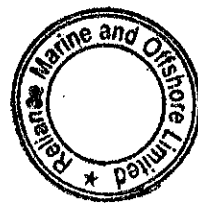


RELIANCE

Reliance Marine and Offshore Limited

(Formerly known as Pipavav Marine and Offshore Limited)

Annual Accounts for the year ended March 31, 2016



M. S. Sethi & Associates
Chartered Accountants

Manoj Sethi
B.Com., F.C.A.

191-R, Cavel Cross Lane No.9
2nd Floor, Dr. Viegas Street
Kalbadevi, Mumbai – 400 002
Tel. 9324517501

Independent Auditors' Report

To The Members of
Reliance Marine and Offshore Limited
(Formerly known as Pipavav Marine and Offshore Limited)

We have audited the accompanying financial statements of **Reliance Marine and Offshore Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including the Ind AS notified pursuant to the Companies (Indian Accounting Standards) Rules, 2015 Section 133 read with section 469 of the Companies Act, 2013.

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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

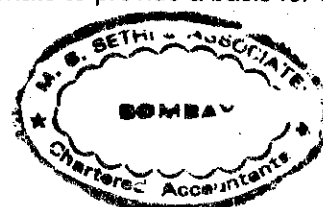
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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, 2016; its Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply materially with the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as 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) There are no pending ongoing litigations as at the reporting date.
 - ii) Based upon the assessment made by the Company, there are no material foreseeable losses on its long-term contracts that may require any provisioning;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) Section 143 of Act, we give in the Annexure B, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

For M. S. Sethi & Associates

Chartered Accountants
Regn.No.109407W



Manoj Sethi
Proprietor
Membership No. 39784



Place: Mumbai
Date: May 13, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Reliance Marine and Offshore Limited** (Formerly known as Reliance Marine and Offshore Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 if 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 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 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 system over financial reporting.



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 control over financial reporting includes 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 control 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

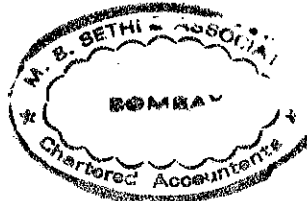
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. S. Sethi & Associates

Chartered Accountants
Regn.No.109407W



Manoj Sethi
Proprietor
Membership No. 39784



Place: Mumbai
Date: May 13, 2016

ANNEXURE –B TO INDEPENDENT AUDITORS' REPORT

Referred to in our Report of even date on the Accounts of **Reliance Marine and Offshore Limited** for the year ended March 31, 2016


- i) The Company has no fixed assets hence clause 3(i) of the Order is not applicable.
- ii) As explained to us, there is no inventory hence clause 4(ii) of the Order is not applicable.
- iii) According to the information and explanations given, the Company has not granted any loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained pursuant to section 189 of the Act. Hence clause 3(iii) of the Order is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from the public.
- vi) According to the information given to us, no cost records have been prescribed by the Central Government of India under section 148(1) of the Act.
- vii) (a) Based on our examination of the books and records, the Company has generally been regular in depositing with appropriate authority undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues during the year. However delays have been noticed in case of income tax (including tax deducted at source). Further no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us there are no statutory dues pending on account of any dispute.
- viii) According to the information and explanations given to us, during the year, the Company has not defaulted in repayment of loans to a financial institution, bank, Government or dues to debenture holders except an amount of Rs. 2491.63 lacs default towards principal amount and Rs. 1159.58 lacs towards interest in respect of loans availed from financial institution.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M. S. Sethi & Associates
Chartered Accountants
Regn.No.109407W



Manoj Sethi
Proprietor
Membership No. 39784



Place: Mumbai
Date: May 13, 2016

Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Balance Sheet as at March 31, 2016

Particulars	Note	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014	<i>Rs in Lacs</i>
I ASSETS					
(1) Non Current Assets					
Capital Work in Progress	2	9,353.82	5,513.99	1,629.89	
		<u>9,353.82</u>	<u>5,513.99</u>	<u>1,629.89</u>	
Financial Assets					
Non Current Investments	3	29,968.00	29,968.00	-	
Other Non Current financial Assets	4	3,618.25	1,426.20	20,222.00	
		<u>33,586.25</u>	<u>31,394.20</u>	<u>20,222.00</u>	
		42,940.07	36,908.19	21,851.89	
(2) Current Assets					
Financial Assets					
Cash and Cash Equivalants	5	28.83	8.18	8.26	
		28.83	8.18	8.26	
TOTAL		<u><u>42,968.90</u></u>	<u><u>36,916.37</u></u>	<u><u>21,860.15</u></u>	
II EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	6	5.00	5.00	5.00	
Other Equity		<u>(4.08)</u>	<u>(2.05)</u>	<u>(1.15)</u>	
		0.92	2.95	3.85	
(2) Non Current Liabilities					
Financial Liabilities					
Long Term Borrowings	7	16,504.68	25,337.94	17,694.25	
Other Non Current Financial Liabilities	8	<u>3,593.73</u>	<u>1,901.08</u>	-	
		20,098.41	27,239.02	17,694.25	
(3) Current Liabilities					
Financial Liabilities					
Short Term Borrowings	9	11,624.02	37.74	-	
Other Current Financial Liabilities	10	11,004.16	9,630.70	3,964.09	
		<u>22,628.18</u>	<u>9,668.44</u>	<u>3,964.09</u>	
Other Current Liabilities	11	241.39	5.96	197.96	
		<u>241.39</u>	<u>5.96</u>	<u>197.96</u>	
		22,869.57	9,674.40	4,162.05	
TOTAL		<u><u>42,968.90</u></u>	<u><u>36,916.37</u></u>	<u><u>21,860.15</u></u>	
Significant Accounting Policies	1				
Notes to Financial Statements	2 to 20				



Particulars	Note
Significant Accounting Policies	1
Notes to Financial Statements	2 to 20

As per our report of even date


for and on behalf of the Board of Directors

for M. S. Sethi & Associates
Chartered Accountants
Firm Regn No.: 109407W


Manoj Sethi
Proprietor
Membership No 039784




Sridhar Krishnamurthy
Director


Parthiv V. Parekh
Director

Place: Mumbai
Date : May 13, 2016


Venkata Rachkonda
Director



Place: Mumbai
Date : May 13, 2016

Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Statement of Profit and Loss for the year ended 31, March 2016

Rs in Lacs

Particulars	Note	for the Year ended March 31 2016	for the Year ended March 31 2015
REVENUE			
Revenue from operations		-	-
Total Revenue		<u>-</u>	<u>-</u>
EXPENSES			
Finance Costs	12	0.88	-
Other Expenses	13	1.15	0.90
Total Expenses		<u>2.03</u>	<u>0.90</u>
Profit / (Loss) before Tax		(2.03)	(0.90)
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) After Tax		(2.03)	(0.90)
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income to be reclassified to profit and loss in subsequent year		-	-
Other Comprehensive Income not to be reclassified to profit and loss in subsequent year			
Income Tax relating to other comprehensive income		-	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		<u>(2.03)</u>	<u>(0.90)</u>
Earnings per Equity share of Rs. 10/- each	16		
- Basic (In Rupees)		(4.06)	(1.80)
- Diluted (In Rupees)		(4.06)	(1.80)
Significant Accounting Policies	1		
Notes to Financial Statements	2 to 20		



Particulars	Note
Significant Accounting Policies	1
Notes to Financial Statements	2 to 20

As per our report of even date

for and on behalf of the Board of Directors

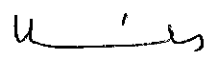
for M. S. Sethi & Associates

Chartered Accountants

Firm Regn No.: 109407W


Manoj Sethi
 Proprietor
 Membership No 039784

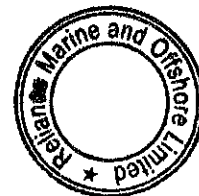



Sridhar Krishnamurthy
 Director


Parthiv V. Parekh
 Director

Place: Mumbai
 Date : May 13, 2016


Venkata Rachkonda
 Director



Place: Mumbai
 Date : May 13, 2016

Reliance Marine and Offshore Limited
(formerly known as Pipavav Marine and Offshore Limited)

Statement of Changes In Equity for the year ended March 31, 2016

A Equity Share Capital

Particulars	Rs in Lacs			
	As at March 31st 2016		As at March 31st 2015	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	50,000	5.00	50,000	5.00
Add: Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	50,000	5.00	50,000	5.00

B Other Equity

Particulars	Retained Earning	Total
As at April 01, 2014		
Loss for the year	(1.15)	(1.15)
As at March 31, 2015	(0.90)	(0.90)
Loss for the year	(2.05)	(2.05)
	(2.03)	(2.03)
As at March 31, 2016	(4.08)	(4.08)



As per our report of even date

for **M. S. Sethi & Associates**
Chartered Accountants
Firm Regn No.: 109407W



Manoj Sethi
Proprietor
Membership No 039784

for and on behalf of the Board of Directors

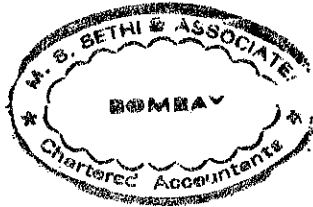


Sridhar Krishnamurthy
Director



Parthiv V. Parekh
Director

Place: Mumbai
Date : May 13, 2016



Venkata Rachkonda
Director



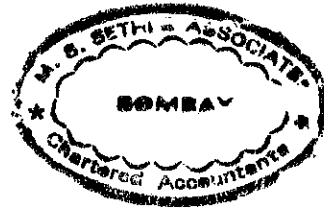
Place: Mumbai
Date : May 13, 2016

Reliance Marine and Offshore Limited
(formerly known as Pipavav Marine and Offshore Limited)

Cash Flow Statement for Year ended March 31st, 2016

Rs in Lacs

Sr No	Particulars	2015-16	2014-2015
A	Cash Flow from Operating Activities		
	Profit / (Loss) before Tax	(2.03)	(0.90)
	Adjustments for :-		
	Finance Cost	0.88	
	Operating profit/(Loss) before working capital changes	<u>(1.15)</u>	<u>(0.90)</u>
	Adjusted for		
	Increase/(Decrease) in Current Liabilities	235.43	(154.26)
	Cash Generated from Operations	<u>234.28</u>	<u>(155.16)</u>
	Direct Taxes (Paid) / Refund	-	-
	Net Cash from/ (used in) Operating Activities	<u>234.28</u>	<u>(155.16)</u>
B	Cash Flow from Investing Activities		
	Investment In Bonds/ Bond Application Money	-	(9,746.00)
	Net Cash used in Investing Activities	<u>-</u>	<u>(9,746.00)</u>
C	Cash Flow from Financing Activities		
	Proceeds from Long Term Borrowings	-	1,503.19
	Repayment of Long Term Borrowings from Fellow Subsidiary	(2,274.57)	15,623.00
	Repayment of Long Term Borrowings	(5,702.22)	(4,427.00)
	Short Term Borrowings (net)	11,586.28	-
	Finance Costs Paid	(3,823.12)	(2,798.11)
	Net Cash Flow from Financing Activities	<u>(213.63)</u>	<u>9,901.08</u>
	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	20.65	(0.08)
	Cash & Cash Equivalents - Opening balance	8.18	8.26
	Cash & Cash Equivalents - Closing balance	28.83	8.18



Notes

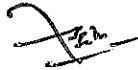
1. The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 - Statement of Cash flows.
2. Figures in brackets indicate outflow.
3. Previous Year figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

As per our report of even date

for and on behalf of the Board of Directors

for M. S. Sethi & Associates

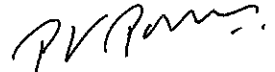
Chartered Accountants
Firm Regn No.: 109407W



Manoj Sethi
Proprietor
Membership No 039784




Sridhar Krishnamurthy
Director



Parthiv V. Parekh
Director

Place: Mumbai
Date : May 13, 2016



Venkata Rachkonda
Director



Place: Mumbai
Date : May 13, 2016

Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Notes to Financial Statements

Note - 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a General Information

Reliance Marine and offshore Limited, a wholly owned subsidiary Company of Reliance Defence and Engineering Limited ("PMOL" or "the Company") was incorporated on June 06, 2012. The name of the Company got changed from Pipavav Marine and Offshore Limited during the year and fresh certificate of incorporation was issued by the Ministry of Corporate Affairs (MCA), Government of India on March 11, 2016. The Company is domiciled in India having registered office at Survey no 658, Village Ramupura II, Via- Rajula, District Amreli (Gujarat).

b Basis of Preparation of Financial Statements:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, on the accrual basis. These Financial Statements are the Company's first Ind AS Financial Statements and as covered by Ind AS 101, 'First-time adoption of Indian Accounting Standard'. For all periods up to and including the year ended March 31, 2015, the Company has prepared its Financial Statements in accordance with Indian GAAP, including accounting standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended), which is considered as "Previous GAAP". An explanation of how the transition to Ind-AS has affected the Company's equity and its net profits is provided in note no 20.

c Functional and Presentation Currency:

The Financial Statements are presented in Indian rupees which is the functional currency for the Company.

d 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.

e Current Versus Non Current Classification:

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

f Significant Accounting Policies:

I Borrowing Costs:

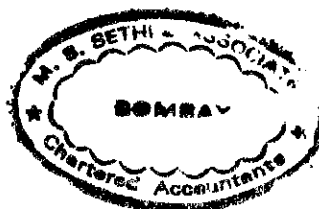
Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings 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.

II Fair Value Measurement:

Fair value is the price that would be received to sell an assets 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 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.

III Revenue Recognition:

- i Revenue from sale of goods and services net of VAT is recognised when it is earned and no significant uncertainty exist as to its ultimate collection.
- ii Interest income is recognized on a time proportion basis.
- iii Dividend is considered when the right to receive is established.



Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Notes to Financial Statements

IV Financial Instruments:

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

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

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

vi Investment in Subsidiary 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 that are debt instrument and trade receivables.

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

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 repurchasing 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.

V Provision for Doubtful Debts and Loans and Advances:

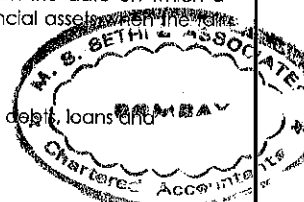
Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debt, loans and advances to be doubtful of recovery.

VI 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.

VII Preliminary and Issue Expenses:

Preliminary Expenses related to issue of equity and equity related instruments are adjusted against the Securities Premium.



Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Notes to Financial Statements

Note - 2

CAPITAL WORK IN PROGRESS (PRE OPERATIVE EXPENSES)

Particulars	<i>Rs in Lacs</i>		
	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
Pre Operative Expenses	9,353.82	5,513.99	1,629.89
Closing Balance	9,353.82	5,513.99	1,629.89

2.1 Details of Preoperative expenses are as under:

Particulars	<i>Rs in Lacs</i>	
	As at 31st March 2016	As at 31st March 2015
Opening Balance	5,513.99	1,629.89
Interest Expenses during the year	6,031.88	5,310.30
Less: Redemption premium	2,192.05	1,426.20
	3,839.83	3,884.10
Less :		
Allocated to Fixed Assets	-	-
Closing Balance	9,353.82	5,513.99

2.2 Borrowing Cost

During the year the Company has capitalised borrowing cost related to specific borrowings aggregating to Rs. 6,031.88 Lacs (Previous year: Rs. 5,310.30 Lacs). The average rate used to determine the amount of borrowing Cost is at 11.05% p.a..

2.3 In accordance with the Ind-AS 36 on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the Management, there was no impairment loss on Non Current Assets during the year.

Note - 3

NON CURRENT INVESTMENTS

Particulars	Face Value	Number		<i>Rs in Lacs</i>	
		31-Mar-16	31-Mar-15	As at 31st March 2016	As at 31st March 2015
		Long Term Trade Investment (unquoted and fully paid-up)			
In 0% Non Convertible non-secured Bonds of :					
Avocado Realty Private Limited	100,000	6,173	6,173	6,173.00	6,173.00
Budding Mercantile Company Private Limited	100,000	6,545	6,545	6,545.00	6,545.00
Replinish Realty Private Limited	100,000	4,500	4,500	4,500.00	4,500.00
Slimline Realty Private Limited	100,000	5,300	5,300	5,300.00	5,300.00
Winsome Realty Private Limited	100,000	7,450	7,450	7,450.00	7,450.00
Total		29,968	29,968	29,968.00	29,968.00

3.1 The above bonds carries redemption premium of 40%, payable at the time of redemption i.e. 5 years from the date of allotment 26th July, 2014. redemption premium has been accounted considering effective rate of return i.e 6.96% p.a.

3.2 The Company has invested in bonds of above companies, who are in control of about 214 acres of land at Jhanst, Uttar Pradesh. The Company intends to use this land for manufacture and repairs in course of its business activities.

Note - 4

OTHER NON CURRENT FINANCIAL ASSETS

Particulars	<i>Rs in Lacs</i>		
	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
Bond Application Money	-	-	20,222.00
Redemption Premium Receivable	3,618.25	1,426.20	-
Total	3,618.25	1,426.20	20,222.00

Note - 5

CASH AND CASH EQUIVALANTS

Particulars	<i>Rs in Lacs</i>		
	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
Balances with Bank	28.72	7.68	6.51
- in Current Account	0.11	0.50	1.75
Cash on Hand	-	-	-
Total	28.83	8.18	8.26



Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Notes to Financial Statements

Note - 6

EQUITY SHARE CAPITAL

Particulars	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
Equity Shares			
Authorised			
50,000 (Previous Year 50,000) Equity Shares of Rs. 10/- each	5.00	5.00	5.00
Issued, Subscribed and fully paid up			
50,000 (Previous Year 50,000) Equity Shares of Rs. 10/- each fully paid up	5.00	5.00	5.00
Total	5.00	5.00	5.00

6.1 Reconciliation of Number of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2016		As at 31st March 2015	
	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
No. of shares at the beginning of the year	50,000	5.00	50,000	5.00
Add: Shares issued during the year	-	-	-	-
No. of shares at the end of the year	50,000	5.00	50,000	5.00

6.2 Shareholders holding more than 5% No. of Shares

Shares held by	No. of Shares	% Holding	No. of Shares	% Holding
Reliance Defence and Engineering Limited -Holding Company	50,000	100.00%	50,000	100.00%

6.3 Terms and Rights attached to Equity Shares.

The Company has only one class of Equity Share having a par value of Rs. 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 proportionate to the number of equity share held by the shareholders.

Note - 7

LONG TERM BORROWINGS (UNSECURED)

Particulars	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
Term Loans from:			
Financial Institution	7,583.25	12,638.75	17,694.25
Related Parties	8,921.43	12,699.19	-
Total	16,504.68	25,337.94	17,694.25

7.1 The above Unsecured Term Loan from Financial Institution including Rs. 7,547.13 Lacs included in current maturities of long term debts in note no. 10 is secured as under:

- i) Pledge of 10,425,819 shares of SKIL Infrastructure Limited.
- ii) Corporate Guarantee of the Holding Company.
- iii) Personal Guarantee of some of the Directors of Holding Company.
- iv) Non Disposable Agreement along with irrevocable power of attorney for creating of charge on 5,000,000 shares of SKIL Infrastructure Limited 7,000,000 shares of Reliance Defence and Engineering Limited and 800,000 shares of Everon Limited.
- v) Land parcel owned by corporates in Navi Mumbai admeasuring about 9 acres Hypothicated / Mortgaged.

7.2 The maturity profile, period and amount of installments of Unsecured Rupee Term Loans from Financial Institutions as referred above including current maturities of long term debts referred to in note no. 10 are as under:

Financial Year	Rupee Term Loan from Financial Institution
2016 - 2017	7,547.13
2017 - 2018	5,055.50
2018 - 2019	2,527.75
Total	15,130.38

7.3 Details of Unsecured Loans from related parties including current maturities of long term debts referred to in note no 10 are as under:

Company Name	Nature of Relationship	As at 31st March 2016	As at March 31st, 2015
E Complex Private Limited	Fellow Subsidiary	8,921.43	11,196.00
Skil Infrastructure Ltd	Other Related Party	892.60	1,503.19

7.4 Terms and Conditions for Loans from Related Parties:

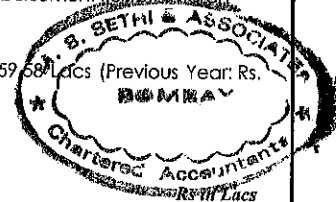
- (i) Rs. 8,921.43 Lacs having an interest rate of 18% p.a. and repayable by way of bullet payment on July 1, 2017.
- (ii) Rs. 892.60 Lacs having an interest rate of 16% p.a. and repayable by way of bullet payment after 15 Months of first disbursement i.e. 12th March 2015.

7.5 As on March 31st, 2016, the Company has overdue of Rs. 2,491.63 Lacs (Previous Year: Rs. 1263.87 Lacs) and Rs. 1,159.58 Lacs (Previous Year: Rs. 1642.73 lacs) towards the principal and interest respectively.

Note - 8

OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
Interest Accrued but not due on borrowings	3,593.73	1,901.08	-
Total	3,593.73	1,901.08	-



Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Notes to Financial Statements

Note - 9

SHORT TERM BORROWINGS (UNSECURED)

Particulars	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
<i>Rs in Lacs</i>			
Short Term Loans from:			
Body Corporates	9,580.00	-	-
Related Parties	2,044.02	37.74	-
Total	11,624.02	37.74	-

9.1 Details of Unsecured Loans from related parties:

Company Name	Nature of Relationship	As at 31st March 2016	As at March 31st, 2015
<i>Rs in Lacs</i>			
Reliance Defence and Engineering Limited	Holding Company	84.02	37.74
Reliance Infrastructure Limited	Other Related Party	1,960.00	-

Note - 10

OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
<i>Rs in Lacs</i>			
Current Maturities of Long Term Debts	8,439.72	7,583.25	2527.75
Interest Accrued and due on borrowings	1,159.58	1,642.73	1316.67
Interest Accrued but not due on borrowings	1,404.86	404.72	119.67
Total	11,004.16	9,630.70	3,964.09

Note - 11

OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2016	As at 31st March 2015	As at April 1, 2014
<i>Rs in Lacs</i>			
Statutory Dues	240.85	4.57	159.65
Other Payables*	0.54	1.39	38.31
Total	241.39	5.96	197.96

* includes mainly payables and provision for expenses.

Note - 12

FINANCE COSTS

Particulars	for the Year ended March 31 2016	for the Year ended March 31 2015
<i>Rs in Lacs</i>		
Interest Expenses	0.88	-
Total	0.88	-

Note - 13

OTHER EXPENSES

Particulars	for the Year ended March 31 2016	for the Year ended March 31 2015
<i>Rs in Lacs</i>		
Payment to Auditors	0.29	0.62
Legal and Professional Charges	0.27	0.28
Filing Fees	0.59	-
Total	1.15	0.90

13.1 Payment to Auditors includes:

Particulars	for the Year ended March 31 2016	for the Year ended March 31 2015
<i>Rs in Lacs</i>		
Audit Fees	0.29	0.62
Total	0.29	0.62

Note - 14

The Company has not commenced any commercial operations during the year ended 31st March 2016.



Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Notes to Financial Statements

Note - 15

RELATED PARTY DISCLOSURES

a) List of Related parties

i) Holding Company

Reliance Defence and Engineering Limited

ii) Fellow Subsidiaries

E-Complex Private Limited
PDOC Pte. Ltd.
Reliance Lighter Than Air Systems Private Limited
Reliance Technologies and Systems Private Limited
Reliance Engineering and Defence Services Limited

iii) Enterprises in which key managerial personnel or their relatives are able to exercise significant influence (Other Related Parties)

SKIL Infrastructure Limited (Upto 18th January, 2016)
Reliance Infrastructure Limited (w.e.f 18th January, 2016)

b) Terms and Conditions of transactions with related parties

The Transactions from related parties are made on arm's length price. 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 each financial year through examining the financial position of the related party and the market in which the related party operates.

c) Transactions with related parties

Rs in Lacs

Particulars	2015 - 2016				2014 - 15			
	Reliance Infrastructure Limited	Reliance Defence and Engineering Limited	E Complex Private Limited	SKIL Infrastructure Limited	Reliance Infrastructure Limited	Reliance Defence and Engineering Limited	E Complex Private Limited	SKIL Infrastructure Limited
Unsecured Loans								
Opening Balance	-	37.75	11,196.00	1,503.19	-	37.75	-	-
Received during the year	1,960.00	46.27	-	-	-	-	15,623.00	1,503.19
Returned during the year	-	-	2,274.57	610.59	-	-	4,427.00	-
Closing Balance	1,960.00	84.02	8,921.43	892.60	-	37.75	11,196.00	1,503.19
Interest Expenses	25.52	10.42	1,880.73	211.63	-	-	1,901.65	39.53
Interest accrued and due	-	-	-	-	-	-	-	-
Interest accrued but not due	22.97	9.38	3,593.73	247.21	-	-	1,901.08	35.58

Note - 16

EARNINGS PER SHARE

Rs in Lacs

Particulars	2015 - 2016	2014 - 15
Net Profit / (Loss) after Tax	(2.03)	(0.90)
Amount available for calculation of Basic and Diluted EPS	(2.03)	(0.90)
Weighted Average No. of Equity Shares outstanding for Basic and diluted EPS	50,000	50,000
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)	(4.06)	(1.80)

Note - 17

In the opinion of the management, Current Assets are of the value stated, if realised in the ordinary course of the business.

Note - 18

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include Investment, and cash and bank balances that derive directly from its operations.

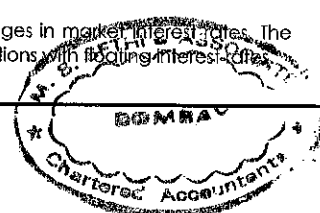
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a finance committee that advises on financial decision and the appropriate financial risk governance framework for the Company. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.



Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Notes to Financial Statements

Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

Note - 19

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 parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Note - 20

FIRST TIME ADOPTION OF Ind-AS:

Pursuant to the Companies (Indian Accounting Standard) Rules, 2015, the Company has voluntarily adopted March 31, 2016 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) and consequently April 1, 2014 as the transition date for preparation of financial statements. The financial statements for the year ended March 31, 2016, are the first financials, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2015, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standard) Rule, 2006. For preparing these financial statements, opening balance sheet was prepared as at April 1, 2014 i.e. the date of transition to Ind-AS. The figures for the previous periods and for the year ended March 31, 2015 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.



As per our report of even date

for and on behalf of the Board of Directors

for M. S. Sethi & Associates
Chartered Accountants
Firm Regn No.: 109407W



Manoj Sethi
Proprietor
Membership No 039784



Sridhar Krishnamurthy
Director



Parthiv V. Parekh
Director

Place: Mumbai
Date : May 13, 2016



Venkata Rachkonda
Director



Place: Mumbai
Date : May 13, 2016