non-Independent Director	2	Yes	17	4	1	2. Swan Energy Limited – ED 2. Veritas (India) Limited – MD

Name of Director	Category	Attendance Particulars		Number of other Directorships and Committee Memberships/Chairmanships			Name of other Listed Companies & category of Directorship as on March 31, 2024
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships	
Mr. Vivek Merchant	Non-Executive & Non-Independent Director	1	No	11	3	-	-
Mr. Bhavik Merchant	Non-Executive & Non-Independent Director	1	No	13	-	-	-
Mr. Arvind Morbale	Executive Director	1*	Yes	1	-	-	-

Notes:

1. *The Monitoring Committee at its meeting held on 08th December 2023, appointed Mr. Nikhil Merchant, Mr. Paresh Merchant, Mr. Vivek Merchant and Mr. Bhavik Merchant as Directors of the Company.*
2. *The Reconstituted Board, at its meeting held on December 14, 2023, appointed Mr. Arun Sinha, Mr. Kaiyoze Billimoria, Mr. Ashishkumar Bairagra, and Ms. Maya Sinha as Independent Directors, and Mr. Arvind Morbale as Whole-time Director. Further, on 16th December 2024, Mr. Prabhakar Patil was appointed as an Independent Director.*
3. *The Reconstituted Board, at its meeting held on February 13, 2024, redesignated Mr. Nikhil Merchant as Chairman & Managing Director of the Company, which was confirmed by the members of the Company at the Extraordinary General Meeting held on March 7, 2024.*
4. *Chairmanship/Membership of Committees only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies (whether listed or not) including Reliance Naval & engineering Limited.*
5. *The Directorships, held by Directors as mentioned above, do not include directorship(s) in foreign companies and section 8 companies under the Companies Act, 2013.*
6. *Mr. Nikhil Merchant, Mr. Paresh Merchant, Mr. Vivek Merchant, and Mr. Bhavik Merchant are relatives.*
7. *Details of other listed companies don't include debt-listed companies.*
8. *'C' denotes Chairman, 'MD' denotes Managing Director, 'ED' denotes Executive Director, and 'ID' denotes Independent Director.*
9. ** appointed with effect from 14th December 2023*
10. *# appointed with effect from 16th December 2023*

As required under Regulation 17A and Regulation 26(1) of the Listing Regulations, and as confirmed by the directors, none of the Directors on the Board of the Company is a director (including any alternate director) in more than 10 public limited companies (as specified in Section 165 of the Companies Act) or a director in more than 7 equity-listed entities. Additionally, no director acts as an Independent Director in more than 7 equity-listed entities, or in more than 3 equity-listed entities if he/she serves as a Whole-time Director/Managing Director in any listed entity. Furthermore, none of the Directors on the Board is a member of more than 10 committees or a chairperson of more than 5 committees across all the Indian public limited companies in which he/she is a director.

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and to consider, among other business, the quarterly performance and financial results of the Company. The maximum time gap between any two meetings of the Board is not more than 120 days. Further, the Company has adopted and adhered to the Secretarial Standards prescribed by The Institute of Company Secretaries of India and approved by the Central Government.

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the Listing Regulations. The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

All the Independent Directors have submitted declarations confirming that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of the Listing Regulations. They have also stated that they are not aware of any circumstances or situations that exist, or may reasonably be anticipated, which could impair or impact their ability to discharge their duties with independent judgment and without external influence. Further, in compliance with sub-rule (1) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs ("IICA") for inclusion in the data bank and have received their registration certificates from IICA.

Shares or convertible instruments held by non-executive director:

As of 31st March 2024, none of the non-executive directors hold any shares or convertible securities in the Company.

Familiarisation Program

As part of the implementation of the Resolution Plan approved by the Hon'ble NCLT through its order dated 23rd December 2022, the erstwhile Board of Directors of the Company was replaced by a new Board of Directors, effective 08th December 2023, which took control of the management of the Company from 04th January 2024. During the Board meetings held in the financial year 2023-24, following the reconstitution of the Board, presentations were made on various matters, including the Company's business and operations, industry and regulatory updates, and other relevant topics as part of the familiarization programs.

Meeting of Independent Directors

The first meeting of the Independent Directors of the newly constituted Board of the Company was held on 28th March 2024. During this meeting, various matters were reviewed and discussed, including the performance evaluation of the Board and individual Directors. It was agreed that, given the new Board was constituted only in December 2023 following the NCLT proceedings, and the new management, including the Chairman, was appointed in February 2024, the financial year ending 31st March 2024, was too short a period to conduct a meaningful evaluation of the Board, its Committees, and the Chairman. As a result, no evaluation was conducted.

Board Skill Matrix

The following is the list of core skills/expertise/competencies identified by the board of directors as required in the context of Company's business(es) and sector(s) and the names of directors who have such skills/expertise/competencies:

Sr No	Skills / Expertise / Competencies	Names of directors who have skills / expertise / competencies
1	Leadership and General Management	1. Mr. Nikhil Merchant
		2. Mr. Arun Sinha
		3. Mr. Kaiyoze Billimoria
		4. Mr. Ashishkumar Bairagra
		5. Ms. Maya Sinha
		6. Mr. Prabhakar Patil
		7. Mr. Paresh Merchant
		8. Mr. Vivek Merchant
		9. Mr. Bhavik Merchant
		10. Mr. Arvind Morbale
2	Industry knowledge and experience	1. Mr. Nikhil Merchant
		2. Mr. Arun Sinha
		3. Mr. Paresh Merchant
		4. Mr. Vivek Merchant
		5. Mr. Bhavik Merchant
		6. Mr. Arvind Morbale
3	Strategic Planning	1. Mr. Nikhil Merchant
		2. Mr. Arun Sinha
		3. Mr. Kaiyoze Billimoria
		4. Mr. Ashishkumar Bairagra
		5. Ms. Maya Sinha
		6. Mr. Paresh Merchant
		7. Mr. Vivek Merchant
		8. Mr. Bhavik Merchant
		9. Mr. Arvind Morbale
4	Business Planning & Implementation	1. Mr. Nikhil Merchant
		2. Mr. Arun Sinha
		3. Mr. Kaiyoze Billimoria
		4. Mr. Ashishkumar Bairagra
		5. Ms. Maya Sinha
		6. Mr. Paresh Merchant
		7. Mr. Vivek Merchant
		8. Mr. Bhavik Merchant
		9. Mr. Arvind Morbale

Sr No	Skills / Expertise / Competencies	Names of directors who have skills / expertise / competencies
5	Corporate Governance including legal Compliance	1. Mr. Nikhil Merchant
		2. Mr. Arun Sinha
		3. Mr. Kaiyoze Billimoria
		4. Mr. Ashishkumar Bairagra
		5. Ms. Maya Sinha
		6. Mr. Prabhakar Patil
		7. Mr. Paresh Merchant
		8. Mr. Vivek Merchant
		9. Mr. Bhavik Merchant
		10. Mr. Arvind Morbale
6	Finance & Accounts / Audit / Risk Management Areas	1. Mr. Nikhil Merchant
		2. Mr. Kaiyoze Billimoria
		3. Mr. Ashishkumar Bairagra
		4. Ms. Maya Sinha
7	Taxation and International Tax	1. Mr. Kaiyoze Billimoria
		2. Mr. Ashishkumar Bairagra
		3. Ms. Maya Sinha

All the recommendations of the Audit Committee / Nomination & Remuneration Committee / Stakeholders' Relationship Committee were accepted by the Board.

Senior Management

As on end of the Reporting period, the Company has identified followings officials as 'Senior Management Personnel (SMP) in line with the amendment to the Listing Regulations:

Name of the Official	Designation
Rajesh Bhardwaj	Vice President - Finance & Accounts w.e.f. January 01, 2024
Vishant Shetty	Company Secretary and Compliance Officer w.e.f. December 08, 2023

COMMITTEES OF THE BOARD

The Company has had the foresight to set up corporate governance practices in line with the requirement of Listing Agreement/Listing Regulation.

The constitution, terms of reference and the functioning of the Committees of the Board is explained hereunder. Each Committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support, enhancing the qualitativeness of the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

The meetings of each of these Committees are convened by the respective Chairpersons and the minutes of these meeting are placed before the Board for noting. The minutes of the Committee meetings are sent to respective members for their approval/comments as per the prescribed Secretarial Standards-1 and after the minutes are duly approved, these are circulated to the Board of Directors and presented at the Board meetings.

Audit Committee:

The Audit Committee acts as an interface between the Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes. All members of the Committee are Non-executive Directors, with the majority being Independent Directors. The Committee is in compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, as amended from time to time.

Constitution and composition:

The composition of the Audit Committee as on March 31, 2024 is as follows:

Name of the Member	Designation	Category
Mr. Kaiyoze Billimoria	Chairman	Non-executive & Independent Director
Mr. Ashishkumar Bairagra	Member	Non-executive & Independent Director
Mr. Paresh Merchant	Member	Non-executive & Non-independent Director

The Chairman of the Audit Committee has a strong financial and accounting background with immense experience. All the members of the Audit Committee are financially literate and having insight to interpret and understand financial statements. The Company Secretary acts as the Secretary to the Committee.

Meetings and attendance during the year under review:

After new management assuming the management control on January 2024, the Audit Committee met once on 13th February 2024 until 31st March 2024. The meetings were scheduled in advance. Mr. Kaiyoze Billimoria, Mr. Ashishkumar Bairagra, Mr. Paresh Merchant attended the meeting held on 13th February 2024.

The composition, quorum, powers, role and terms of reference of the Audit Committee inter-alia covers the areas as contemplated under Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Act, as applicable.

Nomination & Remuneration Committee:

The Nomination and Remuneration Committee is in compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, as amended from time to time.

Constitution and Composition:

The composition of the Nomination and Remuneration Committee as on March 31, 2024 is as follows:

Name of the Member	Designation	Category
Ms. Maya Sinha	Chairperson	Non-executive & Independent Director
Mr. Kaiyoze Billimoria	Member	Non-executive & Independent Director
Mr. Paresh Merchant	Member	Non-executive & Non-independent Director

Meeting and attendance during the year under review:

During the financial year under review, the Nomination and Remuneration Committee met once on February 13, 2024 after reconstitution and attended by two members of the Committee.

The composition, quorum, powers, role and terms of reference of the Nomination & Remuneration Committee *inter-alia* covers the areas as contemplated under Regulation 19 read with Para A of Part D of Schedule II of the Listing Regulations and section 178 of the Companies Act, 2013, as applicable.

Remuneration of Directors:

Remuneration Policy

a. Remuneration to Independent Directors and Non- Executive Directors

The Company considers the time and efforts put in by the non-executive directors in deliberations at the Board/ Committee meetings. They are remunerated by way of sitting fees for attending the meetings, as recommended by Nomination & Remuneration Committee and approved by the Board of the Company. The independent directors are paid sitting fees for each meeting of the Board and its Committees, attended by them.

b. Remuneration to Executive Directors

The appointment and remuneration of the executive directors is governed by the recommendation of the Nomination & Remuneration Committee, Nomination & Remuneration Policy and approval of the board of directors and Shareholders of the Company.

The Nomination & Remuneration Policy is hosted on the Company's website viz. www.rnaval.co.in.

Details of remuneration paid to Directors for the year ended 31st March 2024:

Name of Directors	Category	Salary / Sitting Fees	Commission	Perquisites	Total
Mr. Nikhil Merchant	Chairman & Managing Director	-	-	-	-
Mr. Arun Sinha	Non-Executive & Independent Director	-	-	-	-
Mr. Kaiyoze Billimoria	Non-Executive & Independent Director	-	-	-	-
Mr. Ashishkumar Bairagra	Non-Executive & Independent Director	-	-	-	-
Ms. Maya Sinha	Non-Executive & Independent Director	-	-	-	-
Mr. Prabhakar Patil	Non-Executive & Independent Director	-	-	-	-
Mr. Paresh Merchant	Non-Executive & Non-Independent Director	-	-	-	-
Mr. Vivek Merchant	Non-Executive & Non-Independent Director	-	-	-	-
Mr. Bhavik Merchant	Non-Executive & Non-Independent Director	-	-	-	-
Mr. Arvind Morbale	Non-Executive & Non-Independent Director	20,44,560*	-	-	-

Note:

*a. *Details of remuneration is from January, 2024 to March 2024.*

b. No severance pay is payable on termination of appointment.

Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee is in compliance with the provisions of section 178 of the Act and Regulation 20 read with Para B of Schedule II to Listing Regulations, as amended from time to time.

Constitution and composition:

The composition of the Stakeholders Relationship Committee as on March 31, 2024 is as follows:

Name of the Member	Designation	Category
Mr. Paresh Merchant	Chairman	Non-executive & Non-independent Director
Mr. Vivek Merchant	Member	Non-executive & Non-independent Director
Mr. Prabhakar Patil	Member	Non-executive & Independent Director

Meetings and attendance:

Since, pursuant to the implementation of Resolution Plan, the existing Board of the Company was constituted on 30th December 2023, no meeting of the Stakeholders Relationship Committee held during the year under review.

Name, designation and address of the Compliance Officer

Mr. Vishant Shetty
Company Secretary & Compliance Officer,
Feltham House
10 J. N. Heredia Marg,
Ballard Estate - Mumbai – 400 001
Email: rnel@swan.co.in
Contact No: +91 - 22 - 40587300

Detail of complaints received and resolved during the year under review:

The Company, along with its Share Transfer Agent, KFin Technologies Ltd, addresses all shareholder grievances, whether received directly or through SEBI, stock exchanges, or other statutory regulatory authorities.

The details of shareholders / investors complaint is as under:

Complaint outstanding as on April 01 2023	0
Compliant received during the financial year ended March 31, 2024	1
Compliant resolved during the financial year ended March 31, 2024	1
Complaint outstanding as on March 31, 2024 (resolved in the quarter ended June 30, 2024)	0

GENERAL BODY MEETINGS

Annual General Meetings:

Location and time, where last three Annual General Meetings of the Company were held and details of special resolutions passed:

Year	Venue	Date & Time	Special Resolution
2020-21	Through VC/ OAVM	08th November 2024 at 12.30 PM	None
2021-22	Through VC/ OAVM	08th November 2024 at 03.00 PM	None
2022-23	Through VC/ OAVM	27th December 2024 at 11.30 AM*	None

** proposed*

Location and time, where last Extra-Ordinary General Meeting of the Company was held and details of special resolutions passed:

Date & Time	Venue	Details of Special Resolution Passed
07th March 2024 at 11.30 AM	Through VC/ OAVM	1. Appointment of Mr. Nikhil Vasantlal Merchant (DIN: 00614790) as Chairperson & Managing Director of the Company;
		2. Appointment of Mr. Arvind Jayasing Morbale (DIN: 10366188) as a Whole-time Director of the Company;
		3. Appointment of Mr. Kaiyoze Beji Billimoria (DIN: 00021204) as an Independent Director of the Company;
		4. Appointment of Mrs. Maya Swaminathan Sinha (DIN: 03056226) as an Independent Director of the Company;
		5. Appointment of Mr. Ashishkumar Bairagra (DIN: 00049591) as an Independent Director of the Company;
		6. Appointment of Mr. Arun Sinha (DIN: 00280485) as an Independent Director of the Company;
		7. Appointment of Mr. Prabhakar Reddy Patil (DIN: 00377406) as an Independent Director of the Company;
		8. Change in name of the Company and consequential alteration to MOA and AOA of the Company

Postal Ballot:

No postal ballot was conducted during the year under review. At present, there is no proposal for passing any special resolution through Postal Ballot.

MEANS OF COMMUNICATION:

A	**Quarterly Results**	Quarterly results are approved and taken on record by the board of directors and submitted to the Stock Exchanges as per requirements of the Listing Regulations.
B	**Newspapers wherein results are normally published**	English Newspaper - The Free Press Journal/ Business Standard Vernacular Newspaper - Ahmedabad Express
C	**Any website, where results are displayed**	www.rnaval.co.in
D	**Whether the website also displays**	
	(i) official news releases	Yes
	(ii) presentations made to institutional investors or to the analysts	No presentations were made to institutional investors or to the analysts during the year under review

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:

Day	Friday
Date	December 27, 2024
Time	1.00 PM
Venue	The 27th Annual General Meeting of the Company is being conducted through VC/ OAVM. In accordance with the provisions of Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with various circular issued by the Ministry of Corporate Affairs, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
Financial Year	Begins on 1st April and ends on 31st March of the following year
Dividend Payment date	No dividend is recommended by the board of directors for the financial year ended March 31, 2024
Name and Address of Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

The Company has timely paid the annual listing fee and custodian fees for the financial year ended 31st March 2024.

Stock Codes:

i.	BSE Limited	:	533107
ii.	National Stock Exchange of India Limited	:	RNAVAL
iii.	ISIN of the Company	:	INE542F01012

Market Price Data:

Since trading in the Company's scrip was suspended during the reporting period, the monthly high and low quotations of its equity shares on the BSE and NSE cannot be included in this report.

Share price performance in comparison to broad based indices:

As a result of the suspension, the share price performance relative to broad-based indices cannot be presented.

Registrar and Share Transfer Agent:
KFin Technologies Limited,
Selenium Building, Tower – B,
Plot No. 31 & 32,
Financial District, Nanakramguda Hyderabad, Telangana- 500 032.
Tel: +91 40 6716 1500
Fax: +91 40 6716 1791
Toll Free No. (India): 1800 4250 999
Email: ris.del@Kfintech.com
Website: www. Kfintech.com

Suspension of trading of equity shares on Stock Exchanges:

The equity shares of the Company were suspended from trading on the BSE and NSE from July 16, 2023 until the end of the reporting period, i.e., March 31, 2024, *inter-alia* due to the reduction and re-issuance of equity share capital as per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, in its order dated December 23, 2022.

Outstanding GDR/ADR/ Warrants or any Convertible instruments, Conversion date and likely Impact on equity:

There were no GDR/ADR/Warrants or Convertible Instruments outstanding at the end of the year ended 31st March 2024.

Commodity price risk or foreign exchange risk and hedging activities:

a. Commodity price risk and hedging activities

There have been no commodity price risk and hedging activities carried out by the company during the reporting period, specifically from January 04, 2024, until the year-end.

b. Foreign exchange risk and hedging activities

There have been no foreign exchange or hedging activities carried out by the company during the reporting period, specifically from January 04, 2024, until the year-end.

Plant Location:

Pipavav Port,
Post Ucchaiya,
Via Rajula, Amreli, Gujarat, 365560

Address for Correspondence:

The shareholders may send their communications, queries, suggestions and grievances to the Compliance Officer at the following address:

Mr. Vishant Shetty
Company Secretary & Compliance Officer,
Feltham House
10 J. N. Heredia Marg,
Ballard Estate - Mumbai – 400 001
Email: rnel@swan.co.in
Contact No: +91 - 22 - 40587300

OTHER DISCLOSURES:

a. During the year ended 31st March 2024, a penalty of ₹ 53,59,560 (including GST) was duly paid to both the BSE and NSE in connection with certain instances of non-compliance with Listing Regulations

b. The Company has not raised any fund through preferential allotment or qualified institutions placement, hence the disclosure of details of utilization of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.

c. During the year under review, the board had accepted all recommendations of the committees, which are mandatorily required.

d. Total fees for all services paid by the Company to M/s N. N. Jambusaria & Co., Chartered Accountants, the Statutory Auditor of the Company for the year ended March 31, 2024, is as follows:

Fees for statutory audit and related services	16,30,000
Fees for tax audit and related services	
Fees for limited review and certification charges	

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

number of complaints filed during the financial year:	0
number of complaints disposed of during the financial year:	0
number of complaints pending as on end of the financial year	0

CERTIFICATIONS:

Code of Conduct: As of March 31, 2024, the Company was in the process of adopting a 'Code of Conduct' for all Board members and Senior Management. Accordingly, a confirmation regarding compliance with the 'Code of Conduct,' in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, will be provided in the year following its adoption.

CEO/ CFO Certificate: As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Nikhil Merchant, Chairman & Managing Director and Mr. Rishi Chopra, Chief Financial Officer have reviewed the audited financial statements and cash flow statement for the financial year ended March 31, 2024 and accordingly have provided a certificate, which is enclosed separately at the end of this Report.

Certificate From Practising Company Secretary: A certificate from CS Jignesh Pandya, Practicing Company Secretary, has been obtained, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of a Company by SEBI and Ministry of Corporate Affairs or any other statutory authority and accordingly the same forms part of this report.

Certificate on Corporate Governance: The compliance certificate received from CS Jignesh Pandya, Practicing Company Secretary, regarding compliance of corporate governance requirements is annexed at the end of this Report.

CEO – CFO CERTIFICATE

To the Board of Directors

Reliance Naval & Engineering Limited,

1. We have reviewed the Audited Financial Statements and the Cash Flow statement of Reliance Naval & Engineering Limited ["the Company"] for the financial year ended on March 31, 2024 and to the best of our knowledge and belief:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that may be misleading; and
   ii. These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year which are fraudulent and illegal
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. The management of the company is currently in the process of implementing effective internal control systems pertaining to financial reporting, and the fact of this has been disclosed to the auditors and the audit committee.
4. We have indicated to the Auditors and the Audit Committee:
   a. that there were no significant changes in internal controls over financial reporting during the year;
   b. that there were no significant changes in accounting policies made during the year; and
   c. that there were no instances of significant fraud of which we have become aware.

Yours sincerely

Rishi Chopra
Chief Financial Officer

Nikhil Merchant
Chairman & Managing Director
DIN: 00614790

Date: November 11, 2024
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Reliance Naval and Engineering Limited
Pipavav Port, Post Ucchaiya, Via Rajula,
Dist. Amreli- 365 560, Gujarat

We have examined the compliance of the conditions of Corporate Governance by Reliance Naval and Engineering Limited ('the Company') for the year ended on March 31, 2022, as stipulated under regulations 17 to 27, clauses (b) to (i) of sub Regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('The Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on the information provided to me, the explanations given, and the representations made by the Directors and the management, I hereby certify that, to the best of my knowledge and belief, the Company has complied, to the extent applicable, with the conditions of Corporate Governance as stipulated in the Listing Regulations as of March 31, 2024

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. The certificate is solely issued for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Note: In accordance with the Order dated January 15, 2020, issued by the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"), the Corporate Insolvency Resolution Process ("CIRP") was initiated for the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"/"Code"), with effect from January 15, 2020 (the "CIRP Commencement Date"). During the period from January 15, 2020, to January 4, 2024, and specifically for the reporting period, the management of the Company was initially entrusted to the Monitoring Committee, which oversaw company's affairs and controlled the management until January 3, 2024. Subsequently, the management control and the affairs of the company, was transferred to the newly constituted Board on January 04, 2024. On December 8, 2023, the Monitoring Committee passed a resolution to reconstitute the Board and formally handed over the management responsibilities to the new Board. As of March 31, 2024, the Company has complied, to the extent applicable, with the Corporate Governance requirements set out in the Listing Regulations.

For Jignesh M. Pandya & Co.
Practicing Company Secretary

Proprietor
ACS 7346/ CP 7318
Peer Review No: 2727/2022
Place: Mumbai
Date: 11/11/2024
UDIN: A007346F002026055

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Reliance Naval and Engineering Limited
Pipavav Port, Post Ucchaiya, Via Rajula,
Dist. Amreli- 365 560, Gujarat

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Reliance Naval and Engineering Limited having CIN : L35110GJ1997PLC033193 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers,I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

List of Directors of the Company:

Sr. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1	Nikhil Merchant	00614790	08/12/2023	---------
2	Paresh Merchant	00660027	08/12/2023	---------
3	Bhavik Merchant	06389064	08/12/2023	---------
4	Vivek Merchant	06389079	08/12/2023	---------
5	Kaiyoze Billimoria	00021204	14/12/2023	---------
6	Ashishkumar Bairagra	00049591	14/12/2023	---------
7	Arun Sinha	00280485	14/12/2023	---------
8	Prabhakar Reddy Patil	00377406	16/12/2023	---------
9	Maya Swaminathan Sinha	03056226	14/12/2023	---------
10	Arvind Morbale	10366188	14/12/2023	---------

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jignesh M. Pandya & Co.
Practicing Company Secretary

Proprietor
ACS 7346/ CP 7318
Peer Review No:2727/2022
Place: Mumbai
Date: 11/11/2024
UDIN: A007346F002027001

Note: *In accordance with the Order dated January 15, 2020, issued by the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"), the Corporate Insolvency Resolution Process ("CIRP") was initiated for the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"/"Code"), with effect from January 15, 2020 (the "CIRP Commencement Date"). During the period from January 15, 2020, to January 4, 2024, and specifically for the reporting period, the management of the Company was initially entrusted to the Monitoring Committee, which oversaw company's affairs and controlled the management power until January 3, 2024. Subsequently, the management control was transferred to the newly constituted Board as of January 04, 2024. On December 8, 2023, the Monitoring Committee passed a resolution to reconstitute the Board and formally handed over the management responsibilities to the new Board.*

Independent Auditor's Report

To

The Members of Reliance Naval and Engineering Limited

CIN No. L35110GJ1997PLC033193

Report on the Audit of the Standalone Financial Statements

Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal ("NCLT") admitted an insolvency and bankruptcy petition filed by IDBI Bank, acting as a financial creditor, against Reliance Naval and Engineering Limited ("the Company"). The resolution plan submitted by M/s. Hazel Mercantile Limited, the Resolution Applicant, was approved by the NCLT through an order dated December 23, 2022.

In accordance with the approved resolution plan, majority of payments due to Financial Creditors, Operational Creditors, and Employees, along with the Corporate Insolvency Resolution Process ("CIRP") and Monitoring Committee ("MC") period costs, were paid by January 4, 2024. Subsequently, the MC was discharged on January 4, 2024, and the newly appointed board of directors ("New Management") of the Company was given full authority to manage the Company's affairs in compliance with the Companies Act, 2013.

The impact of resolution plan has been given in the financial statement for the quarter and nine months ended December 31, 2022.

Opinion

We have audited the accompanying standalone financial statements of Reliance Naval and Engineering Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the SFS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid SFS give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the SFS' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the SFS under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the SFS.

Emphasis of Matter Paragraph

i. We draw your attention to Note 10.1 (a) & (b) of accompanying SFS which states that the Number of equity shares in the company stands reduced based on the approved resolution plan by the Hon'ble National Company Law Tribunal in the ratio of 1 share each for 275 shares held in the company, resulting in the reduction of equity capital by ₹ 73,490.91 lakhs. As per the approved resolution plan, Hazel Infra Limited was to invest ₹ 5,000 lakhs by way of 5 crores equity shares of ₹ 10 each in the company. The infusion of the amount happened on October 27, 2023.

ii. We draw your attention to Note 12.2 of accompanying SFS which states that during the period the company has taken interest free unsecured loan from Hazel Infra Limited of ₹ 28,374 lakhs, which is repayable on demand.

iii. We draw your attention to Note 23.1 of accompanying SFS which states that as per NCLT order dated August 01, 2023, interest at the rate of SBI MCLR plus 200 basis points is payable with effect from June 23, 2023 till the making up full upfront payment of ₹ 200 Crores to unrelated financial creditors. Hence as per the order, the company has charged interest of ₹ 40.27 lakhs at the rate of 10.50% p.a. from June 23, 2023 to June 30, 2023. In the Meeting of the Joint Lenders of the company, held on September 12, 2023, the unrelated financial creditors have agreed to give an extension of time for making the balance upfront payment subject to payment of interest for the delay, at SBI MCLR of 1 year (8.5% p.a.) plus 250 basis points from September 15, 2023 till the date of payment on reducing balance basis. Therefore, the company has charged interest of ₹ 517.68 lakhs and ₹ 127.47 lakhs in the second quarter and third quarter respectively.

iv. We draw your attention to Note 23.2 of accompanying SFS which states that as per NCLT order dated November 21, 2023, 1st tranche amounted ₹ 312 crores is deferred, and interest is payable to unrelated financial creditors. Hence, as per the order, the company has charged interest at the rate of 10.50% p.a. on ₹ 200 Crores and at the rate of 8.55% p.a. on ₹ 112 crores from December 23, 2023, till the date of payment which is August 7, 2024. Therefore, the company has charged interest of ₹ 75.19 lakhs and ₹ 760.22 lakhs in the third quarter and fourth quarter respectively.

v. We draw your attention to Note 40 of accompanying SFS which inter-alia states that, as per regulatory compliance, the company is required to conduct an internal audit for FY 2023-24. The internal auditor is not appointed for the period ending March 31, 2024.

Our opinion on the accompanying SFS is not modified in respect of the above-mentioned matters.

Information Other than the Financial Statements and Auditor's Report Thereon

i. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditors' report thereon. The Director's report is expected to be made available to us after the date of this auditors report.

ii. Our opinion on the SFS does not cover the other information and we do not express any form of assurance conclusion thereon.

iii. In connection with our audit of SFS, our responsibility is to read the other information and, in doing so, consider, whether the other information is materially inconsistent with the SFS, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

iv. If, based on the work we have performed, we conclude that there is any material inconsistency, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the CFS

i. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these SFS that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the SFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

ii. In preparing the SFS, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

iii. The Company's Board of Directors are also responsible for overseeing the company's financial reporting process.

iv. The new management has been granted full control of affairs of the Company with effect from January 04, 2024, only.

Auditor's Responsibilities for the Audit of the SFS

Our objectives are to obtain reasonable assurance about whether the SFS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these SFS.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the SFS, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the SFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the SFS, including the disclosures, and whether the SFS represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the SFS that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the SFS may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the SFS.

We communicate with those charged with governance ('TCWG') regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide TCWG with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with TCWG, we determine those matters that were of most significance in the audit of the SFS of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

i. The comparative Ind AS financial statement for the year ended March 31, 2023 are included in these SFS on which we have issued a modified opinion dated November 11, 2024.

   Our opinion on the accompanying SFS is not modified in respect of the above mentioned matter.

i. Report on Other Legal and Regulatory Requirements

(A) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

(B) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements (SFS) comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the company as on the date of signing of these SFS (as restated) which has been taken on record by the Board of Directors of the company, none of the directors of the company incorporated in India is disqualified as on the date of signing of these SFS from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement.

ii. Bases on the representations by the company, we have noted that Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.

iii. Based on the latest available secretarial audit report and representations from the company, we noted that company is not required to transfer amounts to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. The company have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi. Based on our examination, which included test checks, in terms of Rule 3 (1) of the Companies (Accounts) Rules, 2014, applicable on or after April 1, 2023, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. Accordingly, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 about preservation of audit trail for record retention is not applicable for the financial year ended March 31, 2024.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For N.N. Jambusaria & Co
Chartered Accountants
Firm Reg No.104030W

Nimesh Jambusaria
Partner
M. No: 038979
UDIN: 24038979BKBNXR6383

Place: Mumbai
Date: November 11, 2024

ANNEXURE "A"
TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under 'Report on other legal and Regulatory Requirements of Independent Auditor's Report of even date to the members of Reliance Naval and Engineering Limited ("the company") on the Standalone Financial Statements for the year ended March 31, 2024

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit and to the best of my knowledge and belief, we state that:-

i. Property, Plant and Equipment

a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a program of physical verification of its property, plant and equipment in phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, property, plant and equipment were verified during the year. No material discrepancies were noticed on such verification.

c) According to the information and explanation given to us and on the basis of examination of the records of the company, the company does not have any immovable properties held in their name (other than properties where the company is the lessee and the lease agreement are duly executed in the favour of Lessee) and no requirement of title deeds arises.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

ii. Inventories

a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.

b) According to the information and explanations given to us, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b) of the order is not applicable.

iii. Loans given

According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not made any additional investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or other parties during the year. Accordingly, reporting under clause 3 (iii) (a),(b),(c),(d),(e),(f) of the order is not applicable.

iv. Compliance of Sec 185 & 186

Basis the details and the information received from the management and their representation, we have noted that the company had complied with the provisions of section 185 and 186 of the Act. During the current year, the company has not provided any additional corporate guarantees and securities.

v. Public Deposit

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. Cost Records

According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the company. Hence, reporting under clause 3 (vi) of the Order is not applicable to the company.

vii. Statutory Dues-

a) According to information and explanations given to us and on the basis of our examination of the records of the company, it is regular in depositing undisputed statutory dues including Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, sales-tax, service tax, Duty of Customs, duty of excise, cess and other material statutory dues applicable to it with the appropriate authorities, except the following:-

Name of the Statue	Nature of Dues	Period to which it relates	Amount in ₹ Lakhs
Employees' Provident Fund	Provident Fund	Various dates before October'2023	78.69
Profession Tax Act	Profession Tax	Various dates before October'2023	0.49

b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the company has not surrendered or disclosed as income any transaction not recorded in the books of accounts during the year in the tax assessments under the Income Tax Act, 1961

ix. Application & Repayment of Loans & Borrowings

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) According to the information provided to us by the management, the company not been declared as wilful defaulter by any bank or financial institutions or other lenders.

c) The Company has not taken term loan during the year and hence, reporting under clause 3 (ix) (c) is not applicable.

d) On an overall examination of the financial statements of the company, we state that company has not raised short term fund during the year.

e) The company has not taken any additional funds during the year from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The Company has not raised fresh loans during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies

x. Application of funds raised through public offer

a) The company has not raised money by way of Initial Public Offer or further public offer including debt instruments and term loans during the year and hence reporting under clause (x) (a) of the Order is not applicable to the company

b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause (x)(b) of the Order is not applicable to the company.

xi. Fraud

a) Based on the information and explanations given to us by the management, no material fraud has been noticed or reported by the company during the year.

b) To the best of our knowledge, owing to (xi) (a), report under sub-section (12) of section 143 of the Companies Act is not required to be filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) No whistle-blower complaints have been received during the year by the company as represented to us by the management.

xii. Nidhi Company

The Company is not a Nidhi company as per the Nidhi Rules, 2014. Hence reporting under Clause 3(xii) of the Order is not applicable to the company

xiii. In our opinion and according to the information and explanations received from the management of the company, the Company has entered into the transactions with related parties in compliance with Section 177 and 188 of Companies Act, 2013, where applicable, for all the balances of related parties and details of related parties sanctions have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.

xiv. Internal Audit

According to the information and explanation provided to us and based on our examination of the records of the company, the company is required to conduct Internal Audit as per Section 138 of the Companies Act 2013. However, company has not appointed any internal auditor for FY 2023-24.

xv. In our opinion and according to the information and explanations given to us, the company has not entered any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.

xvi. Registration u/s 45-IA of RBI Act

a) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the order are not applicable to the company

b) The Company has not conducted any Non-Banking Financial or Housing Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

d) According to the information and explanations provided to us during the course of audit, the Group does not have any Core Investment Company. Accordingly, the requirements of clause 3(xvi)(d) are not applicable

xvii. The company has incurred cash losses amounting to ₹ 4191.96 Lakhs during the year losses in the financial year and no cash losses were incurred during the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year 2023-24. The Monitoring Committee was discharged on January 4, 2024 and the new management of the Company was given full authority to manage the Company's affairs in compliance with the Companies Act, 2013. In pursuance of the resignation of predecessor auditors, the new management appointed N. N. Jambusaria & Co. as new auditors. We have considered all the issues, objections and concerns raised by the outgoing auditors as applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Corporate Social Responsibility

The company is not required to spend any amount towards Corporate social Responsibility (CSR) and thus there us is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) or to special account in compliance with the provisions of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the order is not applicable to the company.

For N.N. Jambusaria & Co
Chartered Accountants
Firm Reg No.104030W

Nimesh Jambusaria
Partner
M. No: 038979
UDIN: 24038979BKBNXR6383

Place: Mumbai
Date: November 11, 2024

ANNEXURE "B"

To the Independent Auditor's Report on the SFS of Reliance Naval and Engineering Limited for the year ended March 31, 2024
(Referred to in Paragraph 2 (A) (f), under 'Report on other legal and Regulatory Requirements section of our report)
Report on the Internal Financial Controls under Section 143 (3) (i) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Reliance Naval and Engineering Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the SFS of the Company for the year ended on that date.

In our opinion, the Company has, in all material aspects, an adequate internal financial control system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For N.N. Jambusaria & Co
Chartered Accountants
Firm Reg No.104030W

Nimesh Jambusaria
Partner
M. No: 038979
UDIN: 24038979BKBNXR6383

Place: Mumbai
Date: November 11, 2024

Standalone Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars		Note No.	As at March 31, 2024	As at March 31, 2023
I	ASSETS			
(1)	Non Current Assets			
	(a) Property, Plant and Equipment	2	1,10,756.53	1,16,485.95
	(b) Right-of-use Assets	2	5,999.82	6,731.77
	(c) Capital Work in Progress	2	4,306.50	3,669.00
	(d) Intangible Assets	2	-	-
	(e) Financial Assets			
	(i) Investments	3	153.49	153.49
	(f) Deferred Tax Assets (net)	4	-	-
	(g) Other Non Current Assets	5	9,411.28	9,343.02
	Total Non Current Assets (A)		**1,30,627.62**	**1,36,383.23**
(2)	Current Assets			
	(a) Inventories	6	1,40,539.73	1,40,515.47
	(b) Financial Assets			
	(i) Trade Receivables	7	-	-
	(ii) Cash and Cash Equivalents	8	1,820.94	809.63
	(c) Current Tax Assets (Net)		5.20	24.63
	(d) Other Current Assets	9	1,020.58	558.06
	Total Current Assets (B)		**1,43,386.45**	**1,41,907.79**
	TOTAL ASSETS (A+B)		**2,74,014.07**	**2,78,291.02**
II	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share Capital	10	268.22	268.22
	Share Application Money		5,000.00	-
	(b) Other Equity	11	42,069.06	54,205.05
	Total Equity (A)		**47,337.28**	**54,473.27**
(2)	Liabilities			
2.1	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	1,62,574.00	1,85,000.00
	(ii) Lease Liability		7,320.08	8,137.03
	(b) Provisions	13	43.01	43.01
	Total Non Current Liabilities (B)		**1,69,937.09**	**1,93,180.04**
2.2	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	50,800.00	20,000.00
	(ii) Lease Liability		1,174.76	809.05
	(iii) Trade Payables	15		
	Total outstanding dues of micro and small enterprises		2.50	28.29
	Total outstanding dues of creditors other than micro and small enterprises		3,678.44	7,798.33
	(iv) Other Financial Liabilities	16	1,065.02	1,925.34
	(b) Other Current Liabilities	17	18.98	76.70
	(c) Provisions	18	-	-
	Total Current Liabilities (C)		**56,739.70**	**30,637.71**
	TOTAL EQUITY AND LIABILITIES (A+B+C)		**2,74,014.07**	**2,78,291.02**
Material Accounting Policies		1		
Notes forming part of Standalone Financial Statements		2 to 40		

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXR6383

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from Operations	19	-	316.10
II	Other Income	20	246.33	459.82
III	**Total Income (I + II)**		**246.33**	**775.92**
IV	**Expenses**			
	Cost of Materials Consumed	21	27.29	25.72
	Cost of Raw Material Sold		-	-
	Changes in Inventories of Work in Progress & Scrap	21	-	-
	Employee Benefits Expenses	22	471.91	325.58
	Finance Costs	23	2,639.23	1,46,972.79
	Depreciation and Amortisation Expenses	2	6,846.25	6,828.59
	Other Expenses	24	2,397.64	5,052.77
	Total Expenses (IV)		**12,382.32**	**1,59,205.45**
V	**Profit / (Loss) before Exceptional Items and Tax (III - IV)**		**(12,135.99)**	**(1,58,429.53)**
VI	**Exceptional Items**	25		
	Loss of Inventory		-	(9.93)
	Recasting Gain		-	19,52,132.53
VII	**Profit / (Loss) Before Tax (V - VI)**		**(12,135.99)**	**17,93,693.07**
VIII	**Tax Expense**			
	- Current Tax		-	-
	- Deferred Tax Credit/ (Reversal)	4	-	-
	- Income Tax for Earlier Years		-	-
IX	**Profit / (Loss) after tax (VII - VIII)**		**(12,135.99)**	**17,93,693.07**
X	**Other Comprehensive Income**			
	Other Comprehensive Income to be reclassified to profit and loss in subsequent year			
	Exchange differences on translation of Foreign Operations		-	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
	Items that will not to be reclassified to profit and loss in subsequent year			
	Actuarial gains/(losses) on defined benefit plans		-	-
	Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year (X)			**-**	**-**
XI	**Total Comprehensive Income for the year (IX+X)**		**(12,135.99)**	**17,93,693.07**
XII	Earnings per Equity Share of ₹ 10 each	26		
	- Basic (In ₹)		(452.47)	66,875.20
	- Diluted (In ₹)		(452.47)	66,875.20
Material Accounting Policies		1		
Notes forming part of Standalone Financial Statements		2 to 40		

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXR6383

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Standalone Statement of Changes in Equity

for year ended March 31, 2024

A Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	26,82,150	268.22	73,75,91,263	73,759.13
Changes in equity share capital during the year	-	-	-	-
Equity Shares Cancelled	-	-	(73,49,09,113)	(73,490.91)
Equity Shares at the end of the year	**26,82,150**	**268.22**	**26,82,150**	**268.22**

B Other Equity

(₹ in Lakhs)

Particulars	Reserve and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Other Reserve	Retained Earning	Other Items relating to other comprehensive income	
As at April 01, 2022	**6,254.96**	**1,50,011.33**	**22,791.35**	**(19,92,206.46)**	**169.89**	**(18,12,978.93)**
Add/(Less):						
Profit / (loss) for the year	-	-	-	17,93,693.07	-	17,93,693.07
Change in equity structure	73,490.91	-	-	-	-	73,490.91
Other Comprehensive Income	-	-	-	-	-	-
As at March 31, 2023	**79,745.87**	**1,50,011.33**	**22,791.35**	**(1,98,513.39)**	**169.89**	**54,205.05**
As at April 01, 2023	**79,745.87**	**1,50,011.33**	**22,791.35**	**(1,98,513.39)**	**169.89**	**54,205.05**
Add/(Less):						
Profit / Loss for the year	-	-	-	(12,135.99)	-	(12,135.99)
Other Comprehensive Income	-	-	-	-	-	-
As at March 31, 2024	**79,745.87**	**1,50,011.33**	**22,791.35**	**(2,10,649.38)**	**169.89**	**42,069.06**

Material Accounting Policies Note 1

Notes forming part of Standalone Financial Statements Note 2 to 40

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXR6383

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Standalone Cash Flow Statement

for the year ended March 31, 2024

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash Flow from Operating Activities**		
	Profit / (Loss) before Tax	(12,135.99)	17,93,693.07
	Adjustments for :-		
	Depreciation and Amortisation Expenses	6,846.23	6,828.59
	Interest Income	(8.95)	(12.26)
	Loss on Sale of Plant, property and equipments (net)	-	1,805.00
	Finance Costs	2,639.23	1,46,972.79
	RoU recalculation Fixed asset Impairment and W/off	-	220.81
	Operating cash flow before working capital changes	**(2,659.48)**	**19,49,508.00**
	Movement in Working Capital		
	(Increase) / Decrease in Inventories	(24.26)	68,116.90
	(Increase) /Decrease Other non current assets	5.62	-
	(Increase) /Decrease Trade and Other Receivables	(462.52)	15,355.03
	Increase in / (Decrease) Trade and Other Payables	(3,892.53)	(18,90,455.40)
	Cash Used in Operations	**(7,033.17)**	**1,42,524.53**
	Income Taxes (Paid) / Refund	19.43	308.18
	Net Cash from Operating Activities	**(7,013.74)**	**1,42,832.71**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Capital Work in Progress	(1,022.36)	1,155.69
	FD kept with bank	(73.88)	-
	Interest Received	8.95	12.26
	Net Cash from Investing Activities	**(1,087.29)**	**1,167.95**
C	**Cash Flow from Financing Activities**		
	Finance Costs	(2,639.23)	(1,46,972.79)
	Share capital money received	5,000.00	-
	Upfront Payment as per plan	(20,000.00)	-
	Interest on upfront payment	(685.44)	-
	Borrowings (From Hazel Infra Ltd)	28,374.00	1,000.00
	Repayment of Borrowings (Interim funding)	(803.94)	-
	Interest paid of repayment of Borrowings (Interim funding)	(133.05)	-
	Net Cash used in Financing Activities	**9,112.34**	**(1,45,972.79)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**1,011.31**	**(1,972.13)**
	Cash and Cash Equivalents at the beginning of the year	809.63	2,781.76
	Cash and Cash Equivalents at the end of the year (refer note 8)	1,820.94	809.63

Material Accounting Policies Note 1

Notes forming part of Standalone Financial Statements Note 2 to 40

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 - "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Previous Year Figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXR6383

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note - 1

Statement of Material Accounting Policies

General Information

The financial statements comprise financial statements of Reliance Naval and Engineering Limited ("RNEL" or "the Company") for the year ended March 31, 2024. RNEL is a Company limited by shares, incorporated and domiciled in India. The registered office of the Company is located at Pipavav Port, Post Ucchaiya, Via- Rajula, District Amreli (Gujarat), and the Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is mainly engaged in the construction of vessels, repairs and refits of ships and rigs and heavy engineering. RNEL has a large shipbuilding/repair infrastructure in India including the largest Dry Dock in the world. The Company is the first private sector Company in India to obtain the licence and contract to build Naval Offshore Patrol Vessels(NOPVs) for Indian Navy. The Shipyard has only modular shipbuilding facility in India with capacity to build fully fabricated and outfitted blocks. The fabrication facility spread over 2.1 million sq. ft. has annual capacity of 144,000 tons/year. The shipyard has pre-erection berth of 980 meter length and 40 meters width and one Goliath crane with lifting capacity of 600 tonnes, besides outfitting berth length of 780 meters.

On September 4, 2018, IDBI Bank in its capacity of financial creditor filed a petition under the Insolvency and Bankruptcy Code 2016 (the "IBC" / "Code") with the Hon'ble National Company Law Tribunal, Ahmedabad (the "NCLT") against Reliance Naval and Engineering Limited ("the Company"). The NCLT, vide its order dated January 15, 2020 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code. The said NCLT Order also records the appointment of Mr. Rajeev Bal Sawangikar as the Interim Resolution Professional ("IRP") in accordance with Section 16 of the Code. Subsequently, pursuant to the meeting held on March 13, 2020, the Committee of Creditors (the "CoC") has replaced the existing IRP with Mr. Sudip Bhattacharya as the Resolution Professional ("RP") for the Company. Upon the application filed by CoC, the NCLT has approved the appointment of RP vide its order dated May 5, 2020. The powers of the Board of Directors of the Company stand suspended with effect from January 15, 2020 i.e. the commencement of the insolvency proceedings, and continue to remain suspended in accordance with the provisions of the approved resolution plan. Pursuant to the approval of the Resolution Plan, the CIRP of RNEL has therefore concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Corporate Debtor, effective on and from December 23, 2022. Furthermore, as per the terms of the approved Resolution Plan, a monitoring committee was constituted to oversee the implementation of the Resolution Plan, and day-to-day operations and management of RNEL shall be carried out by the Monitoring Committee until the closing date as defined under the Resolution Plan. Accordingly, as per the resolution plan and the decision of the members of the Monitoring Committee, Mr. Sudip Bhattacharya has been appointed as the Chairman of the Monitoring Committee vide its MC 3rd meeting dated January 31, 2023.

In line with the approved resolution plan, the Successful Resolution Applicant ("SRA") deposited upfront payment tranches on October 27, 2023, and the same has been received in the designated bank account of the Company. By January 4, 2024, majority of the payment to Financial Creditors, Operational Creditors, and Employees as per the approved plan along with CIRP and MC period Cost has been made. Hence it was decided in the MC meeting held on January 4, 2024 that with effect from the said date the MC has ceased to exist, and the board of directors of the Company is given full authority as per the Companies Act for management of affairs of the Company. The monitoring committee has appointed M/s P.C. Patni & Company as a monitoring agency to review the cash flow and the proper implementation of the resolution plan by the Company.

Sr No.	Particulars as per plan	Particulars as per financials	Approved amount as per the Resolution Plan	Reduction in liabilities as per NCLT order	Disclosure
1	Financial Creditors	Compulsorily Redeemable Preference Shares	2,04,000.00	19,78,963.48	The amount of gain has been shown as recasting gain under the head exceptional item in profit and loss account.
2		Unsecured Loans			
3		Current Maturities of Long Term Debts			
4		Interest accrued and due on borrowings			
	Total		**2,04,000.00**	**19,78,963.48**	
5	Operational Creditors	Trade Payables	157.00	40,959.12	
6	Employees	Salaries Payable includes all statutory liability related to employees	151.00	929.52	

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Sr No.	Particulars as per plan	Particulars as per financials	Approved amount as per the Resolution Plan	Reduction in liabilities as per NCLT order	Disclosure
7	Other Debts and Dues	Other Debts and Dues	65.00	-	Being ascertained.
	Total		**2,04,373.00**	**20,20,852.12**	

Business Revival and continuity plan

The new management of the company is revitalizing the business through a comprehensive approach that strategically targets key market segments and establishes a clear roadmap to secure a competitive edge by focusing on 5 key levers:

1. Liquidation of WIP vessels and inventory: The company acquired 8 work-in-progress vessels presently at the yard and has received offers for liquidation of the OSVs.
2. Focused business strategy and sustainable revenue generation: The company is focused on building and converting a robust commercial pipeline by global and domestic reach outs for shipbuilding, repair and offshore fabrication opportunities. The company has received their first repair order starting in August 2024 and will be operational for new build from December 2024.
3. Yard Readiness: The company is currently reinstating and operationalizing the 600+ acres shipyard. As of date, the shipyard is ready to dock vessels and provide general repair services and is in the process of fully restoring their fabrication facility.
4. Organization building: The company is also focusing on talent identification and recruitment to build a capable workforce.
5. Capacity augmentation: The company is also actively engaging in planning for additional capacity to integrate a maritime vendor ecosystem and meet the global demand by increasing docking and berthing space. They are in the process of building a comprehensive yard design and layout strategy.

Material Accounting Policies

This note provides a list of the Material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation of Financial Statements:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] on accrual basis and other relevant provisions of the Act. Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations.

1.2 Historical Cost Convention:

The financial statements have been prepared on a historical cost basis, except for the following:

i Plant & Equipments and Freehold Land which were accounted at fair value at the date of transition to Ind AS;

ii Certain financial assets and liabilities (including derivative instruments) that are measured at fair value;

iii Defined benefit plans - plan assets measured at fair value; and

iv Assets held for sale – measured at fair value less cost to sell;

1.3 Functional and Presentation Currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian Rupee (INR), which is the functional currency for the Company.

1.4 Use of Estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and if material, their effects are disclosed in the notes to the Financial Statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Estimates and assumptions are required in particular for:

i. Determination of the estimated useful life of tangible assets:

The assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

iii. Recognition of deferred tax assets:

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

iv. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

v. Discounting of long - term financial liabilities:

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

vi. Determining whether an arrangement contains a lease:

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

vii. Fair value of financial instruments:

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts is determined using the rates published by Reserve Bank of India (RBI). Fair value of Interest Rate Swaps is determined with respect to current market rate of interest.

viii. Revenue recognition:

Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from Contracts with Customers'. The estimates are revised periodically.

1.5 Current Versus Non Current Classification:

i. The assets and liabilities in the Balance Sheet are based on current / non - current classification. An asset is current when it is:

1 Expected to be realised or intended to be sold or consumed in normal operating cycle

2 Held primarily for the purpose of trading

3 Expected to be realised within twelve months after the reporting period, or

4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non - current.

ii A liability is current when it is:

1 Expected to be settled in normal operating cycle

2 Held primarily for the purpose of trading

Notes to Standalone Financial Statements

for the year ended March 31, 2024

3 Due to be settled within twelve months after the reporting period, or

4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

1.6 Other Material Accounting Policies:

I Property, Plant and Equipments:

i. The Company has measured all of its Plant and Equipments and Freehold Land at fair value at the date of transition to Ind AS. The Company has elected these value as deemed cost at the transition date. All other property, plant and equipment have been carried at historical cost.

ii. Property, Plant and Equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use are capitalised as part of total cost of assets.

iii. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

II Depreciation:

i. Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful life specified in Schedule II to the Companies Act, 2013 except the following items, where useful life estimated on technical assessment, past trends and expected useful life differ from those provided in Schedule II of the Companies Act, 2013:

Description of Assets	Useful Life Considered (Years)
Dry Dock (including berths)	50/47
Offshore Yard	50/48
Site development	32 to 37
Roads, Culverts & Bridge	25
Wall	20
Heavy Fabrication Area	14
SAP/ Technical Know How	10
Vehicles & excavator	8
Toilet Block	7
Computers and accessories	6
Office equipments	5/4
Mobile Phones	3/2
Spare parts	1

The Management believes that the useful life as given above represents the period over which management expects to use these assets.

ii. In respect of additions/extensions forming an integral part of existing assets, depreciation has been provided over residual life of the respective assets. Material additions which are required to be replaced/performed at regular interval are depreciated over the useful life of their specific life.

iii. Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

III Borrowing Costs:

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

IV Intangible Assets:

Intangible Assets having finite life are stated at cost of acquisition less accumulated amortization and accumulated impairment,

Notes to Standalone Financial Statements

for the year ended March 31, 2024

if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test. Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 3 - 10 years.

V Fair Value Measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an assets or liability is measured using the assumptions that market participants would use when pricing the assets or liability, acting in their best economic interest. The fair value of plant and equipments as at transition date to Ind AS have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

VI Inventories:

i. Raw Materials, Stores and Spares, Work – in - Progress and Finished Goods etc. have been valued at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of steel plates, profiles, equipments and other raw materials and stores and spares at Weighted Average Method. Cost of Work-in-Progress and Finished Goods is determined on Absorption Costing Method. Scrap is valued at Net Realisable Value.

ii. If payment terms for inventory are on deferred basis i.e. beyond normal credit terms, then cost is determined by discounting the future cash flows at an interest rate determined with reference to the market rates. The difference between total cost and deemed cost is recognised as interest expense over the period of financing under the effective interest method.

VII IND AS 116 - Leases:

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

VIII Government Subsidy:

i Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

ii Government subsidy related to shipbuilding contracts are recognized when there is reasonable assurance that the subsidy will be received, on the basis of percentage completion of the respective ships, on compliance with the relevant conditions and such subsidies are recognized in the Statement of Profit and Loss and presented under the head revenue from operations.

iii Government grants in the nature of compensating certain costs are recognised as other income in Statement of Profit and Loss.

IX Foreign Currency Transactions:

i. Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

ii. Monetary items denominated in foreign currencies at the year end are re measured at the exchange rate prevailing on the balance sheet date.

iii. Non monetary foreign currency items are carried at historical cost.

iv. Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

X Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one company and a financial liability or equity instrument of another Company.

Financial Assets:

i Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss..

iii Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

iv Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

v Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

vi Investment in Subsidiaries and Associates:

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

vii Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from other comprehensive income to profit or loss.

viii Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included with in the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

ix Derecognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

x Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not valued through Statement of Profit and Loss.

Financial Liabilities:

i Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

ii Initial recognition and measurement:

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

iii Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchase in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

iv Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

v Derecognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

vi Derivative Financial Instrument and Hedge Accounting:

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

XI Employee Benefits:

i Short term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii Defined benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

iii Other long-term employee benefits:

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement is recognised in Statement of Profit and Loss in the period in which they arise.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

XII Provision for Current and Deferred Tax:

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i Current tax:

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current tax assets and liabilities are offset only if, the Company:

1 has a legally enforceable right to set off the recognised amounts; and

2 intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii Deferred Tax:

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

1 Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

2 Deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

XIII Impairment of Assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash - generating unit to which the asset belongs.

XIV Warranty Provision:

Provision for warranty related costs are recognised after the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience. The estimates of warranty related costs are revised periodically.

XV Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

XVI Earnings per share:

i **Basic earnings per share**: Basic earnings per share is calculated by dividing:

1 the profit attributable to owners of the Company;

2 by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii **Diluted earnings per share**: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

1 the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and

2 the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note - 2

A Property, Plant and Equipments

(₹ in Lakhs)

Depreciation of Assets	Owned Assets						Leased Assets		Intangible Assets	Total
	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles	Total Owned Assets	Right-of-use Assets	Leasehold Land and Development	Computer Softwares*	
I Gross Carrying Amount										
As at April 01, 2023	49,833.41	4,91,790.20	505.91	339.97	203.02	5,42,672.51	11,082.69	48,448.78	734.29	6,02,938.27
Additions during the year	-	3.63	-	16.09	-	19.72	365.14	-	-	384.86
Deductions	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**49,833.41**	**4,91,793.83**	**505.91**	**356.06**	**203.02**	**5,42,692.23**	**11,447.83**	**48,448.78**	**734.29**	**6,03,323.13**
II Accumulated Depreciation and Impairment										
a Accumulated Depreciation										
As at April 01, 2023	19,406.96	1,09,409.89	355.11	222.57	188.93	1,29,583.46	4,350.92	16,917.36	369.90	1,51,221.64
Additions during the year	1,256.05	4,183.75	0.46	0.82	1.42	5,442.50	1,097.09	306.64	-	6,846.23
Deductions	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**20,663.01**	**1,13,593.64**	**355.57**	**223.39**	**190.35**	**1,35,025.96**	**5,448.01**	**17,224.00**	**369.90**	**1,58,067.87**
b Impairment										
As at April 01, 2023	7,897.39	2,94,872.51	127.80	104.17	2.51	3,03,004.38	-	25,129.76	364.39	3,28,498.53
Additions during the year	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**7,897.39**	**2,94,872.51**	**127.80**	**104.17**	**2.51**	**3,03,004.38**	**-**	**25,129.76**	**364.39**	**3,28,498.53**
III Net Carrying Amount as at March 31, 2024	**21,273.01**	**83,327.68**	**22.54**	**28.50**	**10.16**	**1,04,661.89**	**5,999.82**	**6,095.02**	**-**	**1,16,756.73**
Previous Financial Year										
I Gross Carrying Amount										
As at April 01, 2022	50,209.58	5,13,929.26	890.77	1,021.39	638.19	5,66,689.19	10,833.84	48,448.78	10,730.31	6,36,702.12
Additions during the year on account of recalculation of Right-of-Use Assets	-	-	-	-	-	-	248.85	-	-	248.85
Deductions	376.17	22,139.06	384.86	681.42	435.17	24,016.68	-	-	9,996.02	34,012.70
As at March 31, 2023	**49,833.41**	**4,91,790.20**	**505.91**	**339.97**	**203.02**	**5,42,672.51**	**11,082.69**	**48,448.78**	**734.29**	**6,02,938.27**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

Depreciation of Assets	Owned Assets						Leased Assets		Intangible Assets	Total
	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles	Total Owned Assets	Right-of-use Assets	Leasehold Land and Development	Computer Softwares*	
II Accumulated Depreciation and Impairment										
a Accumulated Depreciation										
As at April 01, 2022	18,268.36	1,17,074.54	712.88	851.08	512.61	1,37,419.47	3,109.77	16,611.55	917.24	1,58,058.03
Additions during the year	1,257.43	4,199.13	0.76	1.68	14.41	5,473.41	1,049.37	305.81	-	6,828.59
Additions during the year on account of recalculation of Right-of-use Assets	-	-	-	-	-	-	191.78	-	-	191.78
Deductions	118.83	11,863.78	358.53	630.19	338.09	13,309.42	-	-	547.34	13,856.76
As at March 31, 2023	**19,406.96**	**1,09,409.89**	**355.11**	**222.57**	**188.93**	**1,29,583.46**	**4,350.92**	**16,917.36**	**369.90**	**1,51,221.64**
b Impairment										
As at April 01, 2022	8,001.65	3,02,120.12	153.08	143.01	55.59	3,10,473.45	-	25,129.76	9,813.07	3,45,416.28
Additions during the year	-	20.74	0.18	-	(0.14)	20.78	-	-	-	20.78
Deductions	104.26	7,268.35	25.46	38.84	52.94	7,489.85	-	-	9,448.68	16,938.53
As at March 31, 2023	**7,897.39**	**2,94,872.51**	**127.80**	**104.17**	**2.51**	**3,03,004.38**	**-**	**25,129.76**	**364.39**	**3,28,498.53**
III Net Carrying Amount as at March 31, 2023	**22,529.06**	**87,507.80**	**23.00**	**13.23**	**11.58**	**1,10,084.67**	**6,731.77**	**6,401.66**	**-**	**1,23,218.10**

* Other than Internally Generated.

Note -

1 In FY 2022-23 scrap sale of a fixed asset has been conducted for those assets damaged due to the cyclone that occurred in May 2021, the WDV value of those assets as on March 31, 2022 is ₹ 2,961 lakhs, and the sale value is ₹ 1,156 lakhs. The impact of loss on the sale of fixed assets is given in the books of accounts amounting to ₹ 1,805 lakhs during the year ended as per the relevant financial reporting framework.

2 There was a large scale damage to Property, Plant and Equipment, Capital Work in Progress and Inventories due to cyclone Tauktae which hit company premises during May 2021. Company has taken up the matter with insurance company for assessing the damage and settlement of claims. Pending the outcome no provision has been made in the accounts for period ended March 31, 2024.

3 During the year management has conducted physcial verification of fixed assests.

(₹ in Lakhs)

B Capital Work in Progress	As at March 31, 2024	As at March 31, 2023
	4,306.50	3,669.00

2.1 The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets. Further, additions include recognition of leasing arrangement towards Land as Right-of-use Assets of ₹ 11,082.69 lakhs and a Lease Liability of ₹ 11,082.69 lakhs as at April 1, 2019. The impact on the profit for the year is not material.

2.2 All the fixed assets of the Company are either mortagaged or hyphothecated against the secured borrowings of the Company as detailed in note no. 12 and 14 to the financial statements..

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.3 Capital Work in Progress (net of impairment) includes:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
- Assets under construction and installation	4,306.50	3,669.00
- Preoperative expenses	-	-

2.4 Capital-Work-in Progress (CWIP) disclosure as per notification issued by the Ministry Of Corporate Affairs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	637.50	-	-	-	637.50
Projects temporarily suspended	-	-	-	3,669.00	3,669.00

Note - 3

Investments

(₹ in Lakhs)

Particulars	% of holding	Face Value	Numbers		As at March 31, 2024	As at March 31, 2023
			31-Mar-24	31-Mar-23		
Long Term Trade Investments (Unquoted and fully paid up) - Financial Assets measured at cost						
In Equity Instruments of Subsidiary Companies						
E Complex Private Limited (refer note no. 3.3)	100.00%	₹10	2,17,09,327	2,17,09,327	1,896.73	1,896.73
Reliance Technologies and Systems Private Limited	100.00%	₹10	10,000	10,000	1.00	1.00
PDOC Pte. Limited *(Incorporated and place of business at Singapore)*	100.00%	SGD1	25,000	25,000	11.74	11.74
					1,909.47	**1,909.47**
In Equity Shares of Associate Company						
Conceptia Software Technologies Private Limited	25.50%	₹10	1,12,200	1,12,200	153.49	153.49
					153.49	**153.49**
In Equity Shares of Other Company						
Reliance Underwater Systems Limited (formerly Reliance Lighter than Air Systems Private Limited)	50.00%	₹10	1,40,000	1,40,000	**14.00**	**14.00**
In Government and Other Securities						
6 years National Savings Certificate					0.05	0.05
(Deposited with Sales Tax Department)						
					0.05	**0.05**
Less - Impairment of Investments					(1,923.52)	(1,923.52)
Total					**153.49**	**153.49**

3.1 Refer note no. 1(6)(X) for basis of valuation.

3.2 Aggregate amount of Non Current Investments.

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	-	-	-	-
Unquoted Investments	153.49	-	153.49	-
Total	**153.49**	**-**	**153.49**	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

3.3 Equity Shares of E Complex Private Limited are pledged with Lenders for loan facilities availed by the Company. However the amount of investment in E Complex Pvt Ltd has been fully impaired.

3.4 The Company has impaired investments considering the following indicators; Subsidiaries have consistently incurred losses over the years and thereby Net Worth has fully eroded. There is no existing operating business being carried out in these subsidiaries because of changes in market, economic and legal environment conditions. These Material changes in working conditions are impacting the current business of the subsidiaries.

3.5 During the Financial Year 2019 - 2020 (before the commencement of CIRP), Reliance Underwater Systems Private Limited (RUSPL) ceased to be subsidiary and also associate company of Reliance Naval and Engineering Limited, by virtue of allotment of additional equity shares (49.99%) to Reliance Corporate Advisory Services Limited, and assigning the voting rights to Reliance Capital Limited.

3.6 As per the applicable accounting framework the entity shall also submit consolidated financial statements for the year ending March 31, 2024. There are three subsidiaries of the Company and one associate. The subsidiaries of the Company are separate legal entities, also currently few companies are under CIRP Process, under liquidation and non-operational and the Company is not able to obtain relevant data from the available contact details of the subsidiaries. In view of the above, the Company has prepared Consolidated Financial Statements incorporating only Conceptia Software Technologies Private Limited, an associate company. The following wholly-owned subsidiaries are not considered in the consolidation of the financials statement.

Sr no.	Name of the Company	Nature of Entity	Status
1	E Complex Private Limited	Wholly Owned Subsidiary	Under CIRP
2	PDOC Pte. Limited	Wholly Owned Subsidiary	Active
3	Reliance Technologies and Systems Private Limited	Wholly Owned Subsidiary	Active
4	Conceptia Software Technologies Private Limited	Associate	Active

3.7 E-Complex Private Limited, a wholly-owned subsidiary of the Company was admitted during FY 2020-21 for Corporate Insolvency Resolution Process (CIRP) with NCLT Ahmedabad. The CIRP process for E-Complex Private Limited is completed as per the NCLT order dated December 4, 2023 which has been set aside by NCLAT by its order dated July 25, 2024. E-Complex Private Limited, a wholly-owned subsidiary of the Company was admitted during FY 2020-21 for Corporate Insolvency Resolution Process (CIRP) with NCLT Ahmedabad. The CIRP process for E-Complex Private Limited is completed as per the NCLT order dated December 4, 2023 which has been set aside by NCLAT by its order dated July 25, 2024. The COC of ECPL has filed an appeal before the Supreme court of India which is pending admission. The impairment created in the earlier years against this investment is still carried in the books of accounts.

Note - 4

Deferred Tax Liabilities/(Assets) (Net)

4.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:

Since the Company has incurred loss during the year ended March 31, 2024 and previous year, no tax is payable for these years as per provisions of Income Tax Act, 1961, the calculation of effective tax rate is not relevant and hence not given.

4.2 The Company has not recognised net deferred tax assets as Company is not certain that sufficient future taxable income will be available against which deferred tax assets can be realised considering its present order book and anticipated orders and opportunities in the defence sector as evidences.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note - 5

Other Non Current Assets

(Unsecured and considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits with		
Related Parties (Refer note no. 32)	7,370.00	7,370.00
Others	2,041.28	1,973.02
Total	**9,411.28**	**9,343.02**

As on March 31, 2024, the Company had given Security Deposit (short-term and long-term) amounting to ₹ 9,411.28 Lakhs. Out of the above security deposit, an amount of ₹ 7,370 Lakhs has been given to M/S E-Complex Private Limited ("ECPL") against the land taken from them on lease as a refundable deposit. ECPL was admitted under CIRP by NCLT. The claim submitted by the Resolution Professional of the Company was not accepted by the Resolution Professional of ECPL. The CIRP process was completed as per the NCLT order dated December 4, 2023. The said order of NCLT has been set aside by NCLAT by its order dated July 25, 2024. The COC of ECPL has filed an appeal before the Supreme Court of India which is pending admission. As per lease agreements, the lease tenure of SEZ land is for 60 years in blocks of 20 years. The first block of 20 years is expiring in the year 2028. Till the time the Company is in possession of said land, the question of refund of security deposit doesn't arise and therefore the enduring benefit from use of the land is going to be received by the Company. The Company does not foresee any probability in diminution in the value of the security deposit and hence no impairment provision is needed for the same. Further, the recoverability of the said security deposits deposited with Court against certain legal ongoing cases are subject to the outcome of the said cases.

Note - 6

Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Raw Materials	10,428.39		39,849.62	
Raw Materials Written off During the period	-		(29,431.57)	
		10,428.39		**10,418.05**
Work in Progress	1,29,409.00		1,68,038.94	
Work in Progress Written off During the period	-		(38,629.94)	
		1,29,409.00		**1,29,409.00**
Stores and Spares		702.34		688.42
Total		**1,40,539.73**		**1,40,515.47**

6.1 Refer note no. 1.6(VI) for basis of valuation.

6.2 All the Inventories of the Company are either mortgaged or hypothecated against the secured borrowings of the Company as detailed in note no. 12 and 14 to the financial statements.

6.3 During the year management has conducted physical verification of inventory.

Note - 7

Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Trade Receivables Considered Good - Unsecured (Less than 180 days)		-		-
Trade Receivables Considered Good - Unsecured (More than 180 days)	695.23		700.07	
Trade Receivables Credit Impaired	-		79,508.24	
	695.23		**80,208.31**	
Less: Provision for Credit Impaired	(700.07)		(80,208.31)	
Add: Provision for Credit Impaired reversed	4.84		79,508.24	
Less: Trade Receivables Written off	-		(79,508.24)	
		-		-
Total		**-**		**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

7.1 Trade Receivables are non - interest bearing and receivable in normal operating cycle.

7.2 Aging of Trade receivable.

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total as at March 31, 2024
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Good	-	-	-	-	-	-
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	(695.23)	(695.23)
Provision	-	-	-	-	695.23	695.23
Disputed Trade Receivables Considered Good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total as at March 31, 2023
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables- considered good	-	-	-	-	-	-
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	700.07	700.07
Provision	-	-	-	-	(700.07)	(700.07)
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Note - 8

Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks in Current Accounts	60.29	809.54
Cash on hand	0.09	0.09
Fixed Deposit	1,760.56	-
Total	**1,820.94**	**809.63**

Note - 9

Other Current Financials Assets

(Unsecured & considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
FD against margin money with interest	73.88	-
Prepaid Expenses	66.64	69.34
Goods and Service Tax / Cenvat / VAT recoverable	671.66	367.09
Receivables pertaining to other income	50.01	22.58

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Gratuity claim receivable from LIC		7.52		-
Advance against purchase of material / services	32,242.84		32,191.02	
Less : Advance against purchase of material / services and capital goods Impaired	(32,091.97)		(10,289.30)	
Less : Advance against purchase of material / services and capital goods Impaired during the year	-		(21,802.67)	
	-	**150.87**	**-**	**99.05**
Shipbuilding Contracts Receivables	740.57		1,73,959.62	
Less: Shipbuilding Contracts Receivables - Impaired	(740.57)		(1,73,219.05)	
Add: Shipbuilding Contracts Receivables - Impaired Reversal	-		1,73,219.05	
Add: Shipbuilding Contracts Receivables - Impaired	-		(740.57)	
Less: Shipbuilding Contracts Receivables - Written off	-		(1,73,219.05)	
	-		**-**	**-**
Subsidy Receivable For Shipbuilding	-		7,830.03	
Less: Subsidy Receivable For Shipbuilding Impaired	-		(7,830.03)	
Add: Subsidy Receivable For Shipbuilding Impaired Reversal	-		7,830.03	
Less: Subsidy Receivable For Shipbuilding Written off	-		(7,830.03)	
		-		-
Total		**1,020.58**		**558.06**

9.1 **Charge is created on the current assets as under:**

i) first *pari passu* charge by way of mortgage over leasehold rights on 124.1,199 hectares of land belonging to E Complex Private Limited and on sub-leasehold rights on 10.5 hectares of land belonging to Gujarat Maritime Board and second *pari passu* charge by way of hypothecation of all the current assets (including all receivables and inventories), both present and future.

ii) first *pari passu* charge and mortgage on all the immovable properties; hypothecation of all movable properties of the Company and on all the intangible assets of the Company; both present and future.

Note - 10

Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
11,000,000,000 (Previous Year: 11,000,000,000) Equity Shares of ₹ 10/- each	11,00,000.00	11,00,000.00
4,000,000,000 (Previous Year: 4,000,000,000) Preference Shares of ₹ 10/- each	4,00,000.00	4,00,000.00
	15,00,000.00	**15,00,000.00**
Issued, Subscribed and fully paid up		
26,82,150 (Previous Year: 26,82,150) Equity Shares of ₹ 10/- each fully paid up	268.22	268.22
Total	**268.22**	**268.22**

10.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	26,82,150	268.22	73,75,91,263	73,759.13
Changes in equity share capital during the year	-	-	(73,49,09,113)	(73,490.91)
Equity Shares at the end of the year	**26,82,150**	**268.22**	**26,82,150**	**268.22**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

a. The Number of equity share in the company stands reduced based on approved resolution plan by Hon'ble National Company Law Tribunal in the ratio of 1 share each for 275 shares held in the company, resulting in reduction of equity capital by ₹ 73,490.91 lakhs.

b. As per the approved resolution plan, Hazel Infra Limited was to invest ₹ 5,000 lakhs by way of 5 crores equity share of ₹ 10 each in the Company. The infusion of the amount happened on October 27, 2023.

10.2 Shareholders holding more than 5% Shares in the Company:

Shares held by		As at March 31, 2024		As at March 31, 2023	
		No of Shares	% holding	No of Shares	% holding
a)	**Position of Holding before infusion of Equity by Hazel Infra Limited**				
	Vistra ITCL India Limited (on behalf of lenders)	5,27,655	19.67%	5,27,655	19.67%
	Life Insurance Corporation of India	2,12,603	7.93%	2,12,603	7.93%
b)	**Position of Holding post infusion of Equity by Hazel Infra Limited on October 27, 2023. Also refer note 10.1 (a) and 10.1 (b) as above**				
	Hazel Infra Limited	5,00,00,000	94.91%	-	-

10.3 Terms and Rights attached to Equity Shares:

The Company has only one class of Equity Share having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity share holders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

10.4 Promoter & Promoter Group holding as on March 31, 2024 and March 31, 2023 is NIL.

Note - 11

Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Capital Reserve				
Opening Balance	79,745.87		6,254.96	
Additions during the year	-		73,490.91	
		79,745.87		79,745.87
Securities Premium Account				
Opening Balance	1,50,011.33		1,50,011.33	
Add :- On Issue of Shares	-		-	
		1,50,011.33		1,50,011.33
Other Reserve				
Opening Balance	22,791.35		22,791.35	
Additions during the year	-		-	
		22,791.35		22,791.35
Retained Earnings				
Opening Balance	(1,98,513.39)		(19,92,206.46)	
Add:- Profit(loss) for the year as per profit or loss statement	(12,135.99)		17,93,693.07	
		(2,10,649.38)		(1,98,513.39)
Other Comprehensive Income				
Opening Balance	169.89		169.89	
Add: Movement During the year (net)	-		-	
		169.89		169.89
Total		**42,069.06**		**54,205.05**

Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit and loss is recognised as a part of retained earnings with separate disclosure of such items along with relevant amounts in the Note 22.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Nature and Purpose of Reserves :

Capital Reserve: The increase in capital reserve during the previous year represents the value of equity capital extinguished based on the resolution plan apporved Hon'ble NCLT Ahemdabad bench. (Number of shares extinguished 734,909,113 of ₹ 10 each amounting to ₹ 73,490.91 lakhs)

Note - 12

Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Loans		
From Bank	1,33,200.00	1,84,000.00
Unsecured Loans		
Body Corporates	29,374.00	1,000.00
Total	**1,62,574.00**	**1,85,000.00**

12.1 As per approved resolution plan, amount payable to secured financial creditors included in non current secured loan above ₹ 1,84,000 lakhs and included in current secured loan of ₹ 20,000 lakhs total amount ₹ 2,04,000 lakhs. Please refer to note 1.

12.2 During the period the company has taken interest free unsecured loan from Hazel Infra Limited of ₹ 28,374 lakhs , which is repayable on demand.

12.2 The amount reflected as a secured loan requires an update to the details of charges on the MCA website in accordance with the resolution plan.

Note - 13

Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits	43.01	43.01
Total	**43.01**	**43.01**

Note - 14

Short Term Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Loans		
Banks	50,800.00	20,000.00
Total	**50,800.00**	**20,000.00**

14.1 The amount reflected as a secured loan requires an update to the details of charges on the MCA website in accordance with the resolution plan.

Note - 15

Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Outstanding due to Micro Enterprises & Small Enterprises	2.50	28.29
Total Outstanding due to Creditors other than Micro Enterprises & Small Enterprises	3,678.44	7,798.33
Total	**3,680.94**	**7,826.62**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

15.1 Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid	2.50	28.29
Interest due thereon	-	0.79
Interest paid by the Company in terms of Section 16 along with principal payments made	-	-
Interest due and payable for the period of delay in payment	-	-
Interest accrued and remaining unpaid	0.79	0.79
Interest remaining due and payable even in succeeding years	0.79	0.79

15.2 All trade payables are non interest bearing and payable are settled within normal operating cycle of the Company.

15.3 Aging of Trade payables.

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total as at March 31, 2024
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-
Others	3,311.02	6.22	12.79	348.41	3,678.44
Disputed dues- MSME	2.50	-	-	-	2.50
Disputed dues- Others	-	-	-	-	-
Total	**3,313.52**	**6.22**	**12.79**	**348.41**	**3,680.94**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total as at March 31, 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	28.29	-	-	-	28.29
Others	6,309.42	234.85	506.81	747.25	7,798.33
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	6,337.71	234.85	506.81	747.25	7,826.62

Note - 16

Other Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Maturities of Long Term Debts	-	803.94
Interest accrued and due on borrowings	835.41	86.20
Creditors for Capital Goods	0.26	10.62
Statutory Dues	120.77	197.29
Other Payables *	108.58	827.29
Total	**1,065.02**	**1,925.34**

16.1 As per the order issued by the NCLT, the Company has established a Provident Fund provision of ₹ 56 lakh. However, no claims have been made against this provision. Additionally, the Company has created a corresponding deposit to cover this liability.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note - 17

Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from Customers	18.98	76.70
Total	**18.98**	**76.70**

Note - 18

Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
For Employee Benefits (Refer note no 22.1)		-		-
Other Provisions	-		-	
Less:	-		-	
	-		**-**	
		-		-
Total		**-**		**-**

Note - 19

Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Repairs and Fabrication	-		316.10	
		-		316.10
Total		**-**		**316.10**

Note - 20

Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income	8.95	12.26
Foreign Exchange Difference (net)	-	3.01
Miscellaneous Income	237.38	444.55
Total	**246.33**	**459.82**

Note - 21

Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Steel Plates and Profiles	-	0.38
Equipment and Components	27.29	25.34
Total	**27.29**	**25.72**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Changes in Inventories of Work - in - Progress and Scrap

(₹ in Lakhs)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
At the end of the year			
Scrap		-	-
Work in progress		1,29,409.00	1,29,409.00
	a	**1,29,409.00**	**1,29,409.00**
Less :- At the beginning of the year			
Scrap		-	-
Work in progress		1,29,409.00	1,68,038.94
Provision created during the year			(38,629.94)
	b	**1,29,409.00**	**1,29,409.00**
Changes in Inventories	(b - a)	**-**	**-**

Note - 22

Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages and Allowances	454.78	306.23
Contribution to Provident and Other Funds	17.13	19.35
Total	**471.91**	**325.58**

22.1 Employee Benefits

As per Ind AS 19 “Employee Benefits”, the disclosure of employee benefits as defined in the accounting standards are given below:

Defined Contribution Plan

(₹ in Lakhs)

Particulars	2023-24	2022 - 2023
Employers Contribution to Provident Fund	9.92	11.23
Employers Contribution to Pension Fund	7.21	8.12
Total	**17.13**	**19.35**

Defined Benefit Plan

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC). The Company has made contribution to the above mentioned trust upto the financial year ended March 31, 2009 and thereafter no contributions have been made. The Employees Leave Encashment Scheme which is a defined benefit plan is unfunded.

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

a) Gratuity (Funded)

i) Reconciliation of opening and closing balances of the present value of the defined gratuity benefit obligation:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Defined Benefit Obligation at beginning of the year	24.10	74.92
Current Service Cost	6.55	3.10
Past Service Cost	-	-
Current Interest Cost	1.70	3.13
Actuarial (Gain) / Loss	(2.84)	3.28
Benefits paid / reversed		(60.33)
Defined Benefit Obligation at end of the year	29.51	24.10

ii) Reconciliation of opening and closing balances of the Fair Value of the Plan Assets:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Fair Value of Plan Assets at the beginning of the year	124.93	116.37
Expected Return on Plan Assets	9.07	6.07
Actuarial Gain / (Loss)	0.51	2.49
Fair Value of the Assets at the end of the year	134.51	124.93

iii) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Fair Value of Plan Assets at the end of the year	134.51	124.93
Present Value of Defined Benefit Obligation at end of the year	29.51	24.10
Liabilities / (Assets) recognised in the Balance Sheet	(105.00)	(100.83)

iv) Expenses recognised during the year:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Current & Past Service Cost	6.55	3.10
Past Service Cost	-	-
Interest Cost	1.70	3.13
Expected Return on Plan Assets	(9.07)	(6.07)
Net Cost Recognised in profit or loss	(0.82)	0.16
Actuarial (Gain) / Loss recognised in other comprehensive income	(3.35)	0.79

The company has not recognized the actuarial gain as per the actuarial report for the period ended March 31,2024, and March 31, 2023, since there is no liability to be reversed in the books of accounts.

v) Assumptions used to determine the defined benefit obligations:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Mortality Table (LIC)	(IALM (2012-14) Ultimate)	
Discount Rate (p.a.)	7.09%	7.26%
Estimated Rate of Return on Plan Asset	7.09%	7.26%
Expected Rate of increase in Salary (p.a.)	7.00%	0.00%

The estimates of rate of increase in salary are considered in actuarial valuation, taking into account, inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is certified by Actuary.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage and amount for each category of the fair value of plan assets has not been disclosed.

vi) Sensitivity Analysis:

(₹ in Lakhs)

Particulars	Effect on Gratuity Obligation Increase/ (Decrease)	
	2023 - 2024	2022 - 2023
Defined Benefit Obligation - Discount Rate + 100 basis points	(1.13)	(0.72)
Defined Benefit Obligation - Discount Rate - 100 basis points	1.24	0.77
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	1.27	0.87
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(1.23)	(0.81)
Defined Benefit Obligation - Withdrawal Rate - 25% increase	(0.35)	(0.03)
Defined Benefit Obligation - Withdrawal Rate - 25% decrease	0.36	0.01

The above sensitivity analysis is based on an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the Balance Sheet.

vii) Risk Exposure :

1 **Investment Risk:** The Present value of the defined benefit plan laibility is calculated using a discount rate which is determined by reference to market yeilds at the end of reporting period on Government bonds.

2 **Interest Risk:** A decrease in the bond interest rate will increase the plan liability: however, this will be partially offset by an increase in the return on the plan debt investment.

3 **Liquidity Risk:** The present value of the defined plan liabilty is calculated by refrence to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

4 **Salary Risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

viii) Details of Asset-Liability Matching Strategy: Gratuity benefits liabilities of the Company are funded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

ix) The expected payments towards to the gratuity in future years:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
0 to 1 Year	53.35	53.35
2-5 Years	12.10	34.21
More than 5 Years	12.24	16.64

b) Leave Encashment (Unfunded)

During the FY 2020-21, The Company changed its leave policy wherein accumulation of leave is restricted and encashment of leave facility was withdrawn.

Consequently as there is no liability towards the leave encashment actuarial valuation has not been carried out

Note : Above details are captured from the Actuarial report. The company had certain gratuity liability Pre-CIRP and also making certain provision for the Post-CIRP basis the calculation done by HR department of the company.

As per the Actuarial valuation report there is net assets position. However, company had continued the gratuity liability on conservative basis. Accordingly outstanding liability towards gratuity and leave enacshment in note no. 18 will not match with above disclosure.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note - 23

Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	1,538.83	145,298.78
Interest on Lease Liability	1,097.78	1,190.48
Other Borrowing Costs (Bill Discounting Charges, Guarantee Commission, etc.)	2.62	483.53
Total	**2,639.23**	**146,972.79**

23.1 As per NCLT order dated August 1, 2023 interest at the rate of SBI MCLR plus 200 basis points is payable with effect from June 23, 2023 till the making up full upfront payment of ₹ 200 Crs to unrelated financial creditors. Hence as per the order, the company has charged interest of ₹ 40.27 lakhs at the rate of 10.50% p.a. from June 23, 2023 to June 30, 2023. In the Meeting of the Joint Lenders of the company, held on September 12, 2023, the unrelated financial creditors have agreed to give an extension of time for making the balance upfront payment subject to payment of interest for the delay, at SBI MCLR of 1 year (8.5% p.a.) plus 250 basis points from September 15, 2023 till the date of payment on reducing balance basis. Therefore, the company has charged interest of ₹ 517.68 lakhs and ₹ 127.47 lakhs in the second quarter and third quarter respectively.

23.2 As per NCLT order dated November 21, 2023, 1st tranche amounted ₹ 312 crores is deferred and interest is payable to unrelated financial creditors. Hence, as per the order, the company has charged interest at the rate of 10.50% p.a. on ₹ 200 Crores and at the rate of 8.55% p.a. on ₹ 112 crores from December 23, 2023 till the date of payment which is August 7, 2024. Therefore, the company has charged interest of ₹ 75.19 lakhs and ₹ 760.22 lakhs in the third quarter and fourth quarter respectively.

Note - 24

Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumables, Stores and Spares	62.64	92.50
Power, Fuel and Water	496.30	566.98
Repairs and Maintenance	84.67	160.22
Labour / Fabrication and Subcontractor Charges	635.92	527.97
Equipment Hire Charges	18.85	81.21
Rent	14.86	99.18
Testing and Inspection Charges	43.48	3.54
Insurance	108.46	423.58
Rates and Taxes	0.02	6.15
Communication Expenses	5.28	5.03
Travelling, Conveyance and Vehicle Hire Charges	17.49	7.12
Legal and Professional Charges	573.57	1,016.58
Payment to Auditors (refer note 24.1)	16.30	32.60
Loss on Sale/ Discard of Plant, property and equipments (net)	-	1,805.00
Security Expenses	305.32	213.67
Miscellaneous Expenses	14.48	11.44
Total	**2,397.64**	**5,052.77**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note - 24.1 Payment to Auditors includes:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit Fees	16.30	32.60
Out of pocket expenses	-	-
Certification Charges	-	-
Total	**16.30**	**32.60**

Notes - 25

Exceptional Items

Details of exceptional item for F. Y. 2022-23 is as follows

₹ in Lakhs

Sr. No.	Particulars	Amount
1	Gain as per note 1	20,20,852.12
2	Fixed Assets Written off	(257.10)
3	Fixed Assets Imapired	(20.78)
4	Security Deposits written off	(30.26)
5	Raw material Inventory written off	(29,431.57)
6	Work in progress written off	(38,629.94)
7	Cash and Cash Equivalents balance written back	12.11
8	GST and Cenvat credit balance written off	(619.63)
9	Provision created for advance to vendors	(21,802.67)
10	Increase in Lease liability	(283.57)
11	Increase in Lease assets (Net of depreciation)	57.07
12	Advance from cutomers forfeited	2,937.28
13	Other provision reversal	10,705.04
14	Other payable and receivables written back / written off	8,853.63
15	Statutory dues written back	531.37
16	Provision for Contract Receivable in progress	(740.57)
	Total	**19,52,132.53**
	Amount as per profit and loss account	**19,52,132.53**

Note - 26

Earnings Per Share (Basic and Diluted)

(₹ in Lakhs)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Loss attributable to the Equity Shareholders		(12,135.99)	17,93,693.07
Amount available for calculation of Basic and Diluted EPS	(a)	**(12,135.99)**	**17,93,693.07**
Weighted Average No. of Equity Shares outstanding for Basic and Dilued EPS	(b)	2,682,150	26,82,150
Basic and Diluted Earnings per share of ₹ 10/- each (in ₹)	(a) / (b)	**(452.47)**	**66,875.20**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note - 27

Contingent Liabilities and Commitments

27.1 Contingent Liabilities:

(No Cash Outflow is expected except as stated otherwise and not likely to have any material impact on financial position of the Company)

(₹ in Lakhs)

Sr. No.	Particulars		2023 - 2024	2022 - 2023
a)	Guarantees given by Company's Bankers			
	i)	Other Bank Guarantees	72.96	72.96
		(Bank Guarantees are provided under contractual/ legal obligations.)		

Note - 28

The Company has issued a Bond cum legal undertaking for ₹ 64,400 lakhs (Previous Year: ₹ 64,400 lakhs) in favour of President of India acting through Development Commissioner of Kandla Special Economic Zone for setting up a SEZ unit for availing exemption from payment of duties, taxes or cess or drawback and concession etc. a General Bond in favour of the President of India for a sum of ₹ 15,300 lakhs (Previous Year :₹ 15,300 lakhs) as Security for compliance of applicable provisions of the Customs Act, 1962 and the Excise Act, 1944 for EOU unit, a bond cum legal undertaking for ₹ 1,350 lakhs (Previous Year: ₹ 1,350 lakhs) in favour of President of India acting through D.R.I. Ahmedabad, Zonal Unit as security of compliance under Central Excise Act, 1944.

Note - 29

Going Concern

The new management has been granted full control of the affairs of the company with effect from January 4, 2024, the financial statement for the period and year ended March 31, 2024 have been prepared on going concern assumptions by the Board of Directors of the Company. This has been further explained in "General Information" stated in note 1.

Note - 30

Fair Value Measurements

The fair value of the financial assets and liabilities are included at the amount that would be received on sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide and indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price and financial instruments like Mutual Funds for which NAV is published by the Mutual Fund Operator. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the last working day of the closing period period and Mutual Fund are valued using the Closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all Material inputs required to fair value and instruments are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include forward exchange contract derivatives.

Level 3: If one or more of the Material inputs is not based on observable market data, the instrument is included in this level. Instruments in level 3 category for the Company include unquoted equity shares and FCCDs, unquoted units of mutual funds and unquoted units of venture capital funds.

Financial Liabilities

The Preference shares are classified as a financial liability. The liability in case of Preference Shares and Non Convertible Debentures are initially recognised on fair value and the difference between fair value and transaction price is considered as Other Income. Subsequently the liability is measured at amortised cost using the effective interest rate. The impact on this account has been recognised as other income on the transaction date and subsequent impact are recognised as finance cost in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The carrying amount of all other Financial Liabilities is reasonably approximate to its fair value. The fair values disclosed above are based on discounted cash flows using current borrowing rate. These are classified at level 2 fair values in the fair value hierarchy due to the use of observable inputs.

During the years mentioned above, there have been no transfers amongst the levels of the hierarchy.

Note - 31

Segment Reporting

The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.

Segment information as per Ind AS 108 on Operating Segment :

Information provided in respect of revenue items for the year ended March 31, 2024, and in respect of assets/liabilities as at March 31, 2024.

I The risk - return profile of the Company's business is determined predominantly by the nature of its products. The Company is engaged in the business of Shipbuilding, Repair and Fabrication. Further based on the organisational structure, internal management reporting system, nature of production process and infrastructure facilities used, there are no separate reportable segments.

II **Revenue from Major Customers :**

Revenue from operations includes Nil (Previous Year: ₹ 316.12 lakhs) from one customer (Previous Year: one customer) having more than 10% of the total revenue.

Note - 32

Related Party Disclosures

a) **List of Related parties**

1	**Subsidiary Companies**	**Status**
	E Complex Private Limited (ECPL) (upto: 04-12-2023)	Resolution Plan Approved on December 4, 2023
	Reliance Technologies and Systems Private Limited (RTSPL)	Ongoing
	PDOC Pte. Ltd. (PDOC)	Ongoing
2	**Associates**	
	Conceptia Software Technologies Private Limited	Ongoing
3	**Key Managerial Personnel**	**Position**
	Mr. Madan Pendse (upto: 31-05-2022)	Erstwhile Chief Financial Officer
	Mr. Rachakonda Venkata Ramana (upto: 30-09-2023)	Erstwhile Director
	Ms. Shibby Joby (upto: 30-09-2023)	Erstwhile Director
	Mr. Rishi Chopra (w.e.f.: 03-02-2023)	Chief Financial Officer
	Mr. Nikhil Vasantlal Merchant (w.e.f.: 08-12-2023)	Chairman & Managing Director
	Mr. Paresh Vasantlal Merchant (w.e.f.: 08-12-2023)	Director
	Mr. Bhavik Nikhil Merchant (w.e.f.: 08-12-2023)	Director
	Mr. Vivek Paresh Merchant (w.e.f.: 08-12-2023)	Director
	Mr. Kaiyoze Beji Billimoria (w.e.f.: 14-12-2023)	Independent Director
	Mr. Ashishkumar Bairagra (w.e.f.: 14-12-2023)	Independent Director
	Mr. Arun Sinha (w.e.f.: 14-12-2023)	Independent Director
	Mr. Prabhakar Reddy Patil (w.e.f.: 16-12-2023)	Independent Director
	Ms. Maya Swaminathan Sinha (w.e.f.: 14-12-2023)	Independent Director
	Mr. Arvind Jayasing Morbale (w.e.f.: 14-12-2023)	Whole-time Director
	Mr. Vishant Shetty (w.e.f.: 08-12-2023)	Company Secretary

Note

1 Mr. Nikhil Vasantlal Merchant was appointed as Non-Executive Director on December 8, 2023, and has been redesignated as Chairman & Managing Director w.e.f February 13, 2024, at the board meeting held on February 13, 2024.

2 The company's CS resigned on May 28, 2022, and the Erstwhile CFO on May 31, 2022. The company informed the Exchange on February 4, 2023, regarding the Appointment of Mr. Rishi Chopra as Chief Financial Officer of the company w.e.f. February 3, 2023. On December 8, 2023 Mr. Vishant Shetty was appointed as CS of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

3 Mr. Rachakonda Venkata Ramana and Ms. Shibby Joby have resigned as directors effective from September 30, 2023 due to personal reasons, and The cessation of Mr. Debashis Bir's tenure as Director, effective April 12, 2021, occurred due to his unfortunate demise. New Management has been appointed as mentioned above on the board of the Company.

b) Terms and Conditions of transactions with related parties

The transactions with related parties are at arm's length price and in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances, which is merely reimbursement of expenses. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

1 **Transactions and closing balance with Subsidairy for the year ended March 31, 2024 (for the period for which relationship exist)**

(₹ in Lakhs)

Nature of transactions	Subsidiary Company
	ECPL
Lease Rent	**426.50**
	(393.50)
Infrastructure Facility Charges	**1,240.00**
	(1,240.00)
Reimbursement of expenses	**136.56**
	-
Security Deposits - Non Current	**7,370.00**
	(7,370.00)

Figures in brackets represents previous year's amounts..

(*) Closing balance

2 Transactions and closing balance with Associates for the year ended March 31, 2024 (for the period for which relationship exist)

(₹ in Lakhs)

Nature of transactions	Associates	
	Conceptia Software Technologies Pvt Ltd	Total
Non Current Investment		
Balance as at March 31, 2024	153.49	**153.49**
	(153.49)	**(153.49)**

Figures in brackets represents previous year's amounts.
(**) Closing balance

c) Details of Loan given and investment made and guarantee given, covered u/s 186(4) of the Companies Act, 2013.

i) Loan given and investment are given under the respective head.

ii) Corporate Guarantee have been issued on behalf of subsidiary companies, details of which are given in related party transactions above.

Note - 33

Operating Lease

The Company has entered into a non cancellable leasing agreements for Land and Infrastructure Facilities for a period between 30 to 60 years which are renewable by mutual consent on mutually agreeable terms. There is an escalation clause in the lease agreement during the lease period in line with expected general inflation. There are no restrictions imposed by lease arrangements and there are no sub-leases. There are no contingent rents. Disclosures as required under Ind AS 116 on "Lease" are given below:

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Future minimum lease payments under non-cancellable operating lease:

(₹ in Lakhs)

Sr No	Particulars		2023 - 2024	2022 - 2023
1	Amount debited to Statement of Profit and Loss during the year		1,097.78	1,190.48
	1.1	Interest on Lease liability (Included as part of finance cost)		
	1.2	Depreciation on Right of Use Assets (Included as part of Depreciation and amortisation expenses)	1,097.09	1,049.37
2	Maturity analysis of Lease liability			
	i	Due in first year	1,174.76	799.06
	ii	Due in second to fifth year	4,038.74	4,731.72
	iii	Due after fifth year	3,281.34	3,160.57

Note - 34

Financial Instruments - Evaluation of risks

Due to non availability of required information/ documents, the new magamenet of the company is not in a position to assess fair value hierarchy, evolution on capital management, credit risk, currency risk, and interest risk.

Note - 35

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Capital Gearing Ratio

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity	268.22	268.22
Retained Earnings	42,069.06	54,205.05
Total (A)	**42,337.28**	**54,473.27**
Borrowing		
Non-Current	1,62,574.00	1,85,000.00
Current	50,800.00	20,803.94
Total (B)	**2,13,374.00**	**2,05,803.94**
Capital Gearing Ratio (B/A)	**5.04**	**3.78**

Note - 36

Corporate Guarantee of SKIL Infrastructure Limited and personal guarantee of some of the erstwhile directors of the Company given for Working Capital Loan as well as Secured Term Loan mentioned in Note No 12 and Note No 14 has been invoked by the banks.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note - 37

Ind AS 115 - Revenue from Contracts with Customers Disclosure:

The Company has not recognised any revenue during the current year and hence not disclosed.

Note - 38

Other Statutory Information

(a) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.

(b) The Company has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.

(c) The Company has not used borrowings for purpose other than specified purpose of the borrowing. Further, there is no delay in creation of charges with ROC beyond the statutory period.

(d) The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(e) The company has not conducted any exercise to identify the transactions with any struck-off companies during the year.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.

(g) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries);or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(i) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(j) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(k) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(l) The company has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

(m) All the charges of the company as appearing on the MCA portal are in the process of being satisfied /modified to give effect of the approved resolution plan as entered into with the financial creditors.

Note - 39

Ratios

(₹ in Lakhs)

	Particulars	Numerator	Denominator	Ratio for Mar 2024	Ratio for Mar 2023	Variance	Explaination for variance above 25%
(a)	Current Ratio	Current Assets	Current Liability	2.530	4.630	45.36	Refer Note no. 23.1 and 23.2.
(b)	Debt-Equity Ratio	Total Debt	Total Equity	4.510	3.760	(19.95)	--
(c)	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	(0.012)	5.533	100.22	Refer Note no. 23.1 and 23.2.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Numerator	Denominator	Ratio for Mar 2024	Ratio for Mar 2023	Variance	Explaination for variance above 25%
(d)	Return on Equity Ratio	Profit after Tax	Average Share Holders Equity	(0.238)	(2.130)	88.83	Refer note no. 25 for exceptional item gain in FY 2022-23.
(e)	Inventory turnover ratio	Revenue from Operation	Average Inventory	-	0.002	100.00	Due to a Nil operational income as compared to last year.
(f)	Trade Receivables turnover ratio	Revenue from Operation	Average Trade Receivable	-	0.13	100.00	Due to a Nil operational income as compared to last year.
(g)	Trade payables turnover ratio	Trade purchases	Average Trade payable	0.005	0.001	(400.00)	Due to Payment of Operational creditor as per resolution plan.
(h)	Net capital turnover ratio	Revenue from Operation	Working Capital	-	0.0028	100.00	Due to a Nil operational income as compared to last year.
(i)	Net profit ratio	Net Profit after Tax	Revenue from Operation	-	5,674.45	100.00	Due to a Nil operational income as compared to last year.
(j)	Return on Capital employed	EBIT	Capital employed	(0.04)	7.48	100.53	Refer note no. 25 for exceptional item gain in FY 2022-23.
(k)	Return on investment	Net return on investment	Cost of investment	-	-	-	--

Note - 40

Other

Previous year figures have been regrouped and rearranged, wherever necessary to make them comparable with those of the current year.

The current year's Finance Cost includes ₹ 16.36 lakhs as interest on Interim Funding received during the CIRP Period, it has been treated as CIRP Cost.

The order pronounced on December 23, 2022, by the Ahmedabad bench of the National Company Law Tribunal has approved the Resolution Plan submitted by Hazel Mercantile Limited (the Resolution Applicant) for the corporate insolvency resolution of the Company under Section 31 of the Code. Accordingly an amount of ₹ 5,188.85 lakhs is payable to India Infrastructure Finance Company (UK) Limited. As per the approved plan the amout of liability is capped at ₹ 5,188.85 lakhs however the amount payable would be coverted into USD on the date of payment.

As per regulatory compliance, the company is required to conduct an internal audit but the same has not been done for the period ending March 31, 2024.

Net amount of ₹ 4,211.91 lakhs was payable to various overseas parties. The amount to be paid as per approved resolution plan against these amount is NIL. Hence the same is written back and the company is in process of doing necessary compalince with RBI and FEMA.

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979

Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXR6383

for and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer
Place : Mumbai
Date : November 11, 2024

Mr. Vishant Shetty
Company Secretary

Independent Auditor's Report

To

The Members of Reliance Naval and Engineering Limited

CIN No. L35110GJ1997PLC033193

Report on the Audit of the 'Consolidated Financial Statements' (CFS)

Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal ("NCLT") admitted an insolvency and bankruptcy petition filed by IDBI Bank, acting as a financial creditor, against Reliance Naval and Engineering Limited ("the Company"). The resolution plan submitted by M/s. Hazel Mercantile Limited, the Resolution Applicant, was approved by the NCLT through an order dated December 23, 2022.

In accordance with the approved resolution plan, majority of payments due to Financial Creditors, Operational Creditors, and Employees, along with the Corporate Insolvency Resolution Process ("CIRP") and Monitoring Committee ("MC") period costs, were paid by January 4, 2024. Subsequently, the MC was discharged on January 4, 2024, and the newly appointed board of directors ("New Management") of the Company was given full authority to manage the Company's affairs in compliance with the Companies Act, 2013.

The impact of resolution plan has been given in the financial statement for the quarter and nine months ended December 31, 2022.

Opinion

We have audited the accompanying Consolidated Financial Statements of Reliance Naval and Engineering Limited (hereinafter referred to as "the Parent Company") and its subsidiaries (Parent Company and its Subsidiaries together referred to as "the Group") which include the Group's share of profit in its associate, which comprises the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2024, their consolidated loss (including consolidated other comprehensive loss), their consolidated changes in equity and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter Paragraph

i. We draw your attention to Note 3.2 of accompanying CFS which states that there are three subsidiaries of the company. The subsidiaries of the Company are separate legal entities, also currently few companies are under CIRP Process, under liquidation and non-operational and the company is not able to obtain relevant data from the available contact details of the subsidiaries. In view of the above, the Company has prepared Consolidated Financial Statements without incorporating the financial statement/financial information for the year ended March 31, 2024 in respect of aforesaid subsidiaries. The group's share of total comprehensive income of these subsidiaries for the year ended March 31, 2024 have not been included in CFS. Accordingly, we do not report in terms of sub-section (3) of Section 143 (including Rule 11 of the Companies (Audit and Auditors) Rules, 2014) of the Act including report on Other Information in so far to the extent these relate to the aforesaid subsidiary, associate companies and jointly controlled entity. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

ii. We draw your attention to Note 10.1 (a) & (b) of accompanying CFS which states that the Number of equity shares in the company stands reduced based on the approved resolution plan by the Hon'ble National Company Law Tribunal in the ratio of 1 share each for 275 shares held in the company, resulting in the reduction of equity capital by ₹ 73,490.91 lakhs. As per the approved resolution plan, Hazel Infra Limited was to invest ₹ 5,000 lakhs by way of 5 crores equity shares of ₹ 10 each in the company. The infusion of the amount happened on October 27, 2023.

iii. We draw your attention to Note 12.2 of accompanying CFS which states that during the period the company has taken interest free unsecured loan from Hazel Infra Limited of ₹ 28,374 lakhs, which is repayable on demand.

iv. We draw your attention to Note 23.1 of accompanying CFS which states that as per NCLT order dated August 01, 2023, interest at the rate of SBI MCLR plus 200 basis points is payable with effect from June 23, 2023 till the making up full upfront payment of ₹ 200 Crores to unrelated financial creditors. Hence as per the order, the company has charged interest of ₹ 40.27 lakhs at the rate of 10.50% p.a. from June 23, 2023 to June 30, 2023. In the Meeting of the Joint Lenders of the company, held on September 12, 2023, the unrelated financial creditors have agreed to give an extension of time for making the balance upfront payment subject to payment of interest for the delay, at SBI MCLR of 1 year (8.5% p.a.) plus 250 basis points from September 15, 2023 till the date of payment on reducing balance basis. Therefore, the company has charged interest of ₹ 517.68 lakhs and ₹ 127.47 lakhs in the second quarter and third quarter respectively.

v. We draw your attention to Note 23.2 of accompanying CFS which states that as per NCLT order dated November 21, 2023, 1st tranche amounted ₹ 312 crores is deferred and interest is payable to unrelated financial creditors. Hence, as per the order, the company has charged interest at the rate of 10.50% p.a. on ₹ 200 Crores and at the rate of 8.55% p.a. on ₹ 112 crores from December 23, 2023 till the date of payment which is August 7, 2024. Therefore, the company has charged interest of ₹ 75.19 lakhs and ₹ 760.22 lakhs in the third quarter and fourth quarter respectively.

vi. We draw your attention to Note 40 of accompanying CFS which inter-alia states that, as per regulatory compliance, the company is required to conduct an internal audit for FY 2023-24. The internal auditor is not appointed for the period ending March 31, 2024.

Our opinion on the accompanying CFS is not modified In respect of the above mentioned matters.

Information Other than the Financial Statements and Auditor's Report Thereon

i. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditors' report thereon. The Directors report is expected to be made available to us after the date of this auditors report.

ii. Our opinion on the CFS does not cover the other information and we do not express any form of assurance conclusion thereon.

iii. In connection with our audit of CFS, our responsibility is to read the other information and, in doing so, consider, whether the other information is materially inconsistent with the CFS or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

iv. If, based on the work we have performed, we conclude that there is any material inconsistency , we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the CFS

i. The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these CFS that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

ii. In preparing the CFS, the respective Board of Directors of companies included in the Group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

iii. The respective Board of Directors of companies included in the Group is responsible for overseeing the financial reporting process of each company.

iv. The Consolidated Financial Statement has been prepared based on the audited Standalone financial statement (as restated) and the available financial statement of subsidiaries and associates for the year ended March 31, 2024.

Auditor's Responsibilities for the Audit of the CFS

Our objectives are to obtain reasonable assurance about whether the CFS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these CFS.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the CFS, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the CFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the CFS, including the disclosures, and whether the CFS represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the CFS that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the CFS may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the CFS.

We communicate with those charged with governance ('TCWG') regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide TCWG with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with TCWG, we determine those matters that were of most significance in the audit of the CFS of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

i. We did not audit the financial statements of one associate whose share of Profit amounting to ₹ 76.50 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is solely based on the reports of the other auditors.

Our opinion on the accompanying CFS is not modified in respect of the above mentioned matter.

Report on Other Legal and Regulatory Requirements

(A) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies.

(B) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid CFS comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Group as on March 31, 2024, taken on record by the Board of Directors of the Holding company and subsidiary companies, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement.

ii. Bases on the representations by the company, we have noted that Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.

iii. Based on the latest available secretarial audit report and representations from the company, we noted that company is not required to transfer amounts to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

v. The company have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi. Based on our examination, which included test checks performed by us and the respective auditors of the subsidiaries incorporated in India and outside India, in terms of Rule 3 (1) of the Companies (Accounts) Rules, 2014, applicable on or after 1st April, 2023, the Company and its subsidiary companies incorporated in India and outside India have used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Company, have not come across any instance of the audit trail feature being tampered with.

Accordingly, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 about preservation of audit trail for record retention is not applicable for the financial year ended March 31, 2024.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For N.N. Jambusaria & Co
Chartered Accountants
Firm Reg No.104030W

Nimesh Jambusaria
Partner
M. No: 038979
UDIN: 24038979BKBNXQ3793

Place: Mumbai
Date: November 11, 2024

ANNEXURE "A"
TO THE INDEPENDENT AUDITOR'S REPORT

To the Independent Auditor's Report on the CFS of Reliance Naval and Engineering Limited for the year ended March 31, 2024 (Referred to in Paragraph 2 (A) (f), under 'Report on other legal and Regulatory Requirements section of our report)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the CFS of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Reliance Naval and Engineering Limited ('the Company') and its subsidiaries companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors of the Company and its subsidiaries, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its subsidiaries, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiaries, which are incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiaries, which are incorporated in India, have, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial controls over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the 'Guidance Note'.

For N.N. Jambusaria & Co
Chartered Accountants
Firm Reg No.104030W

Nimesh Jambusaria
Partner
M. No: 038979
UDIN: 24038979BKBNXQ3793

Place: Mumbai
Date: November 11, 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars		Note	As at March 31, 2024	As at March 31, 2023
I	**ASSETS**			
(1)	**Non Current Assets**			
(a)	Property, Plant and Equipment	2	1,10,756.53	1,16,485.95
(b)	Right-of-use Assets	2	5,999.82	6,731.77
(c)	Capital Work in Progress	2	4,306.50	3,669.00
(d)	Intangible Assets	2	-	-
(e)	Financial Assets			
	(i) Investments	3	481.14	404.64
(f)	Deferred Tax Assets (net)	4	-	-
(g)	Other Non Current Assets	5	9,411.28	9,343.02
	Total Non Current Assets (A)		**1,30,955.27**	**1,36,634.38**
(2)	**Current Assets**			
(a)	Inventories	6	1,40,539.73	1,40,515.47
(b)	Financial Assets			
	(i) Trade Receivables	7	-	-
	(ii) Cash and Cash Equivalents	8	1,820.94	809.63
(c)	Current Tax Assets (net)		5.20	24.63
(d)	Other Current Assets	9	1,020.58	558.06
	Total Current Assets (B)		**1,43,386.45**	**1,41,907.79**
	TOTAL ASSETS (A+B)		**2,74,341.72**	**2,78,542.17**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
(a)	Equity Share Capital	10	268.22	268.22
	Share Application Money		5,000.00	-
(b)	Other Equity	11	42,396.71	54,456.20
	Total Equity (A)		**47,664.93**	**54,724.42**
(2)	**Liabilities**			
2.1	**Non Current Liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	12	1,62,574.00	1,85,000.00
	(ii) Lease Liability		7,320.08	8,137.03
(b)	Provisions	13	43.01	43.01
	Total Non Current Liabilities (B)		**1,69,937.09**	**1,93,180.04**
2.2	**Current Liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	14	50,800.00	20,000.00
	(ii) Lease Liability		1,174.76	809.05
	(iii) Trade Payables	15		
	Total outstanding dues of micro and small enterprises		2.50	28.29
	Total outstanding dues of creditors other than micro and small enterprises		3,678.44	7,798.33
	(iv) Other Financial Liabilities	16	1,065.02	1,925.34
(b)	Other Current Liabilities	17	18.98	76.70
(c)	Provisions	18	-	-
	Total Current Liabilities (C)		**56,739.70**	**30,637.71**
	TOTAL EQUITY AND LIABILITIES (A+B+C)		**2,74,341.72**	**2,78,542.17**
Material Accounting Policies		1		
Notes forming part of consolidated Financial Statements		2 to 40		

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXQ3793

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from Operations	19	-	316.10
II	Other Income	20	246.33	459.82
III	**Total Income (I + II)**		**246.33**	**775.92**
IV	**Expenses**			
(a)	Cost of Materials Consumed	21	27.29	25.72
(b)	Cost of Raw Material Sold		-	-
(c)	Changes in Inventories of Work in Progress & Scrap	21	-	-
(d)	Employee Benefits Expenses	22	471.91	325.58
(e)	Finance Costs	23	2,639.23	1,46,972.79
(f)	Depreciation and Amortisation Expenses	2	6,846.25	6,828.59
(g)	Other Expenses	24	2,397.64	5,052.77
	Total Expenses (IV)		**12,382.32**	**1,59,205.45**
V	**Profit / (Loss) before Exceptional Items and Tax (III - IV)**		**(12,135.99)**	**(1,58,429.53)**
VI	**Exceptional Items**	25		
	Loss of Inventory		-	(9.93)
	Recasting Gain		-	19,52,132.53
VII	**Profit / (Loss) Before Tax (V - VI)**		**(12,135.99)**	**17,93,693.07**
VIII	**Tax Expense**			
	- Current Tax		-	-
	- Deferred Tax Credit/ (Reversal)	4	-	-
	- Income Tax for Earlier Years		-	-
IX	**Profit / (Loss) after tax (VII - VIII)**		**(12,135.99)**	**17,93,693.07**
X	**Add:- Consolidated share in the profits of associate**		76.50	21.06
XI	**Other Comprehensive Income**			
	Other Comprehensive Income to be reclassified to profit and loss in subsequent year			
	Exchange differences on translation of Foreign Operations		-	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
	Items that will not to be reclassified to profit and loss in subsequent year			
	Actuarial gains/(losses) on defined benefit plans		-	-
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total Other Comprehensive Income for the year (XI)		**-**	**-**
XII	**Total Comprehensive Income for the year (IX + X + XI)**		**(12,059.49)**	**17,93,714.13**
XIII	Earnings per Equity Share of ₹ 10 each	26		
	- Basic (In ₹)		(22.89)	66,875.98
	- Diluted (In ₹)		(22.89)	66,875.98
	Material Accounting Policies	1		
	Notes forming part of consolidated Financial Statements	2 to 40		

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXQ3793

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Consolidated Statement of Changes in Equity

for year ended March 31, 2024

A Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	26,82,150	268.22	73,75,91,263	73,759.13
Changes in equity share capital during the year	5,00,00,000	5,000.00	-	-
Equity Shares Cancelled			(73,49,09,113)	(73,490.91)
Equity Shares at the end of the year	**5,26,82,150**	**5,268.22**	**26,82,150**	**268.22**

B Other Equity

(₹ in Lakhs)

Particulars	Reserve and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Other Reserve	Retained Earning	Other Items relating to other comprehensive income	
As at April 01, 2022	**6,254.96**	**1,50,011.33**	**22,791.35**	**(19,91,976.37)**	**169.89**	**(18,12,748.84)**
Add/(Less):						
Profit / (Loss) for the year	-	-	-	17,93,714.13	-	17,93,714.13
Change in equity structure	73,490.91	-	-			73,490.91
Other Comprehensive Income	-	-	-	-	-	-
As at March 31, 2023	**79,745.87**	**1,50,011.33**	**22,791.35**	**(1,98,262.24)**	**169.89**	**54,456.20**
As at April 01, 2023	**79,745.87**	**1,50,011.33**	**22,791.35**	**(1,98,262.24)**	**169.89**	**54,456.20**
Add/(Less):						
Profit / (Loss) for the year	-	-	-	(12,059.49)	-	(12,059.49)
Other Comprehensive Income	-	-	-	-	-	-
As at March 31, 2024	**79,745.87**	**1,50,011.33**	**22,791.35**	**(2,10,321.73)**	**169.89**	**42,396.71**

Material Accounting Policies Note 1

Notes forming part of consolidated Financial Statements Note 2 to 40

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXQ3793

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Consolidated Cash Flow Statement

for the year ended March 31, 2024

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash Flow from Operating Activities**		
	Profit / (Loss) before Tax and associate profit	(12,135.99)	17,93,693.07
	Adjustments for :-		
	Depreciation and Amortisation Expenses	6,846.23	6,828.59
	Interest Income	(8.95)	(12.26)
	Loss on Sale of Plant, property and equipments (net)	-	1,805.00
	Finance Costs	2,639.23	1,46,972.79
	RoU recalculation Fixed asset Impairment and W/off	-	220.81
	Operating cash flow before working capital changes	**(2,659.48)**	**19,49,508.00**
	Movement in Working Capital		
	(Increase) / Decrease in Inventories	(24.26)	68,116.90
	(Increase) /Decrease Other non current assets	5.62	-
	(Increase) /Decrease Trade and Other Receivables	(462.52)	15,355.03
	Increase in / (Decrease) Trade and Other Payables	(3,892.53)	(18,90,455.40)
	Cash Used in Operations	**(7,033.17)**	**1,42,524.53**
	Income Taxes (Paid) / Refund	19.43	308.18
	Net Cash from Operating Activities	**(7,013.74)**	**1,42,832.71**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Capital Work in Progress	(1,022.36)	1,155.69
	FD kept with bank	(73.88)	-
	Interest Received	8.95	12.26
	Net Cash from Investing Activities	**(1,087.29)**	**1,167.95**
C	**Cash Flow from Financing Activities**		
	Finance Costs	(2,639.23)	(1,46,972.79)
	Share capital money received	5,000.00	-
	Upfront Payment as per plan	(20,000.00)	-
	Interest on upfront payment	(685.44)	-
	Borrowings (From Hazel Infra Ltd)	28,374.00	1,000.00
	Repayment of Borrowings (Interim funding)	(803.94)	-
	Interest paid of repayment of Borrowings (Interim funding)	(133.05)	-
	Net Cash used in Financing Activities	**9,112.34**	**(1,45,972.79)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**1,011.31**	**(1,972.13)**
	Cash and Cash Equivalents at the beginning of the year	809.63	2,781.76
	Cash and Cash Equivalents at the end of the year (refer note 8)	1,820.94	809.63

Material Accounting Policies Note 1

Notes forming part of consolidated Financial Statements Note 2 to 40

Notes :

1 The above cash flow statement has been prepared under the "Indirect Method as set out in IND AS 7" - "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2 Previous Year Figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXQ3793

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note - 1

Statement of Significant Accounting Policies

General Information

The consolidated financial statements comprise standalone financial statements of Reliance Naval and Engineering Limited (“RNEL” or “the Company”) and its subsidiaries and associates for the year ended March 31, 2024. RNEL is a Company limited by shares, incorporated and domiciled in India. The registered office of the Company is located at Pipavav Port, Post Ucchaiya, Via- Rajula, District Amreli (Gujarat), and the Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is mainly engaged in the construction of vessels, repairs and refits of ships and rigs and heavy engineering. RNEL has a large shipbuilding/repair infrastructure in India including the largest Dry Dock in the world. The Company is the first private sector Company in India to obtain the licence and contract to build Naval Offshore Patrol Vessels(NOPVs) for Indian Navy. The Shipyard has only modular shipbuilding facility in India with capacity to build fully fabricated and outfitted blocks. The fabrication facility spread over 2.1 million sq. ft. has annual capacity of 144,000 tons/year. The shipyard has pre-erection berth of 980 meter length and 40 meters width and one Goliath crane with lifting capacity of 600 tonnes, besides outfitting berth length of 780 meters.

On September 4, 2018, IDBI Bank in its capacity of financial creditor filed a petition under the Insolvency and Bankruptcy Code 2016 (the “IBC” / “Code”) with the Hon’ble National Company Law Tribunal, Ahmedabad (the “NCLT”) against Reliance Naval and Engineering Limited (“the Company”). The NCLT, vide its order dated January 15, 2020, (“Insolvency Commencement Date”) initiated the Corporate Insolvency Resolution Process (“CIRP”) of the Company under the Code. The said NCLT Order also records the appointment of Mr. Rajeev Bal Sawangikar as the Interim Resolution Professional (“IRP”) in accordance with Section 16 of the Code. Subsequently, pursuant to the meeting held on March 13, 2020, the Committee of Creditors (the “CoC”) has replaced the existing IRP with Mr. Sudip Bhattacharya as the Resolution Professional (“RP”) for the Company. Upon the application filed by CoC, the NCLT has approved the appointment of RP vide its order dated May 5, 2020. The powers of the Board of Directors of the Company stand suspended with effect from January 15, 2020, i.e. the commencement of the insolvency proceedings, and continue to remain suspended in accordance with the provisions of the approved resolution plan. Pursuant to the approval of the Resolution Plan, the CIRP of RNEL has therefore concluded and Mr. Sudip Bhattacharya has ceased to be the resolution professional of the Corporate Debtor, effective on and from December 23, 2022. Furthermore, as per the terms of the approved Resolution Plan, a monitoring committee was constituted to oversee the implementation of the Resolution Plan, and day-to-day operations and management of RNEL shall be carried out by the Monitoring Committee until the closing date as defined under the Resolution Plan. Accordingly, as per the resolution plan and the decision of the members of the Monitoring Committee, Mr. Sudip Bhattacharya has been appointed as the Chairman of the Monitoring Committee vide its MC 3rd meeting dated January 31, 2023.

In line with the approved resolution plan, the Successful Resolution Applicant (“SRA”) deposited upfront payment tranches on October 27, 2023, and the same has been received in the designated bank account of the Company. By January 4, 2024, majority of the payment to Financial Creditors, Operational Creditors, and Employees as per the approved plan along with CIRP and MC period Cost has been made. Hence it was decided in the MC meeting held on January 4, 2024 that with effect from the said date the MC has ceased to exist, and the board of directors of the Company is given full authority as per the Companies Act for management of affairs of the Company. The monitoring committee has appointed M/s P.C. Patni & Company as a monitoring agency to review the cash flow and the proper implementation of the resolution plan by the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Sr No.	Particulars as per plan	Particulars as per financials	Approved amount as per the Resolution Plan	Reduction in liabilities as per NCLT order	Disclosure
1	Financial Creditors	Compulsorily Redeemable Preference Shares	2,04,000.00	19,78,963.48	The amount of gain has been shown as recasting gain under the head exceptional item in profit and loss account.
2		Unsecured Loans			
3		Current Maturities of Long Term Debts			
4		Interest accrued and due on borrowings			
		Total	**2,04,000.00**	**19,78,963.48**	
5	Operational Creditors	Trade Payables	157.00	40,959.12	
6	Employees	Salaries Payable includes all statutory liability related to employees	151.00	929.52	
7	Other Debts and Dues	Other Debts and Dues	65.00	-	Being ascertained.
		Total	**2,04,373.00**	**20,20,852.12**	

Business Revival and continuity plan

The new management of the Company is revitalizing the business through a comprehensive approach that strategically targets key market segments and establishes a clear roadmap to secure a competitive edge by focusing on 5 key levels:

1. Liquidation of WIP vessels and inventory: The Company acquired 8 work-in-progress vessels presently at the yard and has received offers for liquidation of the OSVs.
2. Focused business strategy and sustainable revenue generation: The Company is focused on building and converting a robust commercial pipeline by global and domestic reach outs for shipbuilding, repair and offshore fabrication opportunities. The Company has received their first repair order starting in August 2024 and will be operational for new build from December 2024.
3. Yard Readiness: The Company is currently reinstating and operationalizing the 600+ acres shipyard. As of date, the shipyard is ready to dock vessels and provide general repair services and is in the process of fully restoring their fabrication facility.
4. Organization building: The Company is also focusing on talent identification and recruitment to build a capable workforce.
5. Capacity augmentation: The Company is also actively engaging in planning for additional capacity to integrate a maritime vendor ecosystem and meet the global demand by increasing docking and berthing space. They are in the process of building a comprehensive yard design and layout strategy.

Material Accounting Policies

This note provides a list of the Material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation of Consolidated Financial Statements:

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] on accrual basis and other relevant provisions of the Act. Consolidated Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations.

1.2 Historical Cost Convention:

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

i Plant & Equipments and Freehold Land which were accounted at fair value at the date of transition to Ind AS;

ii Certain financial assets and liabilities (including derivative instruments) that are measured at fair value;

iii Defined benefit plans - plan assets measured at fair value; and

iv Assets held for sale – measured at fair value less cost to sell;

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.3 Functional and Presentation Currency:

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the functional currency for the Company.

1.4 Use of Estimates:

The preparation of Consolidated Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and if material, their effects are disclosed in the notes to the Financial Statements.

Estimates and assumptions are required in particular for:

i. Determination of the estimated useful life of tangible assets:

The assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

iii. Recognition of deferred tax assets:

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

iv. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

v. Discounting of long - term financial liabilities:

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

vi. Determining whether an arrangement contains a lease:

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

vii. Fair value of financial instruments:

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts is determined using the rates published by Reserve Bank of India (RBI). Fair value of Interest Rate Swaps is determined with respect to current market rate of interest.

viii. Revenue recognition:

Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from Contracts with Customers'. The estimates are revised periodically.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1.5 Current Versus Non Current Classification:

i. The assets and liabilities in the Balance Sheet are based on current / non - current classification. An asset is current when it is:

1 Expected to be realised or intended to be sold or consumed in normal operating cycle

2 Held primarily for the purpose of trading

3 Expected to be realised within twelve months after the reporting period, or

4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

ii A liability is current when it is:

1 Expected to be settled in normal operating cycle

2 Held primarily for the purpose of trading

3 Due to be settled within twelve months after the reporting period, or

4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

1.6 Other Material Accounting Policies:

I Property, Plant and Equipments:

i. The Company has measured all of its Plant and Equipments and Freehold Land at fair value at the date of transition to Ind AS. The Company has elected these value as deemed cost at the transition date. All other property, plant and equipment have been carried at historical cost.

ii. Property, Plant and Equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use are capitalised as part of total cost of assets.

iii. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

II Depreciation:

i. Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful life specified in Schedule II to the Companies Act, 2013 except the following items, where useful life estimated on technical assessment, past trends and expected useful life differ from those provided in Schedule II of the Companies Act, 2013:

Description of Assets	Useful Life Considered (Years)
Dry Dock (including berths)	50/47
Offshore Yard	50/48
Site development	32 to 37
Roads, Culverts & Bridge	25
Wall	20
Heavy Fabrication Area	14
SAP/ Technical Know How	10
Vehicles & excavator	8
Toilet Block	7
Computers and accessories	6
Office equipments	5/4
Mobile Phones	3/2
Spare parts	1

The Management believes that the useful life as given above represents the period over which management expects to use these assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

ii. In respect of additions/extensions forming an integral part of existing assets, depreciation has been provided over residual life of the respective assets. Material additions which are required to be replaced/performed at regular interval are depreciated over the useful life of their specific life.

iii. Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

III Borrowing Costs:

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

IV Intangible Assets:

Intangible Assets having finite life are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test. Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 3 - 10 years.

V Fair Value Measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an assets or liability is measured using the assumptions that market participants would use when pricing the assets or liability, acting in their best economic interest. The fair value of plant and equipments as at transition date to Ind AS have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

VI Inventories:

i. Raw Materials, Stores and Spares, Work – in - Progress and Finished Goods etc. have been valued at lower of cost or net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of steel plates, profiles, equipments and other raw materials and stores and spares at Weighted Average Method. Cost of Work-in-Progress and Finished Goods is determined on Absorption Costing Method. Scrap is valued at Net Realisable Value.

ii. If payment terms for inventory are on deferred basis i.e. beyond normal credit terms, then cost is determined by discounting the future cash flows at an interest rate determined with reference to the market rates. The difference between total cost and deemed cost is recognised as interest expense over the period of financing under the effective interest method.

VII IND AS 116 - Leases:

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

VIII Government Subsidy:

i Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

ii Government subsidy related to shipbuilding contracts are recognized when there is reasonable assurance that the subsidy will be received, on the basis of percentage completion of the respective ships, on compliance with the relevant conditions and such subsidies are recognized in the Statement of Profit and Loss and presented under the head revenue from operations.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

iii Government grants in the nature of compensating certain costs are recognised as other income in Statement of Profit and Loss.

IX Foreign Currency Transactions:

i. Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

ii. Monetary items denominated in foreign currencies at the year end are re measured at the exchange rate prevailing on the balance sheet date.

iii. Non monetary foreign currency items are carried at historical cost.

iv. Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss.

X Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another Company.

Financial Assets:

i Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss.

iii Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

iv Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

v Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

vi Investment in Subsidiaries and Associates:

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

vii Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from other comprehensive income to profit or loss.

viii Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included with in the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

ix Derecognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

x Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not valued through Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Financial Liabilities:

i Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

ii Initial recognition and measurement:

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

iii Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchase in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

iv Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

v Derecognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

vi Derivative Financial Instrument and Hedge Accounting:

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

XI Employee Benefits:

i Short term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

iii. Other long-term employee benefits:

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement is recognised in Statement of Profit and Loss in the period in which they arise.

XII Provision for Current and Deferred Tax:

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current tax assets and liabilities are offset only if, the Company:

1 has a legally enforceable right to set off the recognised amounts; and

2 intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax:

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

1 Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

2 Deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

XIII Impairment of Assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash - generating unit to which the asset belongs.

XIV Warranty Provision:

Provision for warranty related costs are recognised after the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience. The estimates of warranty related costs are revised periodically.

XV Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

XVI Earnings per share:

i **Basic earnings per share:** Basic earnings per share is calculated by dividing:

1 the profit attributable to owners of the Company;

2 by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii **Diluted earnings per share:** Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

1 the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and

2 the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note - 2

A Property, Plant and Equipments

(₹ in Lakhs)

	Depreciation of Assets	Owned Assets						Leased Assets		Intangible Assets	Total
		Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles	Total Owned Assets	Right-of-use Assets	Leasehold Land and Development	Computer Softwares*	
I	**Gross Carrying Amount**										
	As at April 01, 2023	49,833.41	4,91,790.20	505.91	339.97	203.02	5,42,672.51	11,082.69	48,448.78	734.29	6,02,938.27
	Additions during the year	-	3.63	-	16.09	-	19.72	365.14	-	-	384.86
	Deductions	-	-	-	-	-	-	-	-	-	-
	As at March 31, 2024	**49,833.41**	**4,91,793.83**	**505.91**	**356.06**	**203.02**	**5,42,692.23**	**11,447.83**	**48,448.78**	**734.29**	**6,03,323.13**
II	**Accumulated Depreciation and Impairment**										
a	**Accumulated Depreciation**										
	As at April 01, 2023	19,406.96	1,09,409.89	355.11	222.57	188.93	1,29,583.46	4,350.92	16,917.36	369.90	1,51,221.64
	Additions during the year	1,256.05	4,183.75	0.46	0.82	1.42	5,442.50	1,097.09	306.64	-	6,846.23
	Deductions	-	-	-	-	-	-	-	-	-	-
	As at March 31, 2024	**20,663.01**	**1,13,593.64**	**355.57**	**223.39**	**190.35**	**1,35,025.96**	**5,448.01**	**17,224.00**	**369.90**	**1,58,067.87**
b	**Impairment**										
	As at April 01, 2023	7,897.39	2,94,872.51	127.80	104.17	2.51	3,03,004.38	-	25,129.76	364.39	3,28,498.53
	Additions during the year	-	-	-	-	-	-	-	-	-	-
	Deductions	-	-	-	-	-	-	-	-	-	-
	As at March 31, 2024	**7,897.39**	**2,94,872.51**	**127.80**	**104.17**	**2.51**	**3,03,004.38**	**-**	**25,129.76**	**364.39**	**3,28,498.53**
III	**Net Carrying Amount as at 31.03.2024**	**21,273.01**	**83,327.68**	**22.54**	**28.50**	**10.16**	**1,04,661.89**	**5,999.82**	**6,095.02**	**-**	**1,16,756.73**
Previous Financial Year											
I	**Gross Carrying Amount**										
	As at April 01, 2022	50,209.58	5,13,929.26	890.77	1,021.39	638.19	5,66,689.19	10,833.84	48,448.78	10,730.31	6,36,702.12
	Additions during the year on account of recalculation of Right-of-use Assets	-	-	-	-	-	-	248.85	-	-	248.85
	Deductions	376.17	22,139.06	384.86	681.42	435.17	24,016.68	-	-	9,996.02	34,012.70
	As at March 31, 2023	**49,833.41**	**4,91,790.20**	**505.91**	**339.97**	**203.02**	**5,42,672.51**	**11,082.69**	**48,448.78**	**734.29**	**6,02,938.27**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

	Depreciation of Assets	Owned Assets						Leased Assets		Intangible Assets	Total
		Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles	Total Owned Assets	Right-of-use Assets	Leasehold Land and Development	Computer Softwares*	
II	**Accumulated Depreciation and Impairment**										
a	**Accumulated Depreciation**										
	As at April 01, 2022	18,268.36	1,17,074.54	712.88	851.08	512.61	1,37,419.47	3,109.77	16,611.55	917.24	1,58,058.03
	Additions during the year	1,257.43	4,199.13	0.76	1.68	14.41	5,473.41	1,049.37	305.81	-	6,828.59
	Additions during the year on account of recalculation of Right-of-use Assets	-	-	-	-	-	-	191.78	-	-	191.78
	Deductions	118.83	11,863.78	358.53	630.19	338.09	13,309.42	-	-	547.34	13,856.76
	As at March 31, 2023	**19,406.96**	**1,09,409.89**	**355.11**	**222.57**	**188.93**	**1,29,583.46**	**4,350.92**	**16,917.36**	**369.90**	**1,51,221.64**
b	**Impairment**										
	As at April 01, 2022	8,001.65	3,02,120.12	153.08	143.01	55.59	3,10,473.45	-	25,129.76	9,813.07	3,45,416.28
	Additions during the year	-	20.74	0.18	-	(0.14)	20.78	-	-	-	20.78
	Deductions	104.26	7,268.35	25.46	38.84	52.94	7,489.85	-	-	9,448.68	16,938.53
	As at March 31, 2023	**7,897.39**	**2,94,872.51**	**127.80**	**104.17**	**2.51**	**3,03,004.38**	**-**	**25,129.76**	**364.39**	**3,28,498.53**
III	**Net Carrying Amount as at 31.03.2023**	**22,529.06**	**87,507.80**	**23.00**	**13.23**	**11.58**	**1,10,084.67**	**6,731.77**	**6,401.66**	**-**	**1,23,218.10**

* Other than Internally Generated.

Note -

1 In FY 2022-23 scrap sale of a fixed asset has been conducted for those assets damaged due to the cyclone that occurred in May 2021, the WDV value of those assets as on March 31, 2022, is ₹ 2,961 lakhs, and the sale value is ₹ 1,156 lakhs. The impact of loss on the sale of fixed assets is given in the books of accounts amounting to ₹ 1,805 lakhs during the year ended as per the relevant financial reporting framework.

2 There was a large scale damage to Property, Plant and Equipment, Capital Work in Progress and Inventories due to cyclone Tauktae which hit Company premises during May 2021. Company has taken up the matter with insurance Company for assessing the damage and settlement of claims. Pending the outcome no provision has been made in the accounts for period ended March 31, 2024.

3 During the year management has conducted physcial verification of fixed assests.

(₹ in Lakhs)

B	**Capital Work in Progress**	**As at March 31, 2024**	**As at March 31, 2023**
		4,306.50	3,669.00

2.1 The Company has adopted Ind AS 116 'Leases' effective April 1, 2019, and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets. Further, additions include recognition of leasing arrangement towards Land as Right-of-use Assets of ₹ 11,082.69 lakhs and a Lease Liability of ₹ 11,082.69 lakhs as at April 1, 2019. The impact on the profit for the year is not material.

2.2 All the fixed assets of the Company are either mortagaged or hyphothecated against the secured borrowings of the Company as detailed in note no. 12 and 14 to the financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Capital Work in Progress (net of impairment) includes:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
- Assets under construction and installation	4,306.50	3,669.00
- Preoperative expenses	-	-
Total	**4,306.50**	**3,669.00**

2.4 Capital-Work-in Progress (CWIP) disclosure as per notification issued by the Ministry Of Corporate Affairs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	637.50	-	-	-	637.50
Projects temporarily suspended	-	-	-	3,669.00	3,669.00

Note - 3

Investments

(₹ in Lakhs)

Particulars	% of holding	Face Value	Numbers 31-Mar-24	Numbers 31-Mar-23	As at March 31, 2024	As at March 31, 2023
Long Term Trade Investments (Unquoted and fully paid up) - Financial Assets measured at cost						
In Equity Instruments of Subsidiary Companies						
E Complex Private Limited (refer note no. 3.3)	100.00%	₹10	2,17,09,327	2,17,09,327	1,896.73	1,896.73
Reliance Technologies and Systems Private Limited	100.00%	₹10	10,000	10,000	1.00	1.00
PDOC Pte. Limited *(Incorporated and place of business at Singapore)*	100.00%	SGD1	25,000	25,000	11.74	11.74
					1,909.47	**1,909.47**
In Equity Shares of Associate Company						
Conceptia Software Technologies Private Limited	25.50%	₹10	1,12,200	1,12,200	481.14	404.64
					481.14	**404.64**
In Equity Shares of Other Company						
Reliance Underwater Systems Limited *(formerly Reliance Lighter than Air Systems Private Limited)*	50.00%	₹10	1,40,000	1,40,000	**14.00**	**14.00**
In Government and Other Securities						
6 years National Savings Certificate					0.05	0.05
(Deposited with Sales Tax Department)						
					0.05	**0.05**
Less - Impairment of Investments					(1,923.52)	(1,923.52)
Total					**481.14**	**404.64**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3.1 Refer note no. 1.6(X) for basis of valuation.

3.2 Aggregate amount of Non Current Investments.

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	-	-	-	-
Unquoted Investments	481.14	-	404.64	-
Total	**481.14**	**-**	**404.64**	**-**

3.3 Equity Shares of E Complex Private Limited are pledged with Lenders for loan facilities availed by the Company. However the amount of investment in E Complex Pvt Ltd has been fully impaired.

3.4 The Company has impaired investments considering the following indicators; Subsidiaries have consistently incurred losses over the years and thereby Net Worth has fully eroded. There is no existing operating business being carried out in these subsidiaries because of changes in market, economic and legal environment conditions. These Material changes in working conditions are impacting the current business of the subsidiaries.

3.5 During the Financial Year 2019 - 2020 (before the commencement of CIRP), Reliance Underwater Systems Private Limited (RUSPL) ceased to be subsidiary and also associate Company of Reliance Naval and Engineering Limited, by virtue of allotment of additional equity shares (49.99%) to Reliance Corporate Advisory Services Limited, and assigning the voting rights to Reliance Capital Limited.

3.6 As per the applicable accounting framework the entity shall also submit consolidated financial statements for the year ending March 31, 2024. There are three subsidiaries of the Company and one associate. The subsidiaries of the Company are separate legal entities, also currently few companies are under CIRP Process, under liquidation and non-operational and the Company is not able to obtain relevant data from the available contact details of the subsidiaries. In view of the above, the Company has prepared Consolidated Financial Statements incorporating only Conceptia Software Technologies Private Limited, an associate Company. The following wholly-owned subsidiaries are not considered in the consolidation of the financials statement.

Sr no.	Name of the Company	Nature of Entity	Status
1	E Complex Private Limited	Wholly Owned Subsidiary	Under CIRP
2	PDOC Pte. Limited	Wholly Owned Subsidiary	Active
3	Reliance Technologies and Systems Private Limited	Wholly Owned Subsidiary	Active
4	Conceptia Software Technologies Private Limited	Associate	Active

3.7 E-Complex Private Limited, a wholly-owned subsidiary of the Company was admitted during FY 2020-21 for Corporate Insolvency Resolution Process (CIRP) with NCLT Ahmedabad. The CIRP process for E-Complex Private Limited is completed as per the NCLT order dated December 4, 2023 which has been set aside by NCLAT by its order dated July 25, 2024. E-Complex Private Limited, a wholly-owned subsidiary of the Company was admitted during FY 2020-21 for Corporate Insolvency Resolution Process (CIRP) with NCLT Ahmedabad. The CIRP process for E-Complex Private Limited is completed as per the NCLT order dated December 4, 2023 which has been set aside by NCLAT by its order dated July 25, 2024. The COC of ECPL has filed an appeal before the Supreme court of India which is pending admission. The impairment created in the earlier years against this investment is still carried in the books of accounts.

Note - 4

Deferred Tax Liabilities/(Assets) (Net)

4.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:

Since the Company has incurred loss during the year ended March 31, 2024, and previous year, no tax is payable for these years as per provisions of Income Tax Act, 1961, the calculation of effective tax rate is not relevant and hence not given.

4.2 The Company has not recognised net deferred tax assets as Company is not certain that sufficient future taxable income will be available against which deferred tax assets can be realised considering its present order book and anticipated orders and opportunities in the defence sector as evidences.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note - 5

Other Non Current Assets

(Unsecured and considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits with		
Related Parties (Refer note no. 32)	7,370.00	7,370.00
Others	2,041.28	1,973.02
Total	**9,411.28**	**9,343.02**

As on March 31, 2024, the Company had given Security Deposit (short-term and long-term) amounting to ₹ 9,411.28 Lakhs. Out of the above security deposit, an amount of ₹ 7,370 Lakhs has been given to M/S E-Complex Private Limited ("ECPL") against the land taken from them on lease as a refundable deposit. ECPL was admitted under CIRP by NCLT. The claim submitted by the Resolution Professional of the Company was not accepted by the Resolution Professional of ECPL. The CIRP process was completed as per the NCLT order dated December 4, 2023. The said order of NCLT has been set aside by NCLAT by its order dated July 25, 2024. The COC of ECPL has filed an appeal before the Supreme Court of India which is pending admission. As per lease agreements, the lease tenure of SEZ land is for 60 years in blocks of 20 years. The first block of 20 years is expiring in the year 2028. Till the time the Company is in possession of said land, the question of refund of security deposit doesn't arise and therefore the enduring benefit from use of the land is going to be received by the Company. The Company does not foresee any probability in diminution in the value of the security deposit and hence no impairment provision is needed for the same. Further, the recoverability of the said security deposits deposited with Court against certain legal ongoing cases are subject to the outcome of the said cases.

Note - 6

Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Raw Materials	10,428.39		39,849.62	
Raw Materials Written off During the period	-		(29,431.57)	
		10,428.39		**10,418.05**
Work in Progress	1,29,409.00		1,68,038.94	
Work in Progress Written off During the period	-		(38,629.94)	
		1,29,409.00		**1,29,409.00**
Stores and Spares		702.34		688.42
Total		**1,40,539.73**		**1,40,515.47**

6.1 Refer note no. 1.6(VI) for basis of valuation.

6.2 All the Inventories of the Company are either mortgaged or hypothecated against the secured borrowings of the Company as detailed in note no. 12 and 14 to the financial statements.

6.3 During the year management has conducted physical verification of inventory.

Note - 7

Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables Considered Good - Unsecured (Less than 180 days)	-	-
Trade Receivables Considered Good - Unsecured (More than 180 days)	695.23	700.07
Trade Receivables Credit Impaired	-	79,508.24
	695.23	**80,208.31**
Less: Provision for Credit Impaired	(700.07)	(80,208.31)
Add: Provision for Credit Impaired reversed	4.84	79,508.24
Less: Trade Receivables Written off	-	(79,508.24)
	-	-
Total	**-**	**-**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

7.1 Trade Receivables are non - interest bearing and receivable in normal operating cycle.

7.2 Aging of Trade receivable. (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total as at March 31st, 2024
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables- considered good	-	-	-	-	-	-
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	(695.23)	(695.23)
Provision	-	-	-	-	695.23	695.23
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Particulars	Outstanding for following periods from due date of payment					Total as at March 31st, 2023
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables- considered good	-	-	-	-	-	-
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	700.07	700.07
Provision	-	-	-	-	(700.07)	(700.07)
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Note - 8

Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks in Current Accounts	60.29	809.54
Cash on hand	0.09	0.09
Fixed Deposit	1,760.56	-
Total	**1,820.94**	**809.63**

Note - 9

Other Current Assets

(Unsecured & considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
FD against margin money with interest	73.88	-
Prepaid Expenses	66.64	69.34
Goods and Service Tax / Cenvat / VAT recoverable	671.66	367.09
Receivables pertaining to other income	50.01	22.58

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Gratuity claim receivable from LIC		7.52		-
Advance against purchase of material / services	32,242.84		32,191.02	
Less : Advance against purchase of material / services and capital goods Impaired	(32,091.97)		(10,289.30)	
Less : Advance against purchase of material / services and capital goods Impaired during the year	-		(21,802.67)	
	-	**150.87**	-	**99.05**
Shipbuilding Contracts Receivables	740.57		1,73,959.62	
Less: Shipbuilding Contracts Receivables - Impaired	(740.57)		(1,73,219.05)	
Add: Shipbuilding Contracts Receivables - Impaired Reversal	-		1,73,219.05	
Add: Shipbuilding Contracts Receivables - Impaired	-		(740.57)	
Less: Shipbuilding Contracts Receivables - Written off	-		(1,73,219.05)	
	-		**-**	**-**
Subsidy Receivable For Shipbuilding	-		7,830.03	
Less: Subsidy Receivable For Shipbuilding Impaired	-		(7,830.03)	
Add: Subsidy Receivable For Shipbuilding Impaired Reversal	-		7,830.03	
Less: Subsidy Receivable For Shipbuilding Written off	-		(7,830.03)	
		-		-
Total		**1,020.58**		**558.06**

9.1 **Charge is created on the current assets as under:**

i) first *pari passu* charge by way of mortgage over leasehold rights on 124.1199 hectares of land belonging to E Complex Private Limited and on sub-leasehold rights on 10.5 hectares of land belonging to Gujarat Maritime Board and second *pari passu* charge by way of hypothecation of all the current assets (including all receivables and inventories), both present and future.

ii) first *pari passu* charge and mortgage on all the immovable properties; hypothecation of all movable properties of the Company and on all the intangible assets of the Company; both present and future.

Note - 10

Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
11,000,000,000 (Previous Year: 11,000,000,000) Equity Shares of ₹ 10/- each	11,00,000.00	11,00,000.00
4,000,000,000 (Previous Year: 4,000,000,000) Preference Shares of ₹ 10/- each	4,00,000.00	4,00,000.00
	15,00,000.00	**15,00,000.00**
Issued, Subscribed and fully paid up		
26,82,150 (Previous Year: 26,82,150) Equity Shares of ₹ 10/- each fully paid up	268.22	268.22
Total	**268.22**	**268.22**

10.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	26,82,150	268.22	73,75,91,263	73,759.13
Changes in equity share capital during the year	-	-	(73,49,09,113)	(73,490.91)
Equity Shares at the end of the year	**26,82,150**	**268.22**	**26,82,150**	**268.22**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

a. The Number of equity share in the Company stands reduced based on approved resolution plan by Hon'ble National Company Law Tribunal in the ratio of 1 share each for 275 shares held in the Company, resulting in reduction of equity capital by ₹ 73,490.91 lakhs.

b. As per the approved resolution plan, Hazel Infra Limited was to invest ₹ 5,000 lakhs by way of 5 crores equity share of ₹ 10 each in the Company. The infusion of the amount happened on October 27, 2023.

10.2 Shareholders holding more than 5% Shares in the Company:

Shares held by	As at March 31, 2024		As at March 31, 2023	
	No of Shares	% holding	No of Shares	% holding
a) Position of Holding before infusion of Equity by Hazel Infra Limited				
Vistra ITCL India Limited (on behalf of lenders)	5,27,655	19.67%	5,27,655	19.67%
Life Insurance Corporation of India	2,12,603	7.93%	2,12,603	7.93%
b) Position of Holding post infusion of Equity by Hazel Infra Limited on October 27, 2023. Also refer note 10.1 (a) and 10.1 (b) as above				
Hazel Infra Limited	5,00,00,000	94.91%	-	-

10.3 Terms and Rights attached to Equity Shares:

The Company has only one class of Equity Share having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity share holders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

10.4 Promoter & Promoter Group holding as on March 31, 2024 and March 31, 2023 is NIL.

Note - 11

Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Capital Reserve				
Opening Balance	79,745.87		6,254.96	
Additions during the year	-		73,490.91	
		79,745.87		79,745.87
Securities Premium Account				
Opening Balance	1,50,011.33		1,50,011.33	
Add :- On Issue of Shares	-		-	
		1,50,011.33		1,50,011.33
Other Reserve				
Opening Balance	22,791.35		22,791.35	
Additions during the year	-		-	
		22,791.35		22,791.35
Retained Earnings				
Opening Balance	(1,98,262.24)		(19,91,976.37)	
Add:- Profit(loss) for the year as per profit or loss statement	(12,059.49)		17,93,714.13	
		(2,10,321.73)		(1,98,262.24)
Other Comprehensive Income				
Opening Balance	169.89		169.89	
Add: Movement During the year (net)	-		-	
		169.89		169.89
Total		**42,396.71**		**54,456.20**

Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit and loss is recognised as a part of retained earnings with separate disclosure of such items along with relevant amounts in the Note 22.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Nature and Purpose of Reserves :

Capital Reserve: The increase in capital reserve during the previous year represents the value of equity capital extinguished based on the resolution plan apporved Hon'ble NCLT Ahemdabad bench. (Number of shares extinguished 734,909,113 of ₹ 10 each amounting to ₹ 73,490.91 lakhs)

Note - 12

Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Loans		
From Bank	1,33,200.00	1,84,000.00
Unsecured Loans		
Body Corporates	29,374.00	1,000.00
Total	**1,62,574.00**	**1,85,000.00**

12.1 As per approved resolution plan, amount payable to secured financial creditors included in non current secured loan above ₹ 184,000 lakhs and included in current secured loan of ₹ 20,000 lakhs total amount ₹ 204,000 lakhs. Please refer to note 1.

12.2 During the period the Company has taken interest free unsecured loan from Hazel Infra Limited of ₹ 28,374 lakhs , which is repayable on demand.

12.3 The amount reflected as a secured loan requires an update to the details of charges on the MCA website in accordance with the resolution plan.

Note - 13

Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits	43.01	43.01
Total	**43.01**	**43.01**

Note - 14

Short Term Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Loans		
Banks	50,800.00	20,000.00
Total	**50,800.00**	**20,000.00**

14.1 The amount reflected as a secured loan requires an update to the details of charges on the MCA website in accordance with the resolution plan.

Note - 15

Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Outstanding due to Micro Enterprises & Small Enterprises	2.50	28.29
Total Outstanding due to Creditors other than Micro Enterprises & Small Enterprises	3,678.44	7,798.33
Total	**3,680.94**	**7,826.62**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

15.1 Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid	2.50	28.29
Interest due thereon	-	0.79
Interest paid by the Company in terms of Section 16 along with principal payments made	-	-
Interest due and payable for the period of delay in payment	-	-
Interest accrued and remaining unpaid	0.79	0.79
Interest remaining due and payable even in succeeding years	0.79	0.79

15.2 All trade payables are non interest bearing and payable are settled within normal operating cycle of the Company

15.3 Aging of Trade payables.

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total as at March 31, 2024
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-
Others	3,311.02	6.22	12.79	348.41	3,678.44
Disputed dues- MSME	2.50	-	-	-	2.50
Disputed dues- Others	-	-	-	-	-
Total	**3,313.52**	**6.22**	**12.79**	**348.41**	**3,680.94**

Particulars	Outstanding for following periods from due date of payment				Total as at March 31, 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	28.29	-	-	-	28.29
Others	6,309.42	234.85	506.81	747.25	7,798.33
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**6,337.71**	**234.85**	**506.81**	**747.25**	**7,826.62**

Note - 16

Other Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Maturities of Long Term Debts	-	803.94
Interest accrued and due on borrowings	835.41	86.20
Creditors for Capital Goods	0.26	10.62
Statutory Dues	120.77	197.29
Other Payables *	108.58	827.29
Total	**1,065.02**	**1,925.34**

16.1 As per the order issued by the NCLT, the Company has established a Provident Fund provision of ₹ 56 lakh. However, no claims have been made against this provision. Additionally, the Company has created a corresponding deposit to cover this liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note - 17

Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from Customers	18.98	76.70
Total	**18.98**	**76.70**

Note - 18

Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
For Employee Benefits (Refer note no 22.1)		-		-
Other Provisions	-		-	
Less: Estimated Liability for Outstanding Claims	-		-	
	-		**-**	
		-		-
Total		**-**		**-**

Note - 19

Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Repairs and Fabrication	-		316.10	
		-		316.10
Total		**-**		**316.10**

Note - 20

Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income	8.95	12.26
Foreign Exchange Difference (net)	-	3.01
Miscellaneous Income	237.38	444.55
Total	**246.33**	**459.82**

Note - 21

Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Steel Plates and Profiles	-	0.38
Equipment and Components	27.29	25.34
Total	**27.29**	**25.72**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Changes in Inventories of Work - in - Progress and Scrap

(₹ in Lakhs)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
At the end of the year			
Scrap		-	-
Work in progress		1,29,409.00	1,29,409.00
	a	**1,29,409.00**	**1,29,409.00**
Less :- At the beginning of the year			
Scrap		-	-
Work in progress		1,29,409.00	1,68,038.94
Provision created during the year			(38,629.94)
	b	**1,29,409.00**	**1,29,409.00**
Changes in Inventories	(b - a)	**-**	**-**

Note - 22

Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages and Allowances	454.78	306.23
Contribution to Provident and Other Funds	17.13	19.35
Total	**471.91**	**325.58**

22.1 Employee Benefits

As per Ind AS 19 “Employee Benefits”, the disclosure of employee benefits as defined in the accounting standards are given below:

Defined Contribution Plan

(₹ in Lakhs)

Particulars	2023-24	2022 - 2023
Employers Contribution to Provident Fund	9.92	11.23
Employers Contribution to Pension Fund	7.21	8.12
Total	**17.13**	**19.35**

Defined Benefit Plan

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC). The Company has made contribution to the above mentioned trust upto the financial year ended March 31, 2009 and thereafter no contributions have been made. The Employees Leave Encashment Scheme which is a defined benefit plan is unfunded.

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

a) Gratuity (Funded)

i) Reconciliation of opening and closing balances of the present value of the defined gratuity benefit obligation:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Defined Benefit Obligation at beginning of the year	24.10	74.92
Current Service Cost	6.55	3.10
Past Service Cost	-	-
Current Interest Cost	1.70	3.13
Actuarial (Gain) / Loss	(2.84)	3.28
Benefits paid / reversed		(60.33)
Defined Benefit Obligation at end of the year	29.51	24.10

ii) Reconciliation of opening and closing balances of the Fair Value of the Plan Assets:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Fair Value of Plan Assets at the beginning of the year	124.93	116.37
Expected Return on Plan Assets	9.07	6.07
Actuarial Gain / (Loss)	0.51	2.49
Fair Value of the Assets at the end of the year	134.51	124.93

iii) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Fair Value of Plan Assets at the end of the year	134.51	124.93
Present Value of Defined Benefit Obligation at end of the year	29.51	24.10
Liabilities / (Assets) recognised in the Balance Sheet	(105.00)	(100.83)

iv) Expenses recognised during the year:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Current & Past Service Cost	6.55	3.10
Past Service Cost	-	-
Interest Cost	1.70	3.13
Expected Return on Plan Assets	(9.07)	(6.07)
Net Cost Recognised in profit or loss	(0.82)	0.16
Actuarial (Gain) / Loss recognised in other comprehensive income	(3.35)	0.79

The Company has not recognized the actuarial gain as per the actuarial report for the period ended March 31, 2024, and March 31, 2023, since there is no liability to be reversed in the books of accounts.

v) Assumptions used to determine the defined benefit obligations:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
Mortality Table (LIC)	IALM (2012-14) Ultimate	
Discount Rate (p.a.)	7.09%	7.26%
Estimated Rate of Return on Plan Asset	7.09%	7.26%
Expected Rate of increase in Salary (p.a.)	7.00%	0.00%

The estimates of rate of increase in salary are considered in actuarial valuation, taking into account, inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is certified by Actuary.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage and amount for each category of the fair value of plan assets has not been disclosed.

vi) Sensitivity Analysis:

Particulars	Effect on Gratuity Obligation Increase/ (Decrease)	
	2023 - 2024	**2022 - 2023**
Defined Benefit Obligation - Discount Rate + 100 basis points	(1.13)	(0.72)
Defined Benefit Obligation - Discount Rate - 100 basis points	1.24	0.77
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	1.27	0.87
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(1.23)	(0.81)
Defined Benefit Obligation - Withdrawal Rate - 25% increase	(0.35)	(0.03)
Defined Benefit Obligation - Withdrawal Rate - 25% decrease	0.36	0.01

The above sensitivity analysis is based on an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the Balance Sheet.

vii) Risk Exposure :

1 **Investment Risk:** The Present value of the defined benefit plan laibility is calculated using a discount rate which is determined by reference to market yeilds at the end of reporting period on Government bonds.

2 **Interest Risk:** A decrease in the bond interest rate will increase the plan liability: however, this will be partially offset by an increase in the return on the plan debt investment.

3 **Liquidity Risk:** The present value of the defined plan liabilty is calculated by refrence to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

4 **Salary Risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an incraese in the salary of the plan participants will increase the plan's liability.

viii) Details of Asset-Liability Matching Strategy: Gratuity benefits liabilities of the Company are funded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

ix) The expected payments towards to the gratuity in future years:

(₹ in Lakhs)

Particulars	2023 - 2024	2022 - 2023
0 to 1 Year	53.35	53.35
2-5 Years	12.10	34.21
More than 5 Years	12.24	16.64

b) Leave Encashment (Unfunded)

During the FY 2020-21, the Company changed its leave policy wherein accumulation of leave is restricted and encashment of leave facility was withdrawn.

Consequently as there is no liability towards the leave encashment acturial valuation has not been carried out.

Note : Above details are captured from the Acturial report. The Company had certain gratuity liability Pre-CIRP and also making certain provision for the Post-CIRP basis the calculation done by HR department of the Company.

As per the acturial valuation report there is net assets position. However, Company had continued the gratuity liability on conservative basis. Accordingly outstanding liability towards gratuity and levae enacshment in note no. 18 will not match with above disclosure.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note - 23

Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	1,538.83	1,45,298.78
Interest on Lease Liability	1,097.78	1,190.48
Other Borrowing Costs (Bill Discounting Charges, Guarantee Commission, etc.)	2.62	483.53
Total	**2,639.23**	**1,46,972.79**

23.1 As per NCLT order dated August 1, 2023 interest at the rate of SBI MCLR plus 200 basis points is payable with effect from June 23, 2023 till the making up full upfront payment of ₹ 200 Crs to unrelated financial creditors. Hence as per the order, the Company has charged interest of ₹ 40.27 lakhs at the rate of 10.50% p.a. from June 23, 2023 to June 30, 2023. In the Meeting of the Joint Lenders of the Company, held on September 12, 2023, the unrelated financial creditors have agreed to give an extension of time for making the balance upfront payment subject to payment of interest for the delay, at SBI MCLR of 1 year (8.5% p.a.) plus 250 basis points from September 15, 2023 till the date of payment on reducing balance basis. Therefore, the Company has charged interest of ₹ 517.68 lakhs and ₹ 127.47 lakhs in the second quarter and third quarter respectively.

23.2 As per NCLT order dated November 21, 2023, 1st tranche amounted ₹ 312 crores is deferred and interest is payable to unrelated financial creditors. Hence, as per the order, the Company has charged interest at the rate of 10.50% p.a. on ₹ 200 Crores and at the rate of 8.55% p.a. on ₹ 112 crores from December 23, 2023 till the date of payment which is August 7, 2024. Therefore, the Company has charged interest of ₹ 75.19 lakhs and ₹ 760.22 lakhs in the third quarter and fourth quarter respectively.

Note - 24

Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumables, Stores and Spares	62.64	92.50
Power, Fuel and Water	496.30	566.98
Repairs and Maintenance	84.67	160.22
Labour / Fabrication and Subcontractor Charges	635.92	527.97
Equipment Hire Charges	18.85	81.21
Rent	14.86	99.18
Testing and Inspection Charges	43.48	3.54
Insurance	108.46	423.58
Rates and Taxes	0.02	6.15
Communication Expenses	5.28	5.03
Travelling, Conveyance and Vehicle Hire Charges	17.49	7.12
Legal and Professional Charges	573.57	1,016.58
Payment to Auditors (refer note 24.1)	16.30	32.60
Loss on Sale/ Discard of Plant, property and equipments (net)	-	1,805.00
Security Expenses	305.32	213.67
Miscellaneous Expenses	14.48	11.44
Total	**2,397.64**	**5,052.77**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note - 24.1 Payment to Auditors includes:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit Fees	16.30	32.60
Out of pocket expenses	-	-
Certification Charges	-	-
Total	**16.30**	**32.60**

Notes - 25

Exceptional Items

Details of exceptional item for FY 2022-23 is as follows

₹ in Lakhs

Sr. No.	Particulars	Amount
1	Gain as per note 1	20,20,852.12
2	Fixed Assets Written off	(257.10)
3	Fixed Assets Imapired	(20.78)
4	Security Deposits written off	(30.26)
5	Raw material Inventory written off	(29,431.57)
6	Work in progress written off	(38,629.94)
7	Cash and Cash Equivalents balance written back	12.11
8	GST and Cenvat credit balance written off	(619.63)
9	Provision created for advance to vendors	(21,802.67)
10	Increase in Lease liability	(283.57)
11	Increase in Lease assets (Net of depreciation)	57.07
12	Advance from cutomers forfeited	2,937.28
13	Other provision reversal	10,705.04
14	Other payable and receivables written back / written off	8,853.63
15	Statutory dues written back	531.37
16	Provision for Contract Receivable in progress	(740.57)
	Total	**19,52,132.53**
	Amount as per profit and loss account	**19,52,132.53**

Note - 26

Earnings Per Share (Basic and Diluted)

(₹ in Lakhs)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Loss attributable to the Equity Shareholders		(12,059.49)	17,93,714.13
Amount available for calculation of Basic and Diluted EPS	(a)	**(12,059.49)**	**17,93,714.13**
Weighted Average No. of Equity Shares outstanding for Basic and Dilued EPS	(b)	5,26,82,150	26,82,150
Basic and Diluted Earnings per share of ₹ 10/- each (in ₹)	(a) / (b)	**(22.89)**	**66,875.98**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note - 27

Contingent Liabilities and Commitments

27.1 Contingent Liabilities:

(No Cash Outflow is expected except as stated otherwise and not likely to have any material impact on financial position of the Company)

(₹ in Lakhs)

Sr. No.	Particulars		As at March 31, 2024	As at March 31, 2023
a)	Guarantees given by Company's Bankers			
	i)	Other Bank Guarantees	72.96	72.96
		(Bank Guarantees are provided under contractual/ legal obligations.)		

Note - 28

The Company has issued a Bond cum legal undertaking for ₹ 64,400 lakhs (Previous Year: ₹ 64,400 lakhs) in favour of President of India acting through Development Commissioner of Kandla Special Economic Zone for setting up a SEZ unit for availing exemption from payment of duties, taxes or cess or drawback and concession etc. a General Bond in favour of the President of India for a sum of ₹ 15,300 lakhs (Previous Year : ₹ 15,300 lakhs) as Security for compliance of applicable provisions of the Customs Act, 1962 and the Excise Act, 1944 for EOU unit, a bond cum legal undertaking for ₹ 1,350 lakhs (Previous Year: ₹ 1,350 lakhs) in favour of President of India acting through D.R.I. Ahmedabad, Zonal Unit as security of compliance under Central Excise Act, 1944.

Note - 29

Going Concern

The new management has been granted full control of the affairs of the Company with effect from January 4, 2024, the financial statement for the period and year ended March 31, 2024, have been prepared on going concern assumptions by the Board of Directors of the Company. This has been further explained in "General Information" stated in note 1.

Note - 30

Fair Value Measurements

The fair value of the financial assets and liabilities are included at the amount that would be received on sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide and indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price and financial instruments like Mutual Funds for which NAV is published by the Mutual Fund Operator. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the last working day of the closing period period and Mutual Fund are valued using the Closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all Material inputs required to fair value and instruments are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include forward exchange contract derivatives.

Level 3: If one or more of the Material inputs is not based on observable market data, the instrument is included in this level. Instruments in level 3 category for the Company include unquoted equity shares and FCCDs, unquoted units of mutual funds and unquoted units of venture capital funds.

Financial Liabilities

The Preference shares are classified as a financial liability. The liability in case of Preference Shares and Non Convertible Debentures are initially recognised on fair value and the difference between fair value and transaction price is considered as Other Income. Subsequently the liability is measured at amortised cost using the effective interest rate. The impact on this account has been recognised as other income on the transaction date and subsequent impact are recognised as finance cost in the consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

The carrying amount of all other Financial Liabilities is reasonably approximate to its fair value. The fair values disclosed above are based on discounted cash flows using current borrowing rate. These are classified at level 2 fair values in the fair value hierarchy due to the use of observable inputs.

During the years mentioned above, there have been no transfers amongst the levels of the hierarchy.

Note - 31

Segment Reporting

The Company is engaged only in the business of Ship-building and repairs. As such, there are no separate reportable segments.

Segment information as per Ind AS 108 on Operating Segment ::

Information provided in respect of revenue items for the year ended March 31, 2024, and in respect of assets/liabilities as at March 31, 2024.

I The risk - return profile of the Company's business is determined predominantly by the nature of its products. The Company is engaged in the business of Shipbuilding, Repair and Fabrication. Further based on the organisational structure, internal management reporting system, nature of production process and infrastructure facilities used, there are no separate reportable segments.

II **Revenue from Major Customers :**

Revenue from operations includes Nil (Previous Year: ₹ 316.12 lakhs) from one customer (Previous Year: one customer) having more than 10% of the total revenue.

Note - 32

Related Party Disclosures

a) **List of Related parties**

1	Subsidiary Companies	Status
	E Complex Private Limited (ECPL) (upto: 04-12-2023)	Resolution Plan Approved on December 4, 2023
	Reliance Technologies and Systems Private Limited (RTSPL)	Ongoing
	PDOC Pte. Ltd. (PDOC)	Ongoing
2	**Associates**	
	Conceptia Software Technologies Private Limited	Ongoing
3	**Key Managerial Personnel**	**Position**
	Mr. Madan Pendse (upto: 31-05-2022)	Erstwhile Chief Financial Officer
	Mr. Rachakonda Venkata Ramana (upto: 30-09-2023)	Erstwhile Director
	Ms. Shibby Joby (upto: 30-09-2023)	Erstwhile Director
	Mr. Rishi Chopra (w.e.f.: 03-02-2023)	Chief Financial Officer
	Mr. Nikhil Vasantlal Merchant (w.e.f.: 08-12-2023)	Chairman & Managing Director
	Mr. Paresh Vasantlal Merchant (w.e.f.: 08-12-2023)	Director
	Mr. Bhavik Nikhil Merchant (w.e.f.: 08-12-2023)	Director
	Mr. Vivek Paresh Merchant (w.e.f.: 08-12-2023)	Director
	Mr. Kaiyoze Beji Billimoria (w.e.f.: 14-12-2023)	Independent Director
	Mr. Ashishkumar Bairagra (w.e.f.: 14-12-2023)	Independent Director
	Mr. Arun Sinha (w.e.f.: 14-12-2023)	Independent Director
	Mr. Prabhakar Reddy Patil (w.e.f.: 16-12-2023)	Independent Director
	Ms. Maya Swaminathan Sinha (w.e.f.: 14-12-2023)	Independent Director
	Mr. Arvind Jayasing Morbale (w.e.f.: 14-12-2023)	Whole-time Director
	Mr. Vishant Shetty (w.e.f.: 08-12-2023)	Company Secretary

Note

1 Mr. Nikhil Vasantlal Merchant was appointed as Non-Executive Director on December 8 2023, and has been redesignated as Chairman & Managing Director w.e.f February 13, 2024, at the board meeting held on February 13, 2024.

2 The Company's CS resigned on May 28, 2022, and the Erstwhile CFO on May 31, 2022. The Company informed the Exchange on February 4, 2023, regarding the Appointment of Mr. Rishi Chopra as Chief Financial Officer of the Company w.e.f. February 3, 2023. On December 8, 2023 Mr. Vishant Shetty was appointed as CS of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3 Mr. Rachakonda Venkata Ramana and Ms. Shibby Joby have resigned as directors effective from September 30, 2023 due to personal reasons, and the cessation of Mr. Debashis Bir's tenure as Director, effective April 12, 2021, occurred due to his unfortunate demise. New Management has been appointed as mentioned above on the board of the Company.

b) Terms and Conditions of transactions with related parties

The transactions with related parties are at arm's length price and in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances, which is merely reimbursement of expenses. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

1 Transactions and closing balance with Subsidairy for the year ended March 31, 2024 (for the period for which relationship exist)

(₹ in Lakhs)

Nature of transactions	Subsidiary Company
	ECPL
Lease Rent	**426.50**
	(393.50)
Infrastructure Facility Charges	**1,240.00**
	(1,240.00)
Reimbursement of expenses	**136.56**
	-
Security Deposits - Non Current	**7,370.00**
	(7,370.00)

Figures in brackets represents previous year's amounts..

(*) Closing balance

2 Transactions and closing balance with Associates for the year ended March 31, 2024 (for the period for which relationship exist)

(₹ in Lakhs)

Nature of transactions	Associates	
	Conceptia Software Technologies Pvt Ltd	**Total**
Non Current Investment		
Balance as at March 31, 2024	153.49	**153.49**
	(153.49)	**(153.49)**

Figures in brackets represents previous year's amounts.

(**) Closing balance

c) Details of Loan given and investment made and guarantee given, covered u/s 186(4) of the Companies Act, 2013.

i) Loan given and investment are given under the respective head.

ii) Corporate Guarantee have been issued on behalf of subsidiary companies, details of which are given in related party transactions above.

Note - 33

Operating Lease

The Company has entered into a non cancellable leasing agreements for Land and Infrastructure Facilities for a period between 30 to 60 years which are renewable by mutual consent on mutually agreeable terms. There is an escalation clause in the lease agreement during the lease period in line with expected general inflation. There are no restrictions imposed by lease arrangements and there are no sub-leases. There are no contingent rents. Disclosures as required under Ind AS 116 on "Lease" are given as follows:

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Future minimum lease payments under non-cancellable operating lease:

(₹ in Lakhs)

Sr No	Particulars		2023 - 2024	2022 - 2023
1	Amount debited to Statement of Profit and Loss during the year			
	1.1	Interest on Lease liability (Included as part of finance cost)	1,097.78	1,190.48
	1.2	Depreciation on Right of Use Assets (Included as part of Depreciation and amortisation expenses)	1,097.09	1,049.37
2	Maturity analysis of Lease liability			
	i	Due in first year	1,174.76	799.06
	ii	Due in second to fifth year	4,038.74	4,731.72
	iii	Due after fifth year	3,281.34	3,160.57

Note - 34

Financial Instruments - Evaluation of risks

Due to non availability of required information/ documents, the new magamenet of the Company is not in a position to assess fair value hierarchy, evolution on capital management, credit risk, currency risk, and interest risk.

Note - 35

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Capital Gearing Ratio

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity	268.22	268.22
Retained Earnings	42,396.71	54,456.20
Total (A)	**42,664.93**	**54,724.42**
Borrowing		
Non-Current	1,62,574.00	1,85,000.00
Current	50,800.00	20,803.94
Total (B)	**2,13,374.00**	**2,05,803.94**
Capital Gearing Ratio (B/A)	**5.00**	**3.76**

Note - 36

Corporate Guarantee of SKIL Infrastructure Limited and personal guarantee of some of the erstwhile directors of the Company given for Working Capital Loan as well as Secured Term Loan mentioned in Note No 12 and Note No 14 has been invoked by the banks.

Note - 37

Ind AS 115 - Revenue from Contracts with Customers Disclosure:

The Company has not recognised any revenue during the current year and hence not disclosed.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note - 38

Other Statutory Information

(a) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.

(b) The Company has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.

(c) The Company has not used borrowings for purpose other than specified purpose of the borrowing. Further, there is no delay in creation of charges with ROC beyond the statutory period.

(d) The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(e) The Company has not conducted any exercise to identify the transactions with any struck-off companies during the year.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.

(g) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries);or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(i) The Company does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(j) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(k) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(l) The Company has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

(m) All the charges of the Company as appearing on the MCA portal are in the process of being satisfied /modified to give effect of the approved resolution plan as entered into with the financial creditors.

Note - 39

Ratios

	Particulars	Numerator	Denominator	Ratio for Mar 2024	Ratio for Mar 2023	Variance	Explaination for variance above 25%
(a)	Current Ratio	Current Assets	Current Liability	2.530	4.630	45.36	Refer Note no. 23.1 and 23.2.
(b)	Debt-Equity Ratio	Total Debt	Total Equity	4.480	3.750	(19.47)	--
(c)	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	(0.012)	5.533	100.22	Refer Note no. 23.1 and 23.2.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

	Particulars	Numerator	Denominator	Ratio for Mar 2024	Ratio for Mar 2023	Variance	Explaination for variance above 25%
(d)	Return on Equity Ratio	Profit after Tax	Average Share Holders Equity	(0.236)	(2.431)	90.29	Refer note no. 25 for exceptional item gain in FY 2022-23.
(e)	Inventory turnover ratio	Revenue from Operation	Average Inventory	-	0.002	100.00	Due to a Nil operational income as compared to last year.
(f)	Trade Receivables turnover ratio	Revenue from Operation	Average Trade Receivable	-	0.41	100.00	Due to a Nil operational income as compared to last year.
(g)	Trade payables turnover ratio	Trade purchases	Average Trade payable	0.005	0.001	(400.00)	Due to Payment of Operational creditor as per resolution plan.
(h)	Net capital turnover ratio	Revenue from Operation	Working Capital	-	0.0,028	100.00	Due to a Nil operational income as compared to last year.
(i)	Net profit ratio	Net Profit after Tax	Revenue from Operation	-	5,674.45	100.00	Due to a Nil operational income as compared to last year.
(j)	Return on Capital employed	EBIT	Capital employed	(0.04)	7.47	100.54	Refer note no. 25 for exceptional item gain in FY 2022-23
(k)	Return on investment	Net return on investment	Cost of investment	-	-	-	--

Note - 40

Other

Previous year figures have been regrouped and rearranged, wherever necessary to make them comparable with those of the current year.

The current year's Finance Cost includes ₹ 16.36 lakhs as interest on Interim Funding received during the CIRP Period, it has been treated as CIRP Cost.

The order pronounced on December 23, 2022, by the Ahmedabad bench of the National Company Law Tribunal has approved the Resolution Plan submitted by Hazel Mercantile Limited (the Resolution Applicant) for the corporate insolvency resolution of the Company under Section 31 of the Code. Accordingly an amount of ₹ 5,188.85 lakhs is payable to India Infrastructure Finance Company (UK) Limited. As per the approved plan the amout of liability is capped at ₹ 5,188.85 lakhs however the amount payable would be coverted into USD on the date of payment.

As per regulatory compliance, the Company is required to conduct an internal audit but the same has not been done for the period ending March 31, 2024.

Net amount of ₹ 4,211.91 lakhs was payable to various overseas parties. The amount to be paid as per approved resolution plan against these amount is NIL. Hence the same is written back and the Company is in proceess of doing necessary compaline with RBI and FEMA.

As per our report on even date
For N.N. Jambusaria & Co.
Chartered Accountants
Firm Reg. No. 104030W

Nimesh N. Jambusaria
Partner
Membership No. 038979
Place : Mumbai
Date : November 11, 2024
UDIN: 24038979BKBNXQ3793

For and on behalf of the Board of Directors
Reliance Naval and Engineering Limited

Mr. Nikhil Merchant
Chairman & Managing Director
DIN : 00614790

Mr. Paresh Merchant
Director
DIN : 00660027

Mr. Rishi Chopra
Chief Financial Officer

Mr. Vishant Shetty
Company Secretary

Place : Mumbai
Date : November 11, 2024

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