

# **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  
HDFC Bank, Noida

## **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.

**NINETEENTH ANNUAL REPORT**  
**2024-25**

# NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

Registered Office: Plot # 563, Road # 31, Jubilee Hills, Hyderabad – 500 033  
CIN: U31403TG2006PTC051006

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## NOTICE OF ANNUAL GENERAL MEETING

Shorter-notice is hereby given that the Annual General Meeting of the members of the Company will be held on Monday, May 26, 2025 at 4.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2025 together with the reports of the Board of directors and auditors thereon.

Place: Hyderabad

Date: May 12, 2025



For and on behalf of the Board

MSS Srinath

Director

DIN:00319175

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### Notes:

1. Pursuant to General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs ("MCA") read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively and MCA General Circular No. 09/2023 dated 25th September, 2023 ("MCA Circulars"), the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC"/"OAVM").  
Pursuant to the above-mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013 ("the Act").  
A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.
2. The consent of the members of the Company is sought for convening this annual general meeting with shorter consent of the members of the Company.

## NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED

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

CIN: U31403TG2006PTC051006

### DIRECTORS' REPORT FOR THE YEAR 2024-25

Dear Members

Your Directors have pleasure in submitting the 19th Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March 2025.

#### OPERATIONS:

Despite the uncertainties posed, due to constant efforts of your Directors, the year 2024-25 ended in a satisfactory performance. Your Directors are hopeful of winning some of the prospective bids which are in different stages of participation and relentless efforts are being made accordingly. Barring unforeseen circumstances, performance in the year 2024-25 may be satisfactory too. Your Directors convey their sincere thanks to the valued customers who enabled the growth of the Company.

The overall performance summary is given hereunder, prepared as per Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended).

Particulars	₹ in lakhs	
	2024-25	2023-24
Gross income from sales / services	4026.20	2792.02
Other income (net)	127.09	118.60
Total Income	4153.29	2910.62
Total expenditure	3427.46	2164.78
Profit /(loss) before depreciation amortization, interest and miscellaneous expenses charged off (PBDT)	725.83	745.84
Finance cost	18.05	20.07
Depreciation	8.01	6.82
Profit before tax the year (PBT)	699.77	718.95
Tax provisions – Current and Deferred tax	187.04	182.96
Profit after tax (PAT)	512.73	535.99

#### DIVIDEND AND TRANSFER OF UNCLAIMED DIVIDEND:

During the reporting financial year an interim dividend of 1500% (i.e Rs. 150/- per equity share of Rs.10 each fully paid up) was declared and paid for the Financial Year 2024-25 which is subject to the approval of the members at the ensuing Annual General Meeting. The proposed final dividend will absorb Rs.150 lakhs.

The provisions of Section 125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

#### MATERIAL CHANGES AND COMMITMENTS:

There are no material changes that occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which would affect the financial position of the Company.

**DEPOSITS:**

The Company has not accepted any Fixed Deposits from the Public during the period under review.

**PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013:**

During the year, the Company has not given or advanced any loans, guarantees or made investments as per section 186 of the Companies Act 2013.

**CORPORATE SOCIAL RESPONSIBIITY (CSR):**

During the reporting period the Company was required spend an amount of Rs.11,69,500/- towards CSR. Accordingly, the Company has spent the minimum required amount and complied with the provisions of the Companies Act, 2013 read with rules made thereunder. A detailed report on the same is annexed herewith as Annexure.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to your Company.

**FOREIGN EXCHANGE EARNINGS AND OUT GO:**

During the period under review, Foreign Exchange earnings and out go are as under.

Item (Amount in ₹ lakhs).	2024-25	2023-24
Expenditure in Foreign Currency		
Raw Materials, Components and Spares	1891.86	764.10
Travelling Expenses	5.59	2.45
Others	-	16.24
Earnings In Foreign Currency (CIF Basis)		
Sales/Service Income	-	1.25

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

Your Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal. Your Board is experienced in these matters to handle the situations.

**ANNUAL RETURN:**

An extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:**

The Company has in place adequate internal financial controls with reference to financial statements commensurate with its size and nature of business. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

**THE BOARD:**

There was no change in the Board of Directors during the year under review. Your Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP). Cmde Arvind Sharma is the CEO of the Company and is a KMP.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

**NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

The Company has conducted 5 Board meetings during the year under review (on 10.05.2024, 19.07.2024, 23.10.2024, 27.01.2025 and 13.03.2025)

**DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- (a) in the preparation of the annual accounts, the applicable accounting standards as per Ind AS had been followed along with proper explanation relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period in accordance with Ind AS;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis.
- (e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDITORS:**

The Independent Statutory Auditors of the Company M/s. K. Raghunath & Co (FRN 03341S), Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment. Your Board recommends for their re-appointment at the Annual General Meeting.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.

**DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary. HBL Power Systems Limited and Futuristic Technologies are Associate Companies holding 41% and 49% respectively in your Company. There is no change in their shareholding.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Contract or arrangements made (if any) with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review are disclosed separately in Notes to the Financial Statements.

**ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere thanks to all customers, employees, bankers, business associates and various Government Authorities for their continued support extended to your Company during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company



By Order of the Board

A handwritten signature in blue ink, appearing to read "Arvind".

**Cmde Arvind Sharma (Retd)**  
Director/CEO  
DIN No: 01483101

A handwritten signature in blue ink, appearing to read "M S S Srinath".

**M S S Srinath**  
Director  
DIN No: 00319175

Place : Hyderabad  
Date : May 12, 2025

**ANNUAL REPORT ON CSR ACTIVITIES**

[For the financial year March 31, 2025]

[Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014]

Brief outline on CSR Policy of the Company : The primary purpose was to give back to the society


CSR spending during last five financial years : Not applicable


1. Composition of CSR committee: The Company has constituted the CSR Committee with the Board members Cmde Arvind Sharma (Retd), MSS Srinath and Kavita Prasad Aluru.
2. Prescribed CSR expenditure: During financial year, the Company was required to spend a minimum of Rs. 11,69,500/-, computed as per the provisions of the Companies Act, 2013, which was given by way of donation to CHEYUTHA FOR WELLBEING FOUNDATION, an organization eligible to receive the CSR contribution in compliance with the provisions of the Companies Act.
3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: NOT APPLICABLE
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). NOT APPLICABLE
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. NOT APPLICABLE
6. Average net profit of the Company as per Section 135(5) of the Act: Rs.11,69,500/-
7. Information as per Section 135 of the Act: NOT APPLICABLE
8. (a) CSR amount spent or unspent for the financial year: NOT APPLICABLE  
 (b) Details of CSR amount spent against ongoing projects for the financial year: NOT APPLICABLE  
 (c) Details of CSR amount spent against other than ongoing projects for the financial year: NOT APPLICABLE  
 (d) Amount spent in Administrative Overheads: NIL  
 (e) Amount spent on Impact Assessment, if applicable: Not applicable  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.11,69,500/-  
 (g) Excess amount for set off, if any : NOT APPLICABLE
9. (a) Details of Unspent CSR amount for the preceding three financial years: NOT APPLICABLE  
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NOT APPLICABLE
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NOT APPLICABLE
11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act: NOT APPLICABLE



By Order of the Board

Place : Hyderabad  
Date : May 12, 2025

  
Cmde Arvind Sharma (Retd)  
Director/CEO  
DIN No: 01483101

  
M S S Srinath  
Director  
DIN No: 00319175



# **K. Raghunath & Co.**

## **CHARTERED ACCOUNTANTS**

### **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 2025, 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, 2025, 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, 2025; 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, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2025, 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)Rules, 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, 2025 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, 2025.

**Place: Hyderabad**  
**Date: 12-05-2025**



**K.RAGHUNATH**  
(Proprietor)  
M.No :022637

**UDIN NO.: 25022637BMOUVU5420**

## 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 31-03-2025 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

needs to filed for correcting errors.. The Income Tax demand of Rs.17.75 lakhs pertaining to A.Y 2017-18 has been disputed in the appeal and the said appeal is pending.

- c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The company has borrowed funds from the Banks, However there are no over dues and defaults in repayments does not arise.
- 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.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- 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.
- xii. In our opinion managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- 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.
- xiv. In our Opinion and according to the information and explanations given to us and on the basis of the Financial Ratios , ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing on the date of balance sheet as and when they fall due within the period of one year from the date of the balance sheet.
- xv. The company has not made any preferential allotment or private placement of shares or debentures during the year under review.
- xvi. The company has not entered into any non cash transactions with the directors or persons connected with them.

- 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: 12-05-2025

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 31<sup>st</sup> March 2025 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 31<sup>st</sup> March 2025 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: 12-05-2025



K.RAGHUNATH  
(Proprietor)  
M.No : 022637

**NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

CIN: U31403TG2006PTC051006

**Balance Sheet as at March 31,2025**

Particulars	Note		As at March 31, 2025 Rs.		As at March 31, 2024 Rs.
<b>I) ASSETS</b>					
<b>1 Non Current Assets</b>					
(a) Property, Plant and Equipment	1	49,19,311		63,00,637	
(b) Financial Assets					
(i) Other Financial Assets	2	5,31,71,333	5,80,90,644	4,10,60,538	4,73,61,175
<b>2 Current Assets</b>					
(a) Inventories	3	7,31,189		6,57,28,105	
(b) Financial Assets					
(i) Trade Receivables	4	1,96,95,332		11,79,86,030	
(ii) Cash and cash equivalents	5	4,83,21,233		1,05,62,308	
(iii) Other Bank Balances	5	16,13,67,096		10,59,62,093	
(iv) Others	5	93,86,641		87,13,023	
(c) Current Tax Assets (net)	6	14,17,341		17,77,675	
(d) Other Current Assets	7	3,75,92,384	27,85,11,217	3,67,98,760	34,75,27,994
<b>Total</b>			<b>33,66,01,861</b>		<b>39,48,89,169</b>
<b>II) EQUITY AND LIABILITIES</b>					
<b>A Equity</b>					
(a) Equity Share Capital	8	10,00,000		10,00,000	
(b) Other Equity	9	30,12,44,338	30,22,44,338	26,49,71,484	26,59,71,484
<b>B Non Current Liabilities</b>					
(a) Deferred Tax Liabilities (Net)	10		1,71,967		1,44,082
<b>C Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	11	9,24,287		1,49,28,319	
(ii) Trade Payables	12	2,09,78,261		9,12,01,498	
(iii) Other Financial Liabilities	13	67,28,132		1,06,67,356	
(b) Provisions	14	55,54,876	3,41,85,556	1,19,76,430	12,87,73,603
<b>Total</b>			<b>33,66,01,861</b>		<b>39,48,89,169</b>

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. 033415




**CA K.Raghunath**  
Proprietor  
M.No:022637  
UDIN : 25022637BM0UVU5420

Place : Hyderabad  
Date : May 12, 2025

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 12, 2025




**M S S Srinath**  
Director  
DIN No. 00319175

Place : Hyderabad  
Date : May 12, 2025

**NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

CIN: U31403TG2006PTC051006

**Statement of Profit & Loss for the year ended March 31,2025**

Particulars	Note	Year Ended March 31, 2025 Rs.	Year Ended March 31, 2024 Rs.
<b>A Revenue</b>			
Revenue from Operations (Trading)	15	40,26,19,832	27,92,02,039
Other Income	16	1,27,08,990	1,18,59,923
<b>Total Revenue ( A )</b>		<b>41,53,28,822</b>	<b>29,10,61,962</b>
<b>B Expenses</b>			
Cost of Material Consumed	17	15,24,27,131	18,56,19,529
Changes in inventories (Increase)/Decrease	17	6,49,96,916	(6,26,26,074)
Employee Benefits Expenses	18	2,89,70,673	3,75,55,181
Finance Costs	19	18,05,369	20,07,002
Depreciation and Amortisation Expenses	20	8,00,772	6,81,595
Other Expenses	21	9,63,20,601	5,59,50,718
<b>Total Expenses ( B )</b>		<b>34,53,21,462</b>	<b>21,91,87,951</b>
<b>C Profit/(loss) before Exceptional items and Tax (A-B)</b>		<b>7,00,07,360</b>	<b>7,18,74,011</b>
<b>D Exceptional Items - (Income)/Expense</b>	22	<b>30,344</b>	<b>(21,555)</b>
<b>E Profit/(loss) before tax ( C-D )</b>		<b>6,99,77,016</b>	<b>7,18,95,566</b>
<b>F Tax Expense</b>			
Current Tax		1,82,00,000	1,83,00,000
Deferred Tax (Asset)/Liability		27,885	(3,779)
Income Tax & Wealth Tax relating to Previous Years		4,76,277	-
<b>G Profit for the period (E-F)</b>		<b>5,12,72,854</b>	<b>5,35,99,345</b>
<b>H Other Comprehensive Income (Net)</b>		<b>-</b>	<b>-</b>
<b>I Total Other Comprehensive Income for the period (G-H)</b>		<b>5,12,72,854</b>	<b>5,35,99,345</b>
<b>J Earnings per Equity Share</b>			
- Basic		512.73	535.99
- Diluted		512.73	535.99

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 : 25022637BMOUVU5420

Place : Hyderabad  
Date : May 12, 2025

On behalf of the Board of Directors  
Naval Systems and Technologies Private Limited




**Arvind Sharma (Retd)**      **M S S Srinath**  
CEO/Director      Director  
DIN No.01483101      DIN No. 00319175

Place : Hyderabad      Place : Hyderabad  
Date : May 12, 2025      Date : May 12, 2025



**NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**

**Statement of Changes in Equity for the year ended March 31, 2025**

**a) Share capital**

	Current reporting period March 31, 2025	Current reporting period March 31, 2024
<b>Balance at the beginning of the year</b>	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	-	-
<b>Balance at the end of the year</b>	<b>10,00,000</b>	<b>10,00,000</b>

**b) Other equity**

Particulars	General Reserve	Retained earnings	TOTAL
<b>Balance at the beginning of the current reporting period April 1, 2024</b>	<b>7,66,75,113</b>	<b>18,82,96,371</b>	<b>26,49,71,484</b>
Total comprehensive income	-	5,12,72,854	5,12,72,854
Interim Dividends for 2024-25	-	(1,50,00,000)	(1,50,00,000)
<b>Balance at the end of the current reporting period March 31, 2025</b>	<b>7,66,75,113</b>	<b>22,45,69,225</b>	<b>30,12,44,338</b>
<b>Balance at the beginning of the current reporting period April 1, 2023</b>	<b>7,66,75,113</b>	<b>13,46,97,026</b>	<b>21,13,72,139</b>
Total comprehensive income	-	5,35,99,345	5,35,99,345
<b>Balance at the end of the current reporting period March 31, 2024</b>	<b>7,66,75,113</b>	<b>18,82,96,371</b>	<b>26,49,71,484</b>

As per our Report of even date annexed

**for K.Raghunath & Co.,**

Chartered Accountants

FRN No. 033415



**CA K. Raghunath**  
Proprietor  
M.No:022637  
UDIN : 25022637BMOUVU5420

On behalf of the Board of Directors

**Naval Systems and Technologies Private Limited**

*Arvind Sharma*

**Cmdr Arvind Sharma(Retd)**

CEO/Director

DIN No.01483101



*M S Srinath*

**M S Srinath**

Director

DIN No. 00319175

Place : Hyderabad

Date : May 12, 2025

Place : Hyderabad

Date : May 12, 2025

Place : Hyderabad

Date : May 12, 2025

**NAVAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED**  
Notes to Financial Statements for the year ended March 31, 2025  
**Note : 1 Property, Plant and Equipment**

Description	Gross Carrying Cost			Accumulated Depreciation			Net Carrying Cost		
	As on April 1, 2024	Additions	Adjustments / Deletions	As on March 31, 2025	As on April 1, 2024	For the Year	Adjustments / Deletions	As on March 31, 2025	As on March 31, 2024
<b>Tangible Assets</b>									
Furnitures & Fixtures	70,747		-	70,747	42,726	8,298	-	51,024	28,021
Computers	4,21,772	55,246	2,57,823	2,19,195	2,54,591	87,132	2,44,931	96,792	1,67,181
Office Equipments	1,08,795	44,544	63,917	89,422	94,831	12,747	60,721	46,857	13,964
Vehicles	78,55,333		20,56,762	57,98,571	17,63,862	6,92,595	13,92,506	10,63,951	60,91,471
<b>Total</b>	<b>84,56,647</b>	<b>99,790</b>	<b>23,78,502</b>	<b>61,77,935</b>	<b>21,56,010</b>	<b>8,00,772</b>	<b>16,98,158</b>	<b>12,58,624</b>	<b>63,00,637</b>
<b>Carrying value as at March 31, 2024</b>	<b>36,49,919</b>	<b>48,55,626</b>	<b>48,898</b>	<b>84,56,647</b>	<b>14,96,021</b>	<b>6,81,595</b>	<b>21,606</b>	<b>21,56,010</b>	<b>63,00,637</b>

Notes to Financial Statements for the period ended March 31, 2025

**Non Current Assets**

**Note : 2 Other Financial Assets**

	March 31, 2025	March 31, 2024
Bank deposits (maturity beyond 12 months)		
Fixed Deposits	5,31,71,333	4,10,60,538
<b>Total</b>	<b>5,31,71,333</b>	<b>4,10,60,538</b>

**Current Assets**

**Note : 3 Inventories**

	March 31, 2025	March 31, 2024
Stock -in-trade (in respect of goods acquired for trading)	7,31,189	6,57,28,105
<b>Total</b>	<b>7,31,189</b>	<b>6,57,28,105</b>

**Note : 4 Trade Receivables**

	March 31, 2025	March 31, 2024
Secured, Considered Good	-	-
Unsecured, Considered Good	1,96,95,332	11,79,86,030
<b>Total</b>	<b>1,96,95,332</b>	<b>11,79,86,030</b>

**Note : 5**

**5.1 Cash and Cash equivalents**

	March 31, 2025	March 31, 2024
Cash on hand	75,447	19,794
Balances with banks in current accounts	17,99,684	7,10,235
Fixed deposits (maturity of less than three months)	4,64,46,102	98,32,279
<b>Total</b>	<b>4,83,21,233</b>	<b>1,05,62,308</b>

**5.2 Other Bank Balances**

	March 31, 2025	March 31, 2024
Fixed Deposits	10,21,52,343	4,95,36,456
Margin Money Deposits	5,92,14,753	5,64,25,637
<b>Total</b>	<b>16,13,67,096</b>	<b>10,59,62,093</b>

**5.3 Others**

	March 31, 2025	March 31, 2024
Deposits under Protest -Court Cases	20,25,600	20,25,600
Interest Accrued But not Due on Deposits	73,61,041	66,87,423
<b>Total</b>	<b>93,86,641</b>	<b>87,13,023</b>

**Note : 6 Current tax assets (net)**

	March 31, 2025	March 31, 2024
Advance Payment of Income Tax (including TDS)	2,49,93,371	7,37,16,804
Less : Provision for Income Tax	2,35,76,030	7,19,39,129
<b>Total</b>	<b>14,17,341</b>	<b>17,77,675</b>

**Note : 7 Other Current Assets**

	March 31, 2025	March 31, 2024
Advance for Purchases and Others	2,20,09,760	3,01,69,312
Service Tax Input/Vat/GST Receivable	1,55,82,624	66,29,448
<b>Total</b>	<b>3,75,92,384</b>	<b>3,67,98,760</b>

Notes to Financial Statements for the period ended March 31, 2025

**Note : 8 Equity Share Capital**

	March 31, 2025	March 31, 2024
<b>Authorised</b> 100,000 Equity shares of Rs.10 each (Previous Year 100,000 Equity shares of Rs.10 each)	10,00,000	10,00,000
<b>Issued , Subscribed and fully paid-up</b> 100,000 Equity shares of Rs.10 each (Previous Year 100,000 Equity shares of Rs.10 each)	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, 2025		March 31, 2024	
	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	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,00,000</b>	<b>10,00,000</b>	<b>1,00,000</b>	<b>10,00,000</b>

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

Name of the Shareholder	March 31, 2025		March 31, 2024	
	No.of Shares	Value Rs.	No.of Shares	Value Rs.
<b>Equity shares of ₹10 each fully paid</b>				
Coriolis Solutions Private Limited	49,000	4,90,000	49,000	4,90,000
HBL Engineering Limited (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
	<b>1,00,000</b>	<b>10,00,000</b>	<b>1,00,000</b>	<b>10,00,000</b>

**Note : 9 Other Equity**

	March 31, 2025	March 31, 2024
General reserve	7,66,75,113	7,66,75,113
Retained earnings	22,45,69,225	18,82,96,371
	30,12,44,338	26,49,71,484

**Note : 10 Deferred Tax Liability (Net)**

	March 31, 2025	March 31, 2024
Deferred Tax Liability (As per last Balance Sheet)	1,44,082	1,47,861
Add: Deferred Tax (Asset)/Liability for the year	27,885	(3,779)
	1,71,967	1,44,082

**Current Liabilities**

**Note : 11 Borrowings**

	March 31, 2025	March 31, 2024
<b>Loans repayable on demand from banks ( secured )</b>		
Loan from State Bank of India	9,24,287	37,03,319
<b>Loans repayable on demand from related parties ( unsecured )</b>		
Loan from Director	-	1,12,25,000
	9,24,287	1,49,28,319

**Notes to Financial Statements for the period ended March 31, 2025**

**Note : 12 Trade Payables**

Total outstanding dues of :

(a) Micro enterprises and small enterprises (MESE)

(b) Creditors other than micro enterprises and small enterprises

	March 31, 2025	March 31, 2024
	-	-
	2,09,78,261	9,12,01,498
	2,09,78,261	9,12,01,498

**Note : 13 Other Financial Liabilities - Current**

Statutory Dues

Accrued Compensation to Employees

	March 31, 2025	March 31, 2024
	55,28,625	86,84,323
	11,99,507	19,83,033
	67,28,132	1,06,67,356

**Note : 14 Provisions**

Provision for Commission to Director on Profits

Provision for Audit fee and Others

	March 31, 2025	March 31, 2024
	54,04,373	1,18,57,180
	1,50,503	1,19,250
	55,54,876	1,19,76,430

## Notes to Financial Statements for the year ended March 31, 2025

(in Rupees)

**Note : 15 Revenue from Operations**

	March 31, 2025	March 31, 2024
Sales of Products (Trading Sale)	39,00,19,832	27,24,98,751
Service Income	1,26,00,000	67,03,288
	40,26,19,832	27,92,02,039

**Note : 16 Other Income**

	March 31, 2025	March 31, 2024
Interest on Deposits with Banks/Others	1,27,08,990	98,66,494
Misc income	-	41,300
Exchange gains	-	19,52,129
	1,27,08,990	1,18,59,923

**Note : 17 Cost of Material Consumed**

	March 31, 2025	March 31, 2024
Trading Purchases	15,24,27,131	18,56,19,529
Cost of Material Consumed	15,24,27,131	18,56,19,529
<u>(Increase) / Decrease in inventories</u>		
Opening Stocks	6,57,28,105	31,02,031
Closing Stocks	7,31,189	6,57,28,105
( Increase ) / Decrease	6,49,96,916	(6,26,26,074)
<b>Material Consumotion Total</b>	<b>21,74,24,047</b>	<b>12,29,93,455</b>

**Note : 18 Employee Benefits Expenses**

	March 31, 2025	March 31, 2024
Salaries, Wages & Bonus	1,29,59,004	1,10,74,091
Staff Welfare Expenses	55,838	2,020
LTA	53,996	2,47,500
Exgratia	5,50,000	4,90,000
Conveyance	4,20,000	4,21,452
Recruitment & training	3,843.00	2,118
<u>Remuneration to Directors:</u>		
Salaries & Allowances	64,33,992	58,80,000
Commission on Profits	84,94,000	1,94,38,000
	2,89,70,673	3,75,55,181

**Note : 19 Finance Cost**

	March 31, 2025	March 31, 2024
Interest Paid	15,98,510	11,01,513
Bank Charges and Commission	2,06,859	9,05,489
	18,05,369	20,07,002

## Notes to Financial Statements for the year ended March 31, 2025

(in Rupees)

**Note : 20 Depreciation**

	March 31, 2025	March 31, 2024
Depreciation on Tangible Assets	8,00,772	6,81,595
	8,00,772	6,81,595

**Note : 21 Other Expenses**

	March 31, 2025	March 31, 2024
Rent	3,24,000	3,24,000
Rates & Taxes	18,848	1,14,402
Insurance to Vehicles	56,837	51,505
Professional & Consultancy Charges	64,500	1,74,962
Technical Consultancy & Other Contracts	8,42,68,820	4,57,54,350
Repairs & Maintenance	2,32,551	2,11,940
Conveyance	18,273	10,804
Travelling Inland	10,24,297	7,41,525
Travelling Foreign	11,35,500	-
Printing & Stationery	12,012	17,996
Postage, Telephones & Telex	1,04,755	2,83,818
Foreign Exchange Rate Variation	16,78,772	-
Sundry Expenses	1,52,552	1,52,657
Payment to Statutory Auditors	1,00,000	60,000
CSR Expenses	11,69,500	-
Advances written off	1,91,403	4,494
Liquidated Damages	36,24,496	62,84,117
Marketing Expenses	18,62,386	15,08,953
Business Promotion	2,81,099	2,55,195
<b>TOTAL</b>	<b>9,63,20,601</b>	<b>5,59,50,718</b>

**Note : 22 Exceptional Items - (Income)/Expense**

	March 31, 2025	March 31, 2024
(Profit)/Loss on Sale of Assets	14,257	(21,555)
Assets Written Off	16,087	-
<b>TOTAL</b>	<b>30,344</b>	<b>(21,555)</b>

# 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 31<sup>st</sup> March 2025

## 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 Manufactures (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, 2025 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, eventhough 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).	2024-25	2023-24
Expenditure in Foreign Currency		
Raw Materials, Components and Spares	1891.86	1066.44
Travelling Expenses	5.58	-
Others	-	12.77
Earnings In Foreign Currency (CIF Basis)		
Sales/Service Income	-	13.60

#### (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 31.03.2025 were Rs. 603.60 lakhs (previous year Rs. 564.26 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 18<sup>th</sup> August 2025.
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) Commitment towards dividend:

During the financial year the Board in its meeting held on 13th March, 2025, declared an interim dividend of 1500% (Rs.150 per equity share of Rs.10 each) aggregating to Rs.150 lakhs and the same was paid after deducting applicable TDS thereon, within the statutory time lines.

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

Particulars	2024-25	2023-24
Statutory Audit	75000	40000
Tax Audit	25000	20000

- (e) Cmde Arvind Sharma Director and CEO is eligible for 10% (Previous year 20%) of the profits as a commission besides monthly salary. A sum of Rs. 84.94 lakhs is provided as commission on profits for the year, which is subject to approval of members. (previous year commission was Rs. 194.38 Lakhs.)

**(f) Related Party Disclosures.**

Related Party	Relationship	Shareholding % in the Company
HBL Engineering Limited (HBL)	Associate Company	41%
Coriolis Solutions Private Limited (CS)	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 Engineering Limited (Previously HBL Power Systems Limited)	HBL Engineering Limited (Previously 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 (9.50%)
Mrs. Kavita Prasad Aluru	HBL Engineering Limited (Previously HBL Power Systems Limited)	HBL Engineering Limited (Previously HBL Power Systems Ltd)- (3.53%)
	Naval Systems and Technologies Private Limited	Beaver Technologies Private Limited (28.25%)
Cmde (retd) Arvind Sharma, CEO	Coriolis Solutions Private Limited	-
	A & A Enterprises	Partnership Firm (50%)
	A Square Enterprises	Partnership Firm (75%)

**(h). Transactions with companies where Directors are interested as on 31.03.2025:**

(Rs.in 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	65.00 84.94 (112.25) 9.20	4.06 54.04 - -
3	Payments to relatives of a Director Mrs. Rita Sharma Mr.Ashwin Sharma	Remuneration Remuneration	22.00 60.00	1.59 3.65

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

(a) Income: Interest Received on FDR's during the year Rs. 127.09 lakhs (Previous Year Rs. 98.66 lakhs)

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

Rs. In Lakhs

S No	Nature of Expenses	2024-25	2023-24
1	Travelling Expenses		
	- Domestic	10.24	7.42
	- Foreign	11.36	-
2	Technical and other Contracts	842.69	457.54

**(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 25	FY 24	variation	Reasons
				Ratio	Ratio		
1	Current Ratio	Current Assets	Current Liabilities	8.15	2.70	201.88%	Improved cash and bank balances
2	Debt Equity Ratio	Total Debt	Shareholder Equity	0.00	0.06	(94.55%)	Repayment of debt
3	DSCR	Net profit after tax (excluding OCI)+Int+depreciation+amortisation + loss on sale of fixed assets	Debt Service (Interest&lease payments+principal repayments)	3.41	28.04	(87.84)	Improved profitability and reduction in debit
4	Return on Equity	Net Profit after tax	Average Shareholder equity	0.18	0.22	(19.47%)	
5	Inventory Turnover	Net sales	Average inventory	12.12	8.11	49.35%	Increase of Turnover
6	Trade Receivable Turnover	Net Sales	Average Debtors	5.85	3.29	78.03%	Improved collections
7	Trade Payable Turnover	Purchases	Average Creditors	2.72	2.70	0.84%	
8	Net Capital Turnover	Sales	Working Capital	1.65	1.28	29.11%	Increase of Turnover & Assets
9	Net Profit Ratio %	Net profit after tax	Net Sales	12.73	19.20	(33.60%)	Increase in material cost with reduced margins
10	ROCE %	EBIT (Profit before tax-oci+interest)	Capital Employed	23.66	26.39	(10.33%)	
11	Return on Investment (ROI) %	Time weighted rate of return		-	-		
	Subsidiaries			Nil	Nil		
	Quoted Investment			Nil	Nil		
	Unquoted investment			Nil	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  
FR No. 03341S



K. Raghunath  
Proprietor  
M No.022637  
UDIN : 25022637BN0UVU5420

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

M S S Srinath  
Director  
DIN No. 00319175



Place: Hyderabad  
Date: May 12, 2025

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