RMOL Engineering and Offshore Limited

(Formerly Reliance Marine and Offshore Limited)

Balance Sheet as at March 31, 2020

Amount in Rs.

Particulars	Note	As at March 31, 2020		As at March 31, 2019	
I ASSETS					
(1) Non Current Assets					
Capital Work in Progress	2	-		-	
Investments	3	2,996,800,000		2,996,800,000	
			2,996,800,000		2,996,800,000
(2) Current Assets					
Financial Assets					
Cash and Cash Equivalents	4	68,021		153,416	
			68,021		153,416
TOTAL ASSETS			2,996,868,021		2,996,953,416
II EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	5	500,000		500,000	
Other Equity	6	(2,070,056,818)		(1,463,406,023)	
			(2,069,556,818)		(1,462,906,023)
(2) Current Liabilities					
Financial Liabilities					
a Borrowings	7	1,849,448,874		1,849,064,060	
b Other Current Financial Liabilities	8	3,216,975,965		2,610,795,379	
		5,066,424,839		4,459,859,439	
			5,066,424,839		4,459,859,439
TOTAL EQUITY & LIABILITIES			2,996,868,021		2,996,953,416

As per our Report of even date
For Rajkumar Rathi & Co.
Chartered Accountants
Firm Registration No.: 006342C

Saurabh Jain
Partner
Membership No.: 405013

Place: Mumbai
Date :

S Gopalakrishnan
Resolution Professional
IP Reg No. IBBI/IPA-002/IP-N00151/2017-18/10398

Place: Mumbai
Date :

RMOL Engineering and Offshore Limited

(Formerly Reliance Marine and Offshore Limited)

Statement of Profit and Loss for the year ended March 31, 2020

Amount in Rs.

Particulars	Note		For the year ended March 31, 2020		For the year ended March 31, 2019
REVENUE					
Other Income	9		6,521		619,729,952
Total Revenue			6,521		619,729,952
EXPENSES					
Other Expenses	10		2,003,814		1,736,368
Total Expenses			2,003,814		1,736,368
Profit / (Loss) before Finance Cost			(1,997,293)		617,993,584
Finance Cost	11		604,653,502		138,977,967
Profit / (Loss) before Exceptional Items and Tax			(606,650,795)		479,015,617
Exceptional Items	2.1		-		(1,938,719,000)
Loss Before Tax			(606,650,795)		(1,459,703,383)
Tax Expense					
Current Tax			-		-
Deferred Tax			-		-
Loss After Tax			(606,650,795)		(1,459,703,383)
Total Comprehensive Loss for the Year			**(606,650,795)**		**(1,459,703,383)**
Earnings per Equity share of Rs. 10/- each					
- Basic (In Rupees)	13		(1,213,301,590)		(2,919,406,766)
- Basic / Diluted (In Rupees)			(1,213,301,590)		(2,919,406,766)

As per our Report of even date
For Rajkumar Rathi & Co.
Chartered Accountants
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Place: Mumbai
Date :

RMOL Engineering and Offshore Limited

(Formerly Reliance Marine and Offshore Limited)

Cash Flow Statement for the year ended March 31, 2020

Amount in Rs.

Sr No	Particulars	2019 - 2020	2018 - 2019
A	**Cash Flow from Operating Activities**		
	Profit / (Loss) before Tax	(606,650,795)	(1,459,703,383)
	Adjustments for :-		
	Exceptional Items	-	1,938,719,000
	Balance Write Back	-	(619,729,952)
	Finance Cost	604,653,502	138,977,967
	Operating profit before working capital changes	(1,997,293)	(1,736,368)
	Adjusted for		
	Increase/(Decrease) in Current Liabilities	824,539	(48,743,000)
	Cash Generated from Operations	(1,172,754)	(50,479,368)
	Direct Taxes (Paid) / Refund	-	-
	Net Cash from/(used in) Operating Activities	(1,172,754)	(50,479,368)
B	**Cash Flow from Investing Activities**		
	Investment In Bonds/ Bond Application Money	-	-
	Net Cash from/(used in) Investing Activities	-	-
C	**Cash Flow from Financing Activities**		
	Short Term Borrowings (net)	1,087,359	50,440,000
	Repayment of Long Term Borrowings from Fellow Subsidiary	-	-
	Finance costs paid	-	-
	Net Cash Flow from/(used in) Financing Activities	1,087,359	50,440,000
		(85,395)	(39,368)
	Cash & Cash Equivalents		
	Opening balance	153,416	(192,784)
	Closing balance	68,021	153,416
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(85,395)	(39,368)

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 Rajkumar Rathi & Co.
Chartered Accountants
Firm Registration No.: 006342C

Saurabh Jain
Partner
Membership No.: 405013

Place: Mumbai
Date :

S Gopalakrishnan
Resolution Professional
IP Reg No. IBBI/IPA-002/IP-N00151/2017-18/10398

Place: Mumbai
Date :

RMOL Engineering and Offshore Limited
(Formerly Reliance Marine and Offshore Limited)

Statement of Changes in Equity for the year ended March 31, 2020

A Equity Share Capital

Amount in Rs.

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	50,000	500,000	50,000	500,000
Add: Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	50,000	500,000	50,000	500,000

B Other Equity

Amount in Rs.

Particulars	Retained Earning	Total
As at April 1, 2018	**(3,702,640)**	**(3,702,640)**
Profit/(Loss) for the year	(1,459,703,383)	(1,459,703,383)
As at March 31, 2019	**(1,463,406,023)**	**(1,463,406,023)**
Profit/(Loss) for the year	(606,650,795)	(606,650,795)
		-
As at March 31, 2020	**(2,070,056,818)**	**(2,070,056,818)**

As per our Report of even date
For Rajkumar Rathi & Co.
Chartered Accountants
Firm Registration No.: 006342C

Saurabh Jain
Partner
Membership No.: 405013

Place: Mumbai
Date :

S Gopalakrishnan
Resolution Professional
IP Reg No. IBBI/IPA-002/IP-N00151/2017-18/10398

Place: Mumbai
Date :

Notes to Financial Statements for the year ended March 31, 2020

1.1 Company Overview

RMOL Engineering and Offshore Limited was incorporated on June 14, 2012. The name of the Company got changed from Reliance Marine and Offshore Limited and fresh certificate of incorporation was issued by the Ministry of Corporate Affairs (MCA), Government of India on October 16, 2018. The Company is domiciled in India having registered office at Survey no 658, Village Rampara II, Via- Rajula, District Amreli (Gujarat).

IFCI Limited in its capacity of financial creditor had filed a petition under the Insolvency and Bankruptcy Code 2016 (the "IBC" / "Code") with the Hon'ble National Company Law Tribunal, Ahmedabad Bench (the "NCLT") against RMOL Engineering and Offshore Limited ('RMOL'), (the 'Company'). The NCLT, vide its order dated August 21, 2019 ("Insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code, appointing Mr. S Gopalakrishnan as the Interim Resolution Professional (IRP), and the Committee of Creditors appointing him as the Resolution Professional (RP). Total 9 CoC meetings have been held.

Under the IBC proceedings, the powers of the board have been suspended with effect from August 21, 2019. The powers of the Board of Directors are to be exercised by the RP, and the financial statements have been signed by the RP confirming the accuracy and completeness o the results taken on records.

The Company is under CIRP, there has not been any resolution plan received by the CoC. In view of the completion of the 180 days time prescribed in the IBC, the RP is in process of filing an application before NCLT for Liquidation of the Company under section 33 of the IBC as approved by the CoC in their 9th meeting held on August 10, 2020.

Accordingly financial statements for the year ended March 31, 2020 have been prepared on a going concern basis.

The RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable law, and subject to the following disclaimers:

a The RP has assumed control of the Corporate Debtor with effect from August 21, 2019 and therefore was not in control of the operations or the management of the Corporate Debtor for the part of the period to which the underlying period report pertains to;

b The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;

c No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;

d The RP, while signing this statement of financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, in review of the financial results and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these financial results. The statement of financial results of the Corporate Debtor for the year ended March 31, 2020 have been taken on record by the RP solely on the basis of and on relying on the aforesaid certifications, representations and statements of the aforesaid directors and the management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial statements.

1.2 Basis of Preparation of Financial Statements:

The financial statements have been prepared on accrual basis and under historical cost convention with the exception of certain financial assets and liabilities and accounting principles generally accepted in India including the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts), Rules 2014 and the relevant provisions o the Companies Act, 2013

Except otherwise mentioned the accounting policies adopted in the preparation of the financial statements are consistent with those of previous year. Also due to peculiar nature of the business and uncertainties the segment in which the Company is operating, various issues have evolved requiring interpretation and clarifications. The Company is making substantial effort on an ongoing basis to improve reporting and disclosure in financial statement wherever required to comply with relevant law, rules and regulations.

1.3 Use of Estimates:

The preparation of Financial Statements in conformity with General Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of Financial Statements and the reported amounts of Income and Expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the period in which the results are known or materialised

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the noted to the financial statements

Management believes that estimates used in the preparation of the financial statements are prudent and reasonable

1.4 Inflation

The Company has recorded its Assets and Liabilities at Historical Cost to the Company. These costs are not adjusted to reflect the changing value in the Purchasing power of the money

1.5 Foreign Currency Transaction and Functional and Presentation Currency:

Items included in the financial statements of each of the group's entities 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.

Notes to Financial Statements for the year ended March 31, 2020

1.6 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.

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 loss.

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.

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.

1.7 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.

Notes to Financial Statements for the year ended March 31, 2020

1.8 Provisions 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 deductable 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.

1.9 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.

1.10 Fixed Assets and Depreciation

a Fixed Assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price, non refundable taxes and duties, borrowing cost, if capitalisation criteria are met and directly attributable cost of bringing the assets to its present location and condition for the intended use.

b Depreciation is provided on all assets on Straight Line Method over the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 are considered for computing depreciation based on the month of their acquisition

c 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.

1.11 Impairment of Tangible and Intangible Assets:
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factor. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount is the greater of an asset's or cash generating unit's net selling price and it's value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.12 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.

1.13 Property, Plant and Equipments:

a 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.

b 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.

c 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.

1.14 Inventory

a Stock of material has been valued at cost. The Cost includes, cost of purchase and cost of transportation to bring the material to site or net realisable value which ever is lower.

b Stock of Work in Progress has been valued at cost. Cost comprises of cost of material purchased and sent to sites, whether consumed or not , costs incurred in bringing the goods to present location and all other expenses incurred at site, From this amount, the value of work certified and billed is reduced to arrive at the cost of Closing Work in Progress or net realisable value whichever is lower.

c Due allowances are made in respect of slow moving, non moving and obsolete inventory based on estimates made by the management.

1.15 Employee Benefits

a Short Term Employee Benefits: All employee benefits falling due wholly within twelve benefits of rendering services are classified as short term employee benefits. The benefits like salaries, wages, short term compensation absence etc. And cost of bonus is recognised in the period during which the employee renders the related services

b Post Employee Benefits - The Company has a defined contribution plan for State Governed Provident fund Scheme. The contribution paid / payable under the scheme is recognised during the period which the employee renders related services. The Company's contribution to provident fund is charged to profit and loss account. Leave Encashment provisions has not been made for the year as the same is accounted as and when it is paid.

1.16 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.

1.17 Taxation

a Income Tax
Income Taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax based on the tax liability computed, after considering tax disallowances and exemptions

Notes to Financial Statements for the year ended March 31, 2020

b Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the balance sheet, if there is convincing evidence that the Company will pay normal tax in the subsequent years as the resultant asset can be measured reliably.

c Deferred Tax

Deferred Tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods in accordance with the requirements of Accounting Standards 22 - Accounting for Taxes on Income.

Deferred tax asset subject to the consideration of prudence are recognised and carried forward only to the extent that there is reasonable certainty of sufficient future taxable income will be available against which such deferred tax asset can be realised. The carrying amount of Deferred Tax Assets are renewed at each reporting date.

The effect of change non deferred tax assets and liabilities is calculated on the accumulated timing difference at the year end based on tax rates and laws enacted to subsequently enacted on the balance sheet date are recognised in the Statement of Profit and Loss in the period of enactment of the change.

1.18 Provision for Expenses

A Provision recognized when an enterprise has a present obligation as a result of past event; it is possible that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. When there is an obligation in respect of which the likelihood of outflow of resources it remote, no provision or disclosure is made.

1.19 Contingent Liabilities and Contingent Assets

a Contingent Liabilities

Contingent Liabilities disclosed are related to:

1) possible obligations which will be, confirmed only by future events not wholly within the control of the Company; or

2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation can not be made.

3) Provision is made in the accounts in respect of only those contingencies which are likely to materialise into liabilities after the year end till the adoption of accounts by Board of Directors and which have material effect on the position stated in the balance sheet.

4) Contingent Liabilities are stated separately by way of note. Disputed demands in respect of Income Tax, Service Tax are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.

b Contingent Assets

Contingent Assets are not recognised in the financial statements, since this may result in recognition of income that may never be realised.

1.20 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of non cash nature, and deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing activities cash flows. The Cash Flows from Operating, Investing and Financing Activities are segregated

Contingent assets are not recognised in the financial statements, since this may result in recognition of income that may never be realised.

1.21 Earnings per share

Basic earnings per share are calculated by dividing the Net Profit / Loss for the period attributable to the equity share holders by the number of equity shares outstanding during the period.

1.22 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of Cash and Cash on Deposit with banks and financial institutions. All highly liquid investments. With a remaining maturity of three months or less, and which are readily convertible in cash, are considered by the Company to be cash equivalent.

1.23 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, ant deferrals or accruals of past of future operating cash receipts or payments and items of income or expenses associated with investing or financing cash

1.24 Overdue Charges in respect of Loans

Overdue charges if any levied by banks and other are not considered during the currency of the loan. The same is considered as financial expense in the year of final settlement of loan amount

1.25 Extra Ordinary and Exceptional Items

Income or expenses that arise from events of transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events / transactions is made in the financial statement. Similarly, any external event beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary items an disclosed as such.

On certain occasions, the size, type of incidence of an item of income of expense, pertains to the ordinary activities of the company, in such that its disclosure improves an understanding of the performance of the company. Such income or expense is classified as n exceptional item and accordingly disclosed.

Notes to Financial Statements for the year ended March 31, 2020

			As at March 31, 2020		As at March 31, 2019
2	**Capital Work in Progress (Pre Operative Expenses)**				
	Pre Operative Expenses		-		-
	Closing Balance		-		-

Amount in Rs.

		As at March 31, 2020	As at March 31, 2019
a	**Details of Preoperative expenses are as under:**		
	Opening Balance	-	1,615,458,000
	Interest Expenses during the year	-	(616,247,000)
	Less: Redemption premium	-	(939,508,000)
		-	323,261,000
	Less :		
	Impairment of Preoperative Expenses	-	1,938,719,000
	Allocated to Fixed Assets	-	-
	Closing Balance	**-**	**-**

Amount in Rs.

		As at March 31, 2020	As at March 31, 2019
b	**Impairment of Property Plant & Equipment, Intangible Assets and Capital Work in Progress**		
	Capital Work in Progress	-	1,938,719,000
		-	**1,938,719,000**

2.1 During the year ended March 31, 2020, the Company has Nil impairment charge (Previous Year Rs. 19,387.19 lakhs) in respect of expenditure incurred for a project (included in capital work in progress) wherein progress has been slow over the years due to certain hindrances. The impairment recognised is included within exceptional items in the statement of profit and loss. The Impairment indicators that were witnessed are:

1. Declining Net Worth of the Company on Consistent Basis for more than 5 Years.
2. There are no commercial operations being carried out by the Company since the inception due to technical and environmental hindrances.
3. Internal Reporting clearly indicates that net cash flows are significantly declined which resulted in budgeted loss and operating loss.

Amount in Rs.

		Face Value	Number		As at March 31, 2020	As at March 31, 2019
			31.03.2020	31.03.2019		
3	**Investments**					
	Long Term Trade Investment (unquoted and fully paid-up) - Measured at Cost					
	In 0% Non Convertible non-secured Bonds of :					
	Avocado Realty Pvt Ltd.	100,000	6,173	6,173	617,300,000	617,300,000
	Budding Mercantile Company Pvt. Ltd.	100,000	6,545	6,545	654,500,000	654,500,000
	Replinish Realty Pvt Ltd.	100,000	4,500	4,500	450,000,000	450,000,000
	Slimline Realty Pvt Ltd	100,000	5,300	5,300	530,000,000	530,000,000
	Winsome Realty Pvt Ltd	100,000	7,450	7,450	745,000,000	745,000,000
	Total		**29,968**	**29,968**	**2,996,800,000**	**2,996,800,000**

3.1 The above bonds carries redemption premium of 40%, payable at the time of redemption i.e. on 26th July, 2019. Till date Company has not received premium. Company has sent notice the bond holders for the same. Redemption premium has been accounted considering effective rate of return i.e. 6.96% P.A. till 31st March, 2019. However considering uncertainty of the receipt accounting has not been done in the current year.

3.2 The RP on behalf of the Company has filed an application for recovery of the amounts of the investments at NCLT, Ahmedabad, no. IA 202 of 2020 in CP(IB) 171 of 2017 and the same is pending.

Amount in Rs.

			As at March 31, 2020		As at March 31, 2019
4	**Cash and Cash Equivalents**				
	Balances with Bank				
	- in Current Account		68,021		153,416
	Total		68,021		153,416

Amount in Rs.

			As at March 31, 2020		As at March 31, 2019
5	**Equity Share Capital**				
	Equity Shares				
	Authorised				
	50,000 (Previous Year 50,000) Equity Shares of Rs. 10/- each		**500,000**		**500,000**
	Issued, Subscribed and paid up				
	50,000 (Previous Year 50,000) Equity Shares of Rs. 10/- each fully paid up		500,000		500,000
			500,000		500,000

Notes to Financial Statements for the year ended March 31, 2020

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

		As at March 31, 2020		As at March 31, 2019
No. of shares at the beginning of the year		50,000		50,000
Add: Shares issued/bought back during the year		-		-
No. of shares at the end of the year		50,000		50,000

b Shareholders holding more than 5% No. of Shares/Holding Company

Name of the Share Holder	No. of Shares	% Held	No. of Shares	% Held
Reliance Naval and Engineering Limited - Holding Company	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

c 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.

Amount in Rs.

			As at March 31, 2020		As at March 31, 2019
6	**Other Equity**				
	Surplus/(Deficit) in Statement of Profit and Loss				
	Balance as per last Balance Sheet	(1,463,406,023)		(3,702,640)	
	Add: Profit / (Loss) for the year	(606,650,795)		(1,459,703,383)	
		(2,070,056,818)		(1,463,406,023)	
	Less: Appropriations	-		-	
	Transfer to General Reserves	-		-	
		-		-	
			(2,070,056,818)		(1,463,406,023)

Amount in Rs.

			As at March 31, 2020		As at March 31, 2019
7	**Borrowings**				
	(Unsecured)				
	Short Term Loans from:				
	Body Corporates				
	Citi Securities & Financial Services Pvt Ltd	451,027,848		451,000,000	
	Crest Logistics & Engineers (P) Ltd	958,167,394		958,000,000	
	Reliance Cleangen Ltd	280,000,000		280,000,000	
	Skil Infrastructure Ltd	160,064,060		160,064,060	
			1,849,259,302		1,849,064,060
	Related Parties (refer note no 12)		189,572		-
			1,849,448,874		1,849,064,060

7.1 **Details of Unsecured Loans from related parties:** *Amount in Rs.*

Company Name		As at March 31, 2020		As at March 31, 2019
Reliance Naval And Engineering Limited		189,572		-

7.2 The Unsecured Term Loan from Financial Institution amounting to Rs. 11,381.90 is included in current maturities of long term debts in note no. 8 is secured as under:

i) Pledge of 85,37,000 equity shares of SKIL Infrastructure Limited.
ii) Corporate Guarantee of the Holding Company.
iii) Personal Guarantee of some of the erstwhile 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 Naval and Engineering Limited and 800,000 shares of Everon Limited.
v) Hypothication/Mortgage of Land parcel owned by other corporate in Taluka Uran, Raigad, Maharastra admeasuring about 4.02 acres.
vi) Hypothication/Mortgage of Land parcel owned by other corporates in Jhansi, Uttar Pradesh admeasuring about 35.79 acres .

7.3 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 instalments with a moratorium of 1 year from the first disbursement i.e October 2013.

7.4 **Terms and Conditions for Loans from Related Parties:**
Loan is taken an interest rate of 15 % p.a. and repayable by way of bullet payment on July 1, 2019.

7.5 During the previous year 2017 - 2018, IFCI Ltd had issued a loan recall notice and subsequently applied for the insolvency petition under the Insolvency and Bankruptcy Code 2016 due to default in repayment of principal and interest by the Company. In responce to the recall notice, the Company had requested the lender to liquidate the securities available with them and has offered to settle the balance amount through pramoters' support. The petition filed by the lender has been admitted by the NCLT. and passed an order on August 21, 2019.

7.6 Approved claim of the borrowing is Rs. 48,010.79 lakhs against the borrowing provided in the books is Rs. 50,642.91 which is inclusive of principal and interest.

Notes to Financial Statements for the year ended March 31, 2020

Amount in Rs.

			As at March 31, 2020		As at March 31, 2019
8	**Other Current Financial Liabilities**				
	Current Maturities of Long Term Debts		1,138,190,045		1,137,487,500
	Interest Accrued and due on borrowings		1,189,020,256		803,463,066
	Interest Accrued but not due on borrowings		887,631,385		668,535,073
	Statutory Dues		55,088		169,246
	Other Payables		2,079,191		1,140,494
			3,216,975,965		2,610,795,379

8.1 Current Matuirities of Long Term Debts pertains to Loan from IFCI Limited

Amount in Rs.

		For the year ended March 31, 2020		For the year ended March 31, 2019	
9	**Other Income**				
	Liability no longer required written back (Net)		-		619,729,952
	Other Income		6,521		-
			6,521		619,729,952

Amount in Rs.

		For the year ended March 31, 2020		For the year ended March 31, 2019	
10	**Other Expenses**				
	Payment to Auditors		29,500		30,857
	Legal and Professional Charges		-		1,690,820
	Bank Charges		3,452		-
	Rent		1,582		-
	Interest on TDS		22,955		14,691
	Professional Fees		1,805,316		-
	Advertisement Expenses		85,630		-
	Miscellaneous Other Expenses		55,379		-
			2,003,814		1,736,368

Amount in Rs.

		For the year ended March 31, 2020		For the year ended March 31, 2019	
10.1	**Payment to Auditors includes:**				
	Audit Fees		29,500		30,857
	Out of Pocket Expenses		-		-
			29,500		30,857

10.2 The expenses during the year pertains to the CIRP process cost

Amount in Rs.

		For the year ended March 31, 2020		For the year ended March 31, 2019	
11	**Interest Expenses**				
	Interest Expenses		604,653,502		138,977,967
			604,653,502		138,977,967

11.1 Interest Expenses includes the difference between amount claimed by the financial creditors and those earlier recognised by the Company.

12 RELATED PARTY DISCLOSURES

a) List of Related parties

i) Holding Company

Reliance Naval and Engineering Limited (**RNaval**)

ii) Fellow Subsidiaries

E -Complex Private Limited (**ECPL**)
PDOC Pte. Ltd.
Reliance Underwater Systems Limited *(Formerly Reliance Lighter than Air Systems Private Limited)* up to August 15, 2019 (**RUSPL**)
Reliance Technologies and Systems Private Limited (**RTSPL**)
REDS Marine Services Limited *(Formerly Reliance Engineering and Defence Services Ltd)(* ***REDS*** *)*

iii) Other Related Parties

Reliance Infrastructure Limited (**RIL**)

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.

Notes to Financial Statements for the year ended March 31, 2020

c) Transactions with related parties and closing balances

Amount in Rs.

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	RIL	RNaval	ECPL	RIL	RNaval	ECPL
Unsecured Loans						
Opening Balance	-	-	-	451,000,000	25,818,000	888,170,000
Received during the period	-	-	-	-	1,002,000	-
Returned during the period	-	-	-	-	-	-
Impaired during the year	-	-	-	-	26,820,000	888,170,000
Assigned to third party	-	-	-	451,000,000	-	-
Closing Balance	-	-	-	-	-	-
Rent Payable	-	-	1,582	-	-	-
Interest Expenses	-	-	-	52,480,000	-	-
Interest Payable	150,100,000	-	-	150,100,000	-	-

13 Earnings per Share

Amount in Rs.

		For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit / (Loss) after Tax		(606,650,795)	(1,459,703,383)
Amount available for calculation of Basic and Diluted EPS	(a)	(606,650,795)	(1,459,703,383)
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 F	(a)/(b)	(1,213,301,590)	(2,919,406,766)

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

15 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.

16 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.

17 The Company's accumulated losses has resulted into erosion of the Company's net worth.

Notes to Financial Statements for the year ended March 31, 2020

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 Rajkumar Rathi & Co.
Chartered Accountants
Firm Registration No.: 006342C

Saurabh Jain
Partner
Membership No.: 405013

Place: Mumbai
Date :

S Gopalakrishnan
Resolution Professional
IP Reg No. IBBI/IPA-002/IP-N00151/2017-18/10398

Place: Mumbai
Date :