

NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

Registered Office: Plot No.563, Road No.31, Jubilee Hills, Hyderabad – 500033.

BOARD OF DIRECTORS

Mr. M.S.S.Srinath
Mrs. Kavita Prasad
Cmde (Retd) Arvind Sharma - CEO

BANKERS

State Bank of India, Noida.
State Bank of India, Secunderabad.

AUDITORS

M/s.K. Raghunath & Co.Chartered Accountants,
3-6-102/A/B/C, 1st Floor, Near Old Vijaya Diagnostics,
Street 25, Himayat Nagar, Hyderabad – 500 029.

EIGHTEENTH ANNUAL REPORT 2023-24



INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED.**

Report on the Financial Statements

We have audited the accompanying standalone IND-AS financial statements of NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income for the year ended on that date

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone IND-AS 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IND-AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. 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 our 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, we consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's 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.

7. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND-AS 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 along with IND-AS;

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2024; and
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;

8. Report on Other Legal and Regulatory Requirements

As required by "the Companies (Auditor's Report) Order, 2020", issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the Order), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

1. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;



- d) The Balance sheet and the statement of Profit and Loss comply with the Accounting standards under section 133 of the companies Act 2013 read with Rule 7 of the companies (Accounts) Rules 2014.
- e) On the basis of written representation received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2024, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Company has disclosed the details of pending litigations at Note No: 3 (c) (1) (2),(3) (4) to the financial statements however their impact on the financial position has not been stated in the financial statements in view of their contingent nature.
- ii. The company did not have any long-term contracts including derivative 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or



indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

Place: Hyderabad

Date: 10-05-2024

For K.RAGHUNATH&CO.,
Chartered Accountants
FRN: 03341S



K.RAGHUNATH
(Proprietor)

M.No :022637

UDIN NO.: 24022637BKCPMV2795

Report under The Companies (Auditor's Report) Order, 2020.

ANNEXURE REFERRED TO IN PARAGRAPH I OF THE "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE:

i. In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantities details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management, which in our opinion is reasonable, of its assets. No material discrepancies were noticed on such physical verification.
- c) There are no immovable properties held in the name of the company.

ii. In respect of its inventories:

The Company has maintained proper records of inventories meant for resale. As per the information and explanation given to us, no material discrepancies were noticed on physical verification. There is no inventory of such items at the year end.

iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

iv. There are no loans, investments guarantees, and security to which the provisions of Sec 185 and 186 of the Companies Act 2013 apply.

v. According to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.

vi. The cost records prescribed as per the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 are not applicable to the company.

vii. In respect of statutory dues:

- a) The Company is regular in depositing undisputed statutory dues including Income Tax, GST, , Duty of Customs, Duty of Excise, Cess and other Statutory dues with the applicable authorities. There are no arrears to be paid on 31-03-2024 for a period of more than six months from the date they become payable.

- b) There were no statutory dues which have not been deposited on account of any dispute and in respect of the TDS dues of Rs.572970 only correction statements



c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

ix. The Company has not raised any funds by way of Initial Public Offer or further public offer and therefore application of the said funds for the purpose for which they have been raised does not arise.

xi. In Our Opinion and according to the information and Explanations given to us the Company has a internal audit System commensurate with the size and nature of the business.


xiii. The related party transactions entered into during the year by the company have been reported at S.No 3 (f) of the Notes on Accounts. The said transactions are not prejudicial to the interest of the company.


xv. The company has not made any preferential allotment or private placement of shares or debentures during the year under review.



- xvii. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
- xviii. The other clauses of the Audit Report Order are not applicable to the Company.

Place: Hyderabad
Date: 10-05-2024

For K.RAGHUNATH&CO.,
Chartered Accountants
FRN: 03341S

K.RAGHUNATH
(Proprietor)
M. No:022637



ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS

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

We have audited the internal financial controls over financial reporting of NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED ("the company"), as of 31st March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 10-05-2024

For K. RAGHUNATH & CO.,
Chartered Accountants
FRN: 03341S

K. RAGHUNATH
(Proprietor)
M.No : 022637

NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

CIN: U31403TG2006PTC051006

Balance Sheet as at March 31, 2024

Particulars	Note		As at March 31, 2024 Rs.		As at March 31, 2023 Rs.
I) ASSETS					
1 Non Current Assets					
(a) Property, Plant and Equipment	1	63,00,637		21,53,898	
(b) Financial Assets					
(i) Other Financial Assets	2	4,10,60,538	4,73,61,175	7,19,72,054	7,41,25,952
2 Current Assets					
(a) Inventories	3	6,57,28,105		31,02,031	
(b) Financial Assets					
(i) Trade Receivables	4	11,79,86,030		5,19,92,212	
(ii) Cash and cash equivalents	5	1,05,62,308		2,88,98,562	
(iii) Other Bank Balances	5	10,59,62,093		8,59,99,597	
(iv) Others	5	87,13,023		75,37,356	
(c) Current Tax Assets (net)	6	17,77,675		1,92,613	
(d) Other Current Assets	7	3,67,98,760	34,75,27,994	3,03,02,002	20,80,24,373
Total			39,48,89,169		28,21,50,325
II) EQUITY AND LIABILITIES					
A Equity					
(a) Equity Share Capital	8	10,00,000		10,00,000	
(b) Other Equity	9	26,49,71,484	26,59,71,484	21,13,72,139	21,23,72,139
B Non Current Liabilities					
(a) Deferred Tax Liabilities (Net)	10		1,44,082		1,47,861
C Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	11	1,49,28,319		1,19,52,930	
(ii) Trade Payables	12	9,12,01,498		4,65,48,823	
(iii) Other Financial Liabilities	13	1,06,67,356		57,25,754	
(b) Provisions	14	1,19,76,430		54,02,818	
(c) Current tax liabilities (Net)	15	-	12,87,73,603	-	6,96,30,325
Total			39,48,89,169		28,21,50,325

The accompanying Notes from an integral part of Financial Statements

As per our Report of even date annexed

for K.Raghunath & Co.,
Chartered Accountants

FRN No. 03341S

Hyderabad

CA K.Raghunath
Proprietor

M.No:022637

UDIN : 24022637BKCPMV2795

Place : Hyderabad

Date : May 10, 2024

On behalf of the Board of Directors

Naval Systems and Technologies Private Limited

Cmdr Arvind Sharma(Retd)

CEO/Director

DIN No.01483101

Place : Hyderabad

Date : May 10, 2024

M S S Srinath

Director

DIN No. 00319175

Place : Hyderabad

Date : May 10, 2024

NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

CIN: U31403TG2006PTC051006

Statement of Profit & Loss for the year ended March 31,2024

Particulars	Note	Year Ended March 31, 2024 Rs.	Year Ended March 31, 2023 Rs.
A Revenue			
Revenue from Operations (Trading)	15	27,92,02,039	16,14,77,225
Other Income	16	1,18,59,923	71,40,493
Total Revenue (A)		29,10,61,962	16,86,17,718
B Expenses			
Cost of Material Consumed	17	18,56,19,529	8,63,88,401
Changes in inventories (Increase)/Decrease	17	(6,26,26,074)	(6,11,652)
Employee Benefits Expenses	18	3,75,55,181	2,68,51,075
Finance Costs	19	20,07,002	19,33,670
Depreciation and Amortisation Expenses	20	6,81,595	4,42,778
Other Expenses	21	5,59,50,718	2,06,92,250
Total Expenses (B)		21,91,87,951	13,56,96,522
C Profit/(loss) before Exceptional items and Tax (A-B)		7,18,74,011	3,29,21,196
D Exceptional Items - (Income)/Expense	22	(21,555)	(96,073)
E Profit/(loss) before tax (C-D)		7,18,95,566	3,30,17,269
F Tax Expense			
Current Tax		1,83,00,000	84,00,000
Deferred Tax (Asset)/Liability		(3,779)	1,04,959
Income Tax & Wealth Tax relating to Previous Years		-	-
G Profit for the period (E-F)		5,35,99,345	2,45,12,310
H Other Comprehensive Income (Net)		-	-
I Total Other Comprehensive Income for the period (G-H)		5,35,99,345	2,45,12,310
J Earnings per Equity Share			
- Basic		535.99	245.12
- Diluted		535.99	245.12

The accompanying Notes from an integral part of Financial Statements

As per our Report of even date annexed

for K.Raghunath & Co.,

Chartered Accountants

FRN No. 03341S

CA K.Raghunath

Proprietor

M.No:022637

UDIN : 24022637BKCPMV2795

Place : Hyderabad

Date : May 10, 2024

On behalf of the Board of Directors

Naval Systems and Technologies Private Limited

Cmde Arvind Sharma(Retd)

CEO/Director

DIN No.01483101

Place : Hyderabad

Date : May 10, 2024

M S S Srinath

Director

DIN No. 00319175

Place : Hyderabad

Date : May 10, 2024

NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

Statement of Changes in Equity for the period ended March 31, 2024

a) Share capital

	Current reporting period March 31, 2024	Previous reporting period March 31, 2023
Balance at the beginning of the year	10,00,000	10,00,000
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	10,00,000	10,00,000
Changes in equity share capital during the current year	-	-
Balance at the end of the year	10,00,000	10,00,000

b) Other equity

Particulars	Retained earnings	TOTAL
Balance at the beginning of the current reporting period April 1, 2023	21,13,72,139	21,13,72,139
Total comprehensive income	5,35,99,345	5,35,99,345
Balance at the end of the current reporting period March 31, 2024	26,49,71,484	26,49,71,484
Balance at the beginning of the current reporting period April 1, 2022	18,68,59,829	18,68,59,829
Total comprehensive income	2,45,12,310	2,45,12,310
Balance at the end of the previous reporting period March 31, 2023	21,13,72,139	21,13,72,139

As per our Report of even date annexed

For K. Raghunath & Co.,

Chartered Accountants

FRN: FRN No. 033415
Hyderabad

CA K. Raghunath

Proprietor

M.No:022637

UDIN : 24022637BKCPMV2795

Place : Hyderabad

Date : May 10, 2024

On behalf of the Board of Directors

Naval Systems and Technologies Private Limited

[Signature]

Cmdr Arvind Sharma(Retd)

CEO/Director

DIN No.01483101

Place : Hyderabad

Date : May 10, 2024

[Signature]

M S Srinath

Director

DIN No. 00319175

Place : Hyderabad

Date : May 10, 2024



NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED
Notes to Financial Statements for the period ended March 31, 2024
Note : 1 Property, Plant and Equipment

Description	Gross Carrying Cost			Accumulated Depreciation			Net Carrying Cost	
	As on April 1, 2023	Additions	Adjustments / Deletions	As on March 31, 2024	For the Year	Adjustments / Deletions	As on March 31, 2024	As on March 31, 2023
Tangible Assets								
Furnitures & Fixtures	54,147	16,600	-	70,747	7,923	-	28,021	19,344
Computers	2,98,120	1,63,950	40,298	4,21,772	85,125	21,606	1,67,181	1,07,048
Office Equipments	1,05,785	11,610	8,600	1,08,795	21,377	94,831	13,964	32,331
Vehicles	31,91,867	46,63,466		78,55,333	5,67,170	17,63,862	60,91,471	19,95,175
Total	36,49,919	48,55,626	48,898	84,56,647	6,81,595	21,606	63,00,637	21,53,898
Carrying value as at March 31, 2023	37,04,277	11,43,705	11,98,063	36,49,919	4,42,778	8,22,925	21,53,898	



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

Non Current Assets

Note : 2 Other Financial Assets

	March 31, 2024	March 31, 2023
Bank deposits (maturity beyond 12 months)		
Fixed Deposits	4,10,60,538	7,19,72,054
Total	4,10,60,538	7,19,72,054

Current Assets

Note : 3 Inventories

	March 31, 2024	March 31, 2023
Stock -in-trade (in respect of goods acquired for trading)	6,57,28,105	31,02,031
Total	6,57,28,105	31,02,031

Note : 4 Trade Receivables

	March 31, 2024	March 31, 2023
Secured, Considered Good	-	-
Unsecured, Considered Good	11,79,86,030	5,19,92,212
Total	11,79,86,030	5,19,92,212

4.1 Trade receivable aging schedule

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2024					
Undisputed - Considered Good	11,76,64,557	2,62,490	58,983	-	11,79,86,030
Undisputed-significant increase in credit risk	-	-	-	-	-
Undisputed - Credit impaired	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	-
Disputed - Credit impaired	-	-	-	-	-
Unbilled revenue	-	-	-	-	-
	11,76,64,557	2,62,490	58,983	-	11,79,86,030
As on 31.03.2023					
Undisputed - Considered Good	4,94,58,238	25,33,974	-	-	5,19,92,212
Undisputed-significant increase in credit risk	-	-	-	-	-
Undisputed - Credit impaired	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	-
Disputed - Credit impaired	-	-	-	-	-
Unbilled revenue	-	-	-	-	-
	4,94,58,238	25,33,974	-	-	5,19,92,212



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

Note : 5

5.1 Cash and Cash equivalents

Cash on hand
Balances with banks in current accounts
Fixed deposits (maturity of less than three months)

Total

5.2 Other Bank Balances

Fixed Deposits
Margin Money Deposits

Total

5.3 Others

Deposits under Protest - Court Cases
Interest Accrued But not Due on Deposits

March 31, 2024

19,794

7,10,235

98,32,279

1,05,62,308

4,95,36,456

5,64,25,637

10,59,62,093

20,25,600

66,87,423

87,13,023

March 31, 2023

14,042

81,042

2,88,03,478

2,88,98,562

5,18,61,738

3,41,37,859

8,59,99,597

20,25,600

55,11,756

75,37,356

Note : 6 Current tax assets (net)

Advance Payment of Income Tax (including TDS)
Less : Provision for Income Tax
Total

March 31, 2024

7,37,16,804

7,19,39,129

17,77,675

March 31, 2023

5,38,31,742

5,36,39,129

1,92,613

Note : 7 Other Current Assets

Advance for Purchases and Others
Service Tax Input/Vat/GST Receivable

Total

March 31, 2024

3,01,69,312

66,29,448

3,67,98,760

March 31, 2023

2,80,35,247

22,66,755

3,03,02,002



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

Note : 8 Equity Share Capital

Authorised

100,000 Equity shares of Rs.10 each

(Previous Year 100,000 Equity shares of Rs.10 each)

Issued , Subscribed and fully paid-up

100,000 Equity shares of Rs.10 each

(Previous Year 100,000 Equity shares of Rs.10 each)

March 31, 2024	March 31, 2023
10,00,000	10,00,000
10,00,000	10,00,000
10,00,000	10,00,000

8.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31, 2024		March 31, 2023	
	No.of Shares	Value Rs.	No.of Shares	Value Rs.
At the beginning of the period	1,00,000	10,00,000	1,00,000	10,00,000
Additions during the period	-	-	-	-
Deletions during the period	-	-	-	-
Outstanding at the end of the period	1,00,000	10,00,000	1,00,000	10,00,000

8.2 Details if shareholders holding more than 5% share in the Company

Name of the Shareholder	March 31, 2024		March 31, 2023	
	No.of Shares	Value Rs.	No.of Shares	Value Rs.
Equity shares of ₹10 each fully paid				
Futuristic Technologies (FT)	49,000	4,90,000	49,000	4,90,000
HBL Power Systems Ltd (HBL)	41,000	4,10,000	41,000	4,10,000
M S S Srinath	10,000	1,00,000	10,000	1,00,000
	1,00,000	10,00,000	1,00,000	10,00,000

Note : 9 Other Equity

Balance at the beginning of the current reporting period

Add: Total Comprehensive Income

Balance at the end of the current reporting period

March 31, 2024	March 31, 2023
21,13,72,139	18,68,59,829
5,35,99,345	2,45,12,310
26,49,71,484	21,13,72,139

Note : 10 Deferred Tax Liability (Net)

Deferred Tax Liability (As per last Balance Sheet)

Add: Deferred Tax (Asset)/Liability for the year

March 31, 2024	March 31, 2023
1,47,861	42,902
(3,779)	1,04,959
1,44,082	1,47,861



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

Current Liabilities

Note : 11 Borrowings

	March 31, 2024	March 31, 2023
Loans repayable on demand from banks (secured)		
Loan from State Bank of India	37,03,319	7,27,930
Loans repayable on demand from related parties (unsecured)		
Loan from Director	1,12,25,000	1,12,25,000
	1,49,28,319	1,19,52,930

Note : 12 Trade Payables

Total outstanding dues of :

- (a) Micro enterprises and small enterprises (MESE)
(b) Creditors other than micro enterprises and small enterpris

	March 31, 2024	March 31, 2023
	-	-
	9,12,01,498	4,65,48,823
	9,12,01,498	4,65,48,823

12.1 Trade Payable aging schedule

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2024					
(i) MSME	-	-	-	-	-
(ii) Others	9,12,01,498	-	-	-	9,12,01,498
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	-	-	-	-	-
Total	9,12,01,498	-	-	-	9,12,01,498
As on 31.03.2023					
(i) MSME	-	-	-	-	-
(ii) Others	4,65,48,823	-	-	-	4,65,48,823
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	-	-	-	-	-
Total	4,65,48,823	-	-	-	4,65,48,823

Note : 13 Other Financial Liabilities - Current

	March 31, 2024	March 31, 2023
Statutory Dues	86,84,323	37,08,368
Accrued Compensation to Employees	19,83,033	20,17,386
	1,06,67,356	57,25,754

Note : 14 Provisions

	March 31, 2024	March 31, 2023
Provision for Commission to Director on Profits	1,18,57,180	52,77,268
Provision for Audit & Certification Fees	1,19,250	1,25,550
	1,19,76,430	54,02,818



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

(in Rupees)

Note : 15 Revenue from Operations

	March 31, 2024	March 31, 2023
Sales of Products (Trading Sale)	27,24,98,751	15,98,70,506
Service Income	67,03,288	16,06,719
	27,92,02,039	16,14,77,225

Note : 16 Other Income

	March 31, 2024	March 31, 2023
Interest on Deposits with Banks/Others	98,66,494	71,29,332
Misc income	41,300	-
Foreign Exchange Rate Variation - gain/(loss)	19,52,129	11,161
	1,18,59,923	71,40,493

Note : 17 Cost of Material Consumed

	March 31, 2024	March 31, 2023
Trading Purchases	18,56,19,529	8,63,88,401
Cost of Material Consumed	18,56,19,529	8,63,88,401
<u>(Increase) / Decrease in inventories</u>		
Opening Stocks	31,02,031	24,90,379
Closing Stocks	6,57,28,105	31,02,031
(Increase) / Decrease	(6,26,26,074)	(6,11,652)
Material Consumotion Total	12,29,93,455	8,57,76,749

Note : 18 Employee Benefits Expenses

	March 31, 2024	March 31, 2023
Salaries, Wages & Bonus	1,10,74,091	1,04,09,978
Staff Welfare Expenses	2,020	20,532
LTA	2,47,500	2,71,500
Exgratia	4,90,000	-
Conveyance	4,21,452	4,15,000
Recruitment & training	2,118.00	16,23,765
<u>Remuneration to Directors:</u>		
Salaries & Allowances	58,80,000	58,80,000
Commission on Profits	1,94,38,000	82,30,300
	3,75,55,181	2,68,51,075

Note : 19 Finance Cost

	March 31, 2024	March 31, 2023
Interest Paid	11,01,513	15,30,438
Bank Charges and Commission	9,05,489	4,03,232
	20,07,002	19,33,670



Note : 20 Depreciation and Amortization expense

Depreciation on Tangible Assets

March 31, 2024	March 31, 2023
6,81,595	4,42,778
6,81,595	4,42,778

Note : 21 Other Expenses

Rent
Rates & Taxes
Insurance to Vehicles
Professional & Consultancy Charges
Technical Consultancy & Other Contracts
Repairs & Maintenance
Conveyance
Travelling Inland
Travelling Foreign
Printing & Stationery
Postage, Telephones & Telex
Sundry Expenses
Payment to Statutory Auditors
Liquidated Damages
Marketing Expenses
Business Promotion
Debit balances Written Off

TOTAL

March 31, 2024	March 31, 2023
3,24,000	3,24,000
1,14,402	7,160
51,505	33,132
1,74,962	1,50,000
4,57,54,350	1,66,03,701
2,11,940	2,00,835
10,804	34,628
7,41,525	6,44,015
-	5,72,993
17,996	10,030
2,83,818	2,75,238
1,52,657	1,29,320
60,000	60,000
62,84,117	14,47,316
15,08,953	-
2,55,195	1,99,882
4,494	-
5,59,50,718	2,06,92,250

Note : 22 Exceptional Items - (Income)/Expense

(Profit)/Loss on Sale of Assets
Assets Written Off

TOTAL

March 31, 2024	March 31, 2023
(21,555)	(1,08,895)
-	12,822
(21,555)	(96,073)



NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

Registered Office: Plot # 563, Road # 31, Jubilee Hills, Hyderabad – 500 033

CIN: U31403TG2006PTC051006

Notes forming part of the Financial Statements for the year ended on 31st March 2024

1. Company overview:

Naval Systems and Technologies Private Limited (NSTL or the Company) is a private limited company having its registered office at Hyderabad, Telangana State. The Company is an associate company of HBL Power Systems Limited (HBL).

The Company is a service provider to foreign Original Equipment Manufacturers (OEMs), mainly operating in the field of marine equipment. The services include installation, trials and commissioning of various equipment, annual maintenance, documentation etc.

2. Significant Accounting Policies:

(a) Basis of Preparation and statement of compliance:

The financial statements of the Company for the year ended March 31, 2024 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, to facilitate Consolidated Financial Statements of HBL group, even though Ind AS is not applicable to the Company.

(b) Accounting convention and currency

The financial statements have been prepared on historical cost convention and on an accrual basis. Financial statements are presented in Indian Rupees which is the functional currency of the Company. Provision for warranties (if any) where they are not covered by back to back warranty of the original supplier, will be dealt with as and when they arise.

(c) Use of judgements where necessary, assumptions and estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities and contingent assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In respect of useful life of Property, Plant, Equipment and Intangibles, recognition of Deferred Tax Assets/Liabilities that have significant effect to the carrying amounts within the next financial year are included in the relevant notes/statements.

(d) Fixed Assets (Property, Plant and Equipment- PPE), Depreciation and Amortization of Intangible Assets:

- Property, Plant and Equipment (PPE) are stated at the cost of acquisition less accumulated depreciation and impairment losses (if any). Cost comprises of purchase price and other attributable costs for bringing the asset to its working condition for its intended use.
- Depreciation is provided on Tangible Assets using the straightline method as per rates specified in Part C of Schedule II of the Companies Act 2013 effective from 1 April 2014 for the period of use in the relevant financial year, based on useful life of asset. Assets costing below Rs. 5000 are fully depreciated in the year of purchase.
- There are no Intangible Assets in the Company.

(e) Valuation of Inventories (at the year end):

Goods meant for resale (components, consumables, spares) are valued at lower of cost (weighted average cost of materials plus conversion / other costs incurred in bringing them to the present condition) or net realisable value.

(f) Revenue recognition

- (i) Revenue on sale of goods is recognised when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Sales revenue is measured at fair value net of returns, trade discounts or rebates (if any).
- (ii) Revenue from service is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion at the reporting date.
- (iii) Contracts involving supply and service where price breakup is available, revenues in respect of supplies are recognised when goods are delivered to customers unconditionally and service income is recognised on completion of service and bills submitted as per terms of the order.
- (iv) In case of contracts of long term nature, where the normal cycle time for completion is spreading over one or more accounting periods, revenue is recognised, subject to provision of anticipated losses, based on percentage completion as certified by management or customers' acceptance wherever applicable.
- (v) Interest income is reported on accrual basis.

(g) Current and Deferred Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable (if any) is based on taxable profit for the year from the statement of profit and loss. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(h) Foreign currency transactions

- (i) Transactions relating to non-monetary items and Purchase and Sale of goods/services denominated in foreign currency are recorded at the exchange rate prevailing or a rate that approximates the actual rate on the date of transaction.
- (ii) Assets and liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at prevailing exchange rates as at the end of the reporting period.
- (iii) Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.
- (iv) Foreign currency gains and losses are reported on a net basis which are accounted at fair value through profit or loss.

(i) Financial Assets – Trade receivables

Trade receivables are reported at actual outstanding balances. Any recognition of impairment loss allowance on trade receivable is based on lifetime expected credit loss at each reporting date.

(j) Non Financial Assets

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

(k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period,

3. Notes to the Financial Statements: (All amounts in Rupees)

- (a) The Company is in the business of supply / sale and/or providing services to customers in the field of marine engineering and there is no other reportable segment.
- (b) As the Company is engaged in sale and service activity, quantitative particulars as required as per Schedule III of Companies Act 2013 are not applicable.

Item (Amount in ₹ lakhs).	2023-24	2022-23
Expenditure in Foreign Currency		
Raw Materials, Components and Spares	1066.44	764.10
Travelling Expenses	-	2.45
Others	12.77	16.24
Earnings In Foreign Currency (CIF Basis)		
Sales/Service Income	13.60	1.25

(c) Contingent Liabilities not provided for:

1. Guarantees given by banks on behalf of the company to various customers as per contractual obligation, as on 31.03.2024 were Rs. 564.26 lakhs (previous year Rs. 341.38 lakhs). These were fully secured against fixed deposits with bank kept as margin money.
2. One of the past employees of the company filed a suit in Hon'ble Delhi High Court (which was since shifted to Karkardooma Courts) claiming certain compensation and payments (for special training abroad) amounting to Rs 56.90 lakhs the demand of which was not acknowledged by the company. The Hon'ble Court of Additional District Judge-2, Karkardooma Courts, Delhi gave a judgement on 26.10.2020 in CS No. 2439/16 which was against the Company, awarding a compensation of Rs 20,21,000 and other charges and interest, which provisionally comes to approximately Rs 31 lakhs. The Company appealed against this judgement and an amount of Rs.20,25,600 was deposited under protest in the court. No provision was made for this contingent liability. The case is in Delhi High Court, next hearing is on 18th September 2024.

3. There was a tax demand of Rs 5,72,970 on certain TDS deductions from FY 2009-10 till 2016-17. The Company is representing this matter to the concerned authorities as TDS payments have been made regularly. Pending a decision of the Income Tax Department on this, no provision has been made for this claim.
4. For the Assessment Year 2017-18 the assessment has been completed u/s 143(3) of the Income Tax Act 1961 raising a demand of Rs. 17.75 lakhs. This has been disputed by filing an appeal before CIT Appeals Hyderabad 4. As the appeal is pending no liability has been provided in the books of accounts.

(d) Remuneration to Auditors in Rupees (excluding GST as applicable):-

Particulars	2023-24	2022-23
Statutory Audit	40000	40000
Tax Audit	20000	20000

- (e) Cmde Arvind Sharma Director and CEO is eligible for 20% of the profits as a commission besides monthly salary. A sum of Rs. 194.38 lakhs is provided as commission on profits for the year, which is subject to approval of members. (previous year commission was Rs. 82.30 Lakhs.)

(f) Related Party Disclosures

Related Party	Relationship	Shareholding % in the Company
HBL Power Systems Ltd (HBL)	Associate Company	41%
Futuristic Technologies (FT)	Firm/Proprietary concern in which Cmde(retd) Arvind Sharma, CEO is interested as a proprietor/partner	49%
MSS Srinath	Director	10%
Mrs Rita Sharma	Related to Cmde(retd) Arvind Sharma	Nil
Ashwin Sharma	Related to Cmde(retd) Arvind Sharma	Nil

(g). Companies in which Directors are interested

Name of the Director	Directorship in other companies	Shareholding %
Mr. MSS Srinath	HBL Power Systems Limited	HBL Power Systems Ltd (0.71%)
	Naval Systems and Technologies Private Limited	Naval Systems & Technologies Pvt. Ltd (10%)
	Beaver Technologies Private Limited	Beaver Technologies Private Limited (21.71%)
Mrs. Kavita Prasad Aluru	HBL Power Systems Limited	HBL Power Systems Ltd (3.53%)
	Naval Systems and Technologies Private Limited	Beaver Technologies Private Limited (21.71%)
Cmde (retd) Arvind Sharma, CEO	Futuristic Technologies A&A Enterprises A Square Enterprises	Proprietary concern or Firm Partnership Firm (50%) Partnership Firm (75%)

(h). Transactions with companies where Directors are interested: (Amount Rs lakhs)

S No	Party	Nature of Transaction	During the Year	Outstanding at the year end
1	HBL Power Systems Ltd	Expenses	Nil	Nil
2	Remuneration to CEO & Commission	Remuneration Commission Loan Paid/Refund Interest on Loan	60.00 194.38 - 9.54	2.94 118.57 112.25 2.13
3	Payments to relatives of a Director Mrs. Rita Sharma Mr. Ashwin Sharma	Remuneration Remuneration	18.00 52.58	1.37 6.06

(i) Income and Expenditure exceeding one per cent of the revenue from operations:

(i) Income: Interest Received on FDR's during the year Rs. 98.66 lakhs (Previous Year Rs. 71.29 lakhs)

(ii) Expenditure (Other than materials, components and salaries and benefits):

Rs. In Lakhs			
S No	Nature of Expenses	2023-24	2022-23
1	Travelling Expenses		
	- Domestic	7.42	6.44
	- Foreign	-	5.72
2	Technical and other Consultancy	457.54	166.04

(j) Relationship with Struck off Companies:

The Company has attempted machine matching of the names of its active customers/vendors with the list of "Struck Off companies" hosted in the MCA website. Since no matches were found during this exercise, there are no transactions / relationships to report.

(k) Disclosure on Ratios

Sl.No	Ratio	Numerator	Denominator	FY 24	FY 23	variation	Reasons
				Ratio	Ratio		
1	Current Ratio	Current Assets	Current Liabilities	2.70	2.99	-9.67%	Increase Receivables & Inventory
2	Debt Equity Ratio	Total Debt	Shareholder Equity	0.06	0.06	-0.28%	Improved profitability
3	DSCR	Net profit after tax (excluding OCI)+Int+depreciation+ amortisation+ loss on sale of fixed assets	Debt Service (Interest&lease payments+principal repayments)	28.04	13.86	102.33%	Improved profitability combined with lower debt servicing cost
4	Return on Equity	Net Profit after tax	Average Shareholder equity	0.22	0.09	152.26%	Improved profitability
5	Inventory Turnover	Net sales	Average inventory	8.11	57.75	-85.95%	Increase of Turnover & Inventory
6	Trade Receivable Turnover	Net Sales	Average Debtors	3.29	1.98	66.32%	Increase of Turnover
7	Trade Payable Turnover	Purchases	Average Creditors	2.70	1.81	48.76%	Increase of Purchases
8	Net Capital Turnover	Sales	Working Capital	1.28	0.87	47.23%	Increase of Turnover & Assets
9	Net Profit Ratio %	Net profit after tax	Net Sales	19.20	13.23	45.07%	Increase of Sale and Profit
10	ROCE %	EBIT (Profit before tax-oci+interest)	Capital Employed	26.30	11.27	133.30%	Increase of Profitability
11	Return on Investment (ROI) %	Time weighted rate of return		0.00	0.00	0.00%	
	Subsidiaries				Nil		
	Quoted Investment						
	Unquoted investement				Nil		

(l) Disclosures relating to Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend atleast two percent of its average net profits for the immediately preceding three financial years, on Corporate Social Responsibility (CSR) activities. The areas for CSR activities have been prescribed in Schedule VII to the Companies Act, 2013. The Company is required to constitute a CSR committee as per the provisions of the Companies Act 2013 applicable to a Private Limited Company.

Gross amount required to be spend minimum of Rs. 11.69 lacs during the financial year 2024-25.

(m) Registration of charges or satisfaction with Registrar of Companies

During the reporting period, the Company is not required to report under this disclosure.

(n) Previous year's figures have been regrouped wherever necessary in accordance with Ind AS presentation requirement.

For **K. Raghunath & Co**
Chartered Accountants

PR No. 033415



K. Raghunath

Proprietor

M No. 022637

UDIN : 24022637BKCPMV2795

Place: Hyderabad

Date: May 10, 2024

For and on behalf of the Board of Directors of
Naval Systems and Technologies Private Limited

Cmde Arvind Sharma (Retd)

Director/CEO

DIN No. 01483101

Place: Hyderabad

Date: May 10, 2024

M S S Srinath

Director

DIN No. 00319175



Place: Hyderabad

Date: May 10, 2024