

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

We have audited the accompanying financial statements of **Reliance Marine and Offshore Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2017, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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

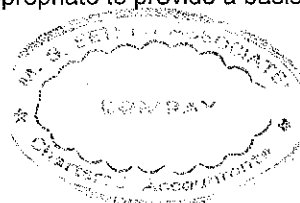
Our responsibility is to express an opinion on these financial statements based on our audit.

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, 2017; its Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. 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, 2017 from being appointed as Director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - 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 ongoing litigations as at the reporting date that would have a material impact on its financial position;
 - ii) Based upon the assessment made by the Company, there are no long-term contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. S. Sethi & Associates

Chartered Accountants
Regn.No.109407W


Manoj Sethi
Proprietor
Membership No. 39784

Place: Mumbai
Date: April 08, 2017



ANNEXURE A TO THE 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, 2017

- 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, 2017 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. 3,791.62 lacs default towards principal amount and Rs. 2,421.75 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.
- ix) The Company has not paid any managerial remuneration. Hence paragraph 3(xi) of the Order is not applicable.
- xi) 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.
- xii) 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.
- xiii) According to the information and explanations given 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.
- xiv) 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.
- xv) 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: April 08, 2017



ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting ('Financial Controls') of **Reliance Marine and Offshore Limited** ("the Company") in conjunction with our audit of the Company for the year ended March 31, 2017.

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 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 ('ICAI'). 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 Financial Controls 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") and the Standards on Auditing, issued by ICAI and deemed to be 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 Financial Controls are 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 Financial Controls includes obtaining an understanding of 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 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Financial Controls 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 Financial Controls includes those policies and procedures that (1) pertain to 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

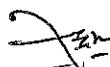
Because of the inherent limitations of Financial Controls, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Financial Controls to future periods are subject to the risk that the Financial Controls 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 Financial Controls system and such Financial Controls are operating effectively as at March 31, 2017, based on the Financial Controls 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 ICAI.

For M. S. Sethi & Associates

Chartered Accountants
Regn.No.109407W



Manoj Sethi
Proprietor
Membership No. 39784

Place: Mumbai
Date: April 08, 2017



Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

Balance Sheet as at March 31, 2017

Rs in Lacs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
I ASSETS			
(1) Non Current Assets			
Capital Work in Progress	2	12,106.24	9,353.82
Financial Assets			
Investments	3	29,968.00	29,968.00
Other Financial Assets	4	5,948.34	3,618.25
		48,022.58	42,940.07
(2) Current Assets			
Financial Assets			
Cash and Cash Equivalents	5	3.60	28.83
		3.60	28.83
TOTAL ASSETS		48,026.18	42,968.90
II EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	6	5.00	5.00
Other Equity		(26.89)	(4.08)
		(21.89)	0.92
(2) Non Current Liabilities			
Financial Liabilities			
Borrowings	7	11,409.46	16,504.68
Other Financial Liabilities	8	4,588.66	3,593.73
		15,998.12	20,098.41
(3) Current Liabilities			
Financial Liabilities			
Borrowings	9	18,039.43	11,624.02
Other Current Financial Liabilities	10	14,010.52	11,245.55
		32,049.95	22,869.57
TOTAL EQUITY & LIABILITIES		48,026.18	42,968.90

Significant Accounting Policies
Notes on Financial Statements

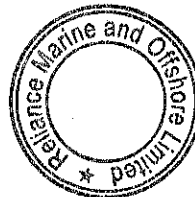
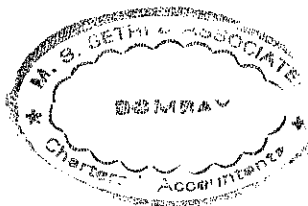
1
2 to 18

As per our Report of even date
For **M.S. Sethi & Associates**
Chartered Accountants
Firm Reg.No : 109407W



Manoj Sethi
Proprietor
Membership No 039784

Place: Mumbai
Date : April 08, 2017



For and on behalf of the Board of Directors



Madan Pendse
Director



Venkata Rachkonda
Director

Reliance Marine and Offshore Limited

(formerly known as Pipavav Marine and Offshore Limited)

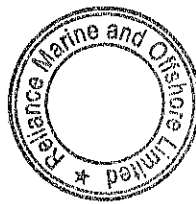
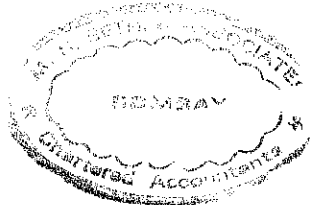
Statement of Profit and Loss for the year ended March 31st 2017

Particulars	Notes	Rs in Lacs	
		for the year ended March 31st 2017	for the year ended March 31st 2016
REVENUE			
Revenue from Operations		-	-
Total Revenue		<u>-</u>	<u>-</u>
EXPENSES			
Other Expenses	11	22.81	2.03
Total Expenses		<u>22.81</u>	<u>2.03</u>
Profit / (Loss) before Tax		(22.81)	(2.03)
Tax Expense			
Current Tax		-	-
Profit / (Loss) After Tax		(22.81)	(2.03)
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>(22.81)</u>	<u>(2.03)</u>
Earnings per Equity share of Rs. 10/- each			
- Basic (In Rupees)	14	(45.62)	(4.06)
- Diluted (In Rupees)		(45.62)	(4.06)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 18		

As per our Report of even date
For M.S. Sethi & Associates
 Chartered Accountants
 Firm Reg.No : 109407W


Manoj Sethi
 Proprietor
 Membership No 039784

Place: Mumbai
 Date : April 08, 2017



For and on behalf of the Board of Directors


Madan Pendse
 Director


Venkata Rachkonda
 Director

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

Cash Flow Statement for the year ended March 31, 2017

Rs in Lacs

Sr No	Particulars	for the year ended March 31st 2017	for the year ended March 31st 2016
A	Cash Flow from Operating Activities		
	Profit / (Loss) before Tax	(22.81)	(2.03)
	Adjustments for :-		
	Finance Cost	-	0.88
	Operating profit before working capital changes	<u>(22.81)</u>	<u>(1.15)</u>
	Adjusted for		
	Increase/(Decrease) in Current Liabilities	(34.79)	235.43
	Cash Generated from Operations	<u>(57.60)</u>	<u>234.28</u>
	Direct Taxes (Paid) / Refund	-	-
	Net Cash from/(used in) Operating Activities	<u>(57.60)</u>	<u>234.28</u>
B	Cash Flow from Investing Activities		
	Investment In Bonds/ Bond Application Money	-	-
	Net Cash from/(used in) Investing Activities	<u>-</u>	<u>-</u>
C	Cash Flow from Financing Activities		
	Short Term Borrowings (net)	6,415.41	11,586.28
	Repayment of Long Term Borrowings	(4,648.09)	(5,702.22)
	Repayment of Long Term Borrowings from Fellow Subsidiary	(39.73)	(2,274.57)
	Finance costs paid	(1,695.22)	(3,823.12)
	Net Cash Flow from/(used in) Financing Activities	<u>32.37</u>	<u>(213.63)</u>
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>(25.23)</u>	<u>20.65</u>
	Cash & Cash Equivalents - Opening balance	28.83	8.18
	Cash & Cash Equivalents - Closing balance	3.60	28.83

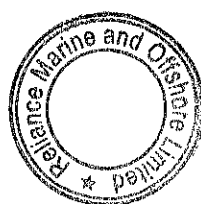
Notes:

- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind-AS 7 - Cash flow Statement.
- (2) 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 **M.S. Sethi & Associates**
Chartered Accountants
Firm Reg.No : 109407W


Manoj Sethi
Proprietor
Membership No 039784

Place: Mumbai
Date : April 08, 2017



For and on behalf of the Board of Directors


Madan Pendse
Director


Venkata Rachkonda
Director

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

Statement of Changes in Equity for the year ended March 31, 2017

A Equity Share Capital

Particulars	<i>Rs in Lacs</i>			
	As at March 31, 2017		As at March 31, 2016	
	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

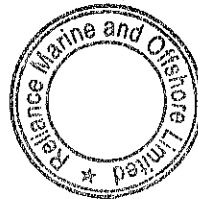
Particulars	<i>Rs in Lacs</i>	
	Retained Earning	Total
As at April 1, 2015	(2.05)	(2.05)
Loss for the year	(2.03)	(2.03)
As at 31 March, 2016	(4.08)	(4.08)
Loss for the year	(22.81)	(22.81)
As at 31 March, 2017	(26.89)	(26.89)

During the year, the Company has incurred losses which has resulted into erosion of the Company's net worth. The management feels that this erosion is temporary in nature and the Company's future business plans and prospects will help the Company to turn around in future, hence the Company continues to prepare its Financial Statements on going concern basis.

As per our Report of even date
For M.S. Sethi & Associates
Chartered Accountants
Firm Reg.No : 109407W


Manoj Sethi
Proprietor
Membership No 039784

Place: Mumbai
Date : April 08, 2017



For and on behalf of the Board of Directors


Madan Pendse
Director


Venkata Rachkonda
Director

Reliance Marine and Offshore Limited

Notes to Financial Statement

Note - 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a 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] 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.

b FUNCTIONAL AND PRESENTATION CURRENCY:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian rupee (INR), which is Company's functional and presentation currency

c 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 Consolidated Financial Statements.

d 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 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:

- 1 It is expected to be settled in normal operating cycle
 - 2 It is held primarily for the purpose of trading
 - 3 It is 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.

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

e REVENUE RECOGNITION:

Revenue from sale of goods and services is recognised when it is earned and no significant uncertainty exist as to its ultimate collection.

Interest income is recognised on a time proportion basis.

f 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.

Financials Assets

i 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.

ii Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1 at amortised cost
- 2 at fair value through other comprehensive income (FVTOCI)
- 3 at fair value through profit or loss (FVTPL)
- 4 Equity instruments measured at fair value through other comprehensive income FVTOCI

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 profit or loss. This category generally applies to trade and other receivables.

1 Financial Assets measured at fair value through other comprehensive income:

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.

2 Financial Assets measured at fair value through profit or loss:

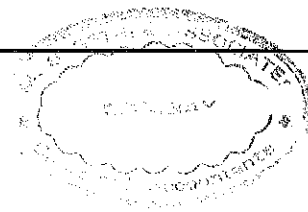
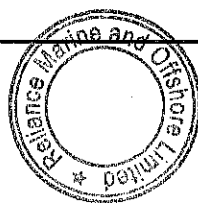
Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or

3 Investment in Equity Instruments:

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

4 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.



Reliance Marine and Offshore Limited

Notes to Financial Statement

Financials Liabilities

i 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.

ii 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.

iii Loan and Borrowings

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

iv 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 or loss.

v Derivative Financial Instrument and Hedge Accounting

g INVESTMENTS:

Current investments are carried at the lower of cost or quoted / fair value, computed category wise. Non Current Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

h PROPERTY, PLANT AND EQUIPMENTS

- i. The Company has measured all of its Plant & Equipments at fair value at the date of transition to Ind-AS. The Company has elected these value as deemed cost at transition date. All other property, plant & equipments have been carried at value in accordance with Indian GAAP.
- 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.
- iii Expenses incurred relating to project, net of income earned during project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

i 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

j 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, assuming that market participants act in their best economic interest. The fair value of property, plant & equipments as at transition date have been taken based on valuation performed by technical experts. 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.

k BORROWING COSTS:

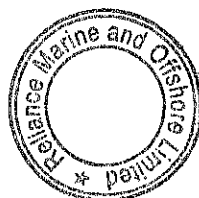
Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consist of interest, other cost incurred in connection with borrowings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

l PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax are 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.

m 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



Reliance Marine and Offshore Limited

Notes to Financial Statement

Notes - 2 CAPITAL WORK IN PROGRESS

	<i>Rs in Lacs</i>	
Particulars	As at March 31, 2017	As at March 31, 2016
Pre Operative Expenses	12,106.24	9,353.82
Closing Balance	12,106.24	9,353.82

2.1 Details of Preoperative expenses are as under:

	<i>Rs in Lacs</i>	
Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	9,353.82	5,513.99
Interest Expenses during the year	5,082.51	6,031.88
Less: Redemption premium	2,330.09	2,192.05
	2,752.42	3,839.83
<i>Less :</i>		
Allocated to Fixed Assets	-	-
Closing Balance	12,106.24	9,353.82

2.2 Borrowing Cost

During the year the Company has capitalised borrowing cost (net of income) related to borrowings aggregating to Rs. 2,752.42 Lacs (Previous year: Rs. 3,839.83 Lacs). The average rate used to determine the amount of borrowing Cost is at 7.35 % 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.

Notes - 3 INVESTMENTS

Particulars	Face Value	Number		As at March 31, 2017	As at March 31, 2016		
		31-Mar-17				31-Mar-16	
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 Jhansi, Uttar Pradesh. The Company intends to use this land for the purpose of serving the Indian Army for manufacture, repair and maintenance of army tanks, guns, refurbishment of armoured vehicles.

Notes - 4 OTHER FINANCIAL ASSETS

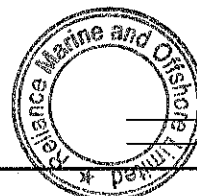
	<i>Rs in Lacs</i>	
Particulars	As at March 31, 2017	As at March 31, 2016
Redemption Premium Receivable	5,948.34	3,618.25
Total	5,948.34	3,618.25

Notes - 5 CASH AND CASH EQUIVALENTS

	<i>Rs in Lacs</i>	
Particulars	As at March 31, 2017	As at March 31, 2016
Balances with Bank		
- in Current Account	3.59	28.72
Cash on Hand	0.01	0.11
Total	3.60	28.83

5.1 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 - 30.12.2016

	<i>Amounts in Rupees</i>		
Particulars	SBN	Other Denomination notes	Total
Opening Cash in hand as on 8.11.16	-	11,236.00	11,236.00
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	11,000.00	11,000.00
Less: Amount Deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	236.00	236.00



Reliance Marine and Offshore Limited

Notes to Financial Statement

Notes - 6

EQUITY SHARE CAPITAL

Particulars	<i>Rs in Lacs</i>	
	As at March 31, 2017	As at March 31, 2016
Equity Shares		
Authorised		
50,000 (Previous Year 50,000) Equity Shares of Rs. 10/- each	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
Total	5.00	5.00

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

Particulars	<i>Rs in Lacs</i>			
	As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount	No of Shares	Amount
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 in the company/Holding Company

Shares held by	As at March 31, 2017		As at March 31, 2016	
	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.

Notes - 7

BORROWINGS (UNSECURED)

Particulars	<i>Rs in Lacs</i>	
	As at March 31, 2017	As at March 31, 2016
Term Loans from:		
Financial Institution	2,527.76	7,583.25
Related Parties (Refer note no 13)	8,881.70	8,921.43
Total	11,409.46	16,504.68

7.1 The above Unsecured Term Loan from Financial Institution including Rs. 8,847.12 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 Unsecured loan from financial institutions carry interest rate of 15% p.a. for the first year and 16% from the next year and repayable in 16 equal quarterly installments with a moratorium of 1 year from the first disbursement i.e October 2013.

7.3 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	<i>Rs in Lacs</i>
	Rupee Term Loan from Financial Institution
2016 - 2017	3,791.62
2017 - 2018	5,055.50
2018 - 2019	2,527.76
Total	11,374.88

7.4 Details of Unsecured Loans from related parties:

Company Name	Nature of Relationship	<i>Rs in Lacs</i>	
		As at March 31, 2017	As at March 31st, 2016
E Complex Private Limited	Fellow Subsidiary	8,881.70	8,921.43

7.5 Terms and Conditions for Loans from Related Parties:

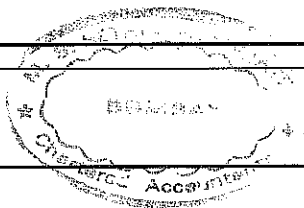
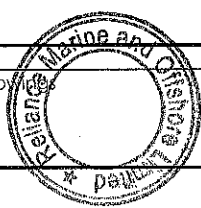
- (i) Rs, 8,881.70 Lacs having an interest rate of 15 % p.a. and repayable by way of bullet payment on July 1, 2019.

7.6 As on March 31, 2017, the Company has overdue of Rs. 3,791.62 Lacs (Previous Year: Rs. 2,491.63 Lacs) and Rs. 2,421.75 Lacs (Previous Year: Rs. 1,159.58 lacs) towards the principal and interest respectively.

Notes - 8

OTHER FINANCIAL LIABILITIES

Particulars	<i>Rs in Lacs</i>	
	As at March 31, 2017	As at March 31, 2016
Interest Accrued but not due on borrowings	4,588.66	3,593.73
Total	4,588.66	3,593.73



Reliance Marine and Offshore Limited

Notes to Financial Statement

Notes - 9 BORROWINGS (UNSECURED)

Particulars	As at March 31, 2017	As at March 31, 2016
<i>Rs in Lacs</i>		
Short Term Loans from:		
Body Corporates	12,380.00	9,580.00
Related Parties (Refer Note no 13)	5,659.43	2,044.02
Total	18,039.43	11,624.02

9.1 Details of Unsecured Loans from related parties:

Company Name	Nature of Relationship	As at March 31, 2017	As at March 31, 2016
<i>Rs in Lacs</i>			
Reliance Defence and Engineering Limited	Holding Company	256.83	84.02
Reliance Infrastructure Limited	Other Related Party	4,510.00	1,960.00
Skill Infrastructure Ltd	Other Related Party	892.60	-

Notes - 10 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
<i>Rs in Lacs</i>		
Current Maturities of Long Term Debts	8,847.12	8,439.72
Interest Accrued and due on borrowings	2,421.75	1,159.58
Interest Accrued but not due on borrowings	2,535.05	1,404.86
Statutory Dues	205.92	240.85
Payment for Expenses	0.68	0.54
Total	14,010.52	11,245.55

Notes - 11 OTHER EXPENSES

Particulars	for the year ended March 31st 2017	for the year ended March 31st 2016
<i>Rs in Lacs</i>		
Payment to Auditors	0.26	0.29
Legal and Professional Charges	0.15	0.27
Filing Fees	0.16	0.59
Interest on Statutory Dues	20.86	0.88
Other Expenses	1.38	-
Total	22.81	2.03

11.1 Payment to Auditors includes:

Particulars	for the year ended March 31st 2017	for the year ended March 31st 2016
<i>Rs in Lacs</i>		
Audit Fees	0.26	0.29
Total	0.26	0.29

Notes - 12

The Company has not commenced any commercial operations during the year ended March 31, 2017.

Notes - 13 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

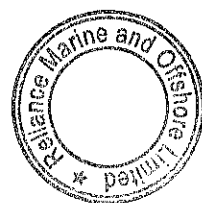
Reliance Technologies and Systems Private Limited

Reliance Engineering and Defence Services Limited

iii) Other Related Parties

Reliance Infrastructure Limited

SKIL Infrastructure Limited



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 period 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.

Reliance Marine and Offshore Limited

Notes to Financial Statement

c) Transactions with related parties for the year ended March 31, 2017 and closing balances

Particulars	2016 - 2017				2015 - 2016				<i>Rs in Lacs</i>
	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	1,960.00	84.02	8,921.43	892.60	-	37.75	11,196.00	1,503.19	
Received during the year	2,550.00	172.81	-	-	1,960.00	46.27	-	-	
Returned during the year	-	-	39.73	-	-	-	2,274.57	610.59	
Closing Balance	4,510.00	256.83	8,881.70	892.60	1,960.00	84.02	8,921.43	892.60	
Other payables									
Interest Expenses	448.35	20.99	1,023.90	142.81	25.52	10.42	1,880.73	211.63	
Interest Payable	426.48	28.26	4,588.66	390.02	22.97	9.38	3,593.73	247.21	

Notes - 14

EARNINGS PER SHARE

Particulars	<i>Rs in Lacs</i>	
	2016 - 2017	2015 - 2016
Net Profit / (Loss) after Tax	(22.81)	(2.03)
Amount available for calculation of Basic and Diluted EPS	(a) (22.81)	(2.03)
Weighted Average No. of Equity Shares outstanding for Basic and diluted EPS	(b) 50,000	50,000
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)	(a)/(b) (45.62)	(4.06)

Notes - 15

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

Notes - 16

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.

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 basis.

Liquidity risk

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

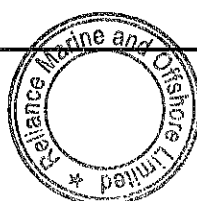
Notes - 17

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.



Reliance Marine and Offshore Limited

Notes to Financial Statement

Notes - 18

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

As per our Report of even date

For **M.S. Sethi & Associates**

Chartered Accountants

Firm Reg.No : 109407W



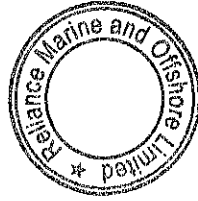
Manoj Sethi

Proprietor

Membership No 039784

Place: Mumbai

Date : April 08, 2017



For and on behalf of the Board of Directors



Madan Pendse
Director



Venkata Rachkonda
Director