

RELIANCE

Naval and Engineering

Annual Report 2017-18

Profile

Reliance Naval and Engineering Limited (RNaval) (formerly Reliance Defence and Engineering Limited) has the largest engineering infrastructure in India and is one of the largest in the world. RNaval is the first private sector company in India to obtain the licence and contract to build warships.

RNaval operates India's largest integrated shipbuilding facility with 662M x 65M Dry dock. The facility houses the only modular shipbuilding facility with a capacity to build fully fabricated and outfitted blocks. The fabrication facility is spread over 2.1 million sq.ft. The Shipyard has a pre-erection berth of 980 meters length and 40 meters width, and two Goliath Cranes with combined lifting capacity of 1,200 tonnes, besides outfitting berths length of 780 meters.

Mission:

- Meet and exceed customer expectations with a collaborative approach
- Consistently enhance competitiveness and deliver profitable growth
- Adopt global best practices and create a culture of quality to be the Industry leader
- Achieve excellence in project execution in maritime domain ensuring quality, reliability, safety and operational efficiency
- Relentlessly pursue new opportunities and technologies
- Encourage ideas, talent and value systems
- Promote a work culture that fosters learning, individual growth and team building
- Practice high standards of corporate governance and be a financially sound organization
- Earn the trust and confidence of stakeholders, exceeding their expectations
- Be a partner in nation building and contribute towards the country's economic growth.

Reliance Naval and Engineering Limited

Board of Directors

Shri Sateesh Seth
 Shri R. N. Bhardwaj
 Ms C R Gayathri
 Shri K Ravikumar
 Shri Rana Ranjit Rai
 Ms Ryna Karani
 Shri Rajeev Kumar
 Shri Raj Kumar
 Shri Debashis Bir – Whole-time Director and CEO

Key Managerial Personnel

Shri Nikhil Jain – Chief Financial Officer
 Shri Paresh Rathod – Company Secretary & Compliance Officer

Auditors

M/s. Pathak H. D. & Associates

Registered Office & EOU

Pipavav Port, Post Ucchaiya, Via-Rajula,
 District Amreli 365 560, Gujarat
 Tel No. +91 2794 305000
 Fax no. +91 2794 305100
 E-mail: rdel.investors@relianceada.com
 Website: www.rnaval.co.in

Registrar and Transfer Agent

Karvy Computershare Private Limited
 Karvy Selenium Tower – B, Plot No. 31 & 32
 Survey No. 116/22, 115/24, 115/25
 Financial District, Nanakramguda,
 Hyderabad 500 032
 Website: www.karvy.com

Investor Helpdesk

Toll free no (India) : 1800 4250 999
 Tel. : + 91 40 6716 1500
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 E-mail : ris.rdel@karvy.com

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**21st Annual General Meeting on Saturday, September 29, 2018 at 10.30 A.M.
 at Pipavav Port, Post Ucchaiya, Via-Rajula, District Amreli, Gujarat- 365 560.**

This Annual Report can be accessed at www.rnaval.co.in

Reliance Naval and Engineering Limited

Letter to Shareholders

My dear fellow Shareholders,

India is under going a major transformation under the leadership of Hon'ble Prime Minister. The Indian economy has continued its high growth momentum. According to the International Monetary Fund, India is forecast to grow at 7.4% in 2018, making us the fastest-growing economy in the world. Series of new initiatives initiated by the Government have moved India into world's top countries towards ease of doing business. The global economy is also growing at its fastest pace and expected to strengthen further in years to come.

India's defence budget for the financial year 2018-19 has been increased by 7.81 per cent to ₹ 2.95 lakh crore over last year's ₹ 2.74 lakh crore allocation.

At a time when India faces military threats from multiple fronts, the defence outlay is unlikely to completely meet the operational requirements and capability development programs of the defence services and there is urgent need for indigenisation in the manufacture of defence ships and the government is committed to transform India into a defence industry hub. India despite having the fifth largest defence budget in the world, procures 60% of its weapon systems from foreign markets.

Performance Review

The Company is India's leading private sector defence & Shipbuilding Company with gross non-current assets as on March 31, 2018 of ₹ 994,266 lakh against ₹ 965,935 lakh a year before. During the financial year 2017-18, the Company reported aggregate revenue of about ₹ 41,384 lakh against ₹ 56,414 lakh in the previous year and incurred a loss of ₹ 95,608 lakh as compared to loss of ₹ 52,343 lakh in the previous year.

Our Company has won multiple contracts for supply of new vessels to the Indian Coast Guard and maintenance / upgrade of Indian Navy warships. During the year, the Company launched the first two Naval Offshore Patrol Vessels at shipyard in Pipavav, Gujarat being constructed for the Indian Navy. The Company has also successfully delivered 73,500 DWT new-built Ice-class Panamax Bulk Carrier viz. 'Golden Opal' to an international customer (The Vessel has been built as per one of the best-in-class international standards meeting the toughest environmental emission norms as well as fuel economy (EEDI) standards). Our Shipyard is certified by the US Navy for servicing of warships from the US Navy's Seventh fleet. Currently, our Company is the only Indian Shipyard to achieve this landmark.

Our Company has also won a contract for design and construction of 14 Fast Patrol Vessels for the Indian Coast Guard. This is the first time, a private sector shipyard has been awarded a contract to design and build a warship for Indian Armed forces. RNaval has strategic agreements for construction of Commercial and Naval Ships – including Frigates, Destroyers and other specialized vessels.

Industry and Business Opportunities

It was never good, and so is not today, to be highly dependent on any foreign nation at least for operability of own defence forces. Diversification and collaboration are the options for obviating country-specific imports. According to the emerging opinion in the Indian maritime community, the country must

be self-reliant in areas where technology denial regimes can be imposed like nuclear, missile, aviation, weapons and metallurgy.

Indian Navy over the years has evolved into a vision centric advanced and technology intensive force. This is especially so as India's growing maritime prowess has not only created a better experience but also technology savy men and fleet. The navy now aspires for top-of-the-range equipment and is capable of handling complicated weaponry. The force of the 21st century looks at domestic industry seriously.

Today, therefore, what Indian Navy only really requires from in-house defence sector are the high-end, cutting-edge systems. The flag ship initiative Make in India thus holds potential hope in this direction as no Navy wants to be held hostage of foreign dependency.

The defence sector has been opened for private sector participation which will help foreign original equipment manufacturers to enter into strategic partnerships with Indian companies and leverage the domestic markets and also aim at global business opportunities. Besides helping build domestic capabilities, this will bolster exports in the long term. Our Company is uniquely placed to tap these growth opportunities.

However, the demand and supply gap will continue as major chunk of orders lies with PSUs shipyards that are overburdened and loaded for atleast next five years and thus are unable to meet timelines as brought out earlier. A nominal share of naval shipbuilding lies with emerging private shipyards. To overcome this gap, there is a requirement of involving the private shipyards at a larger scale in naval ship and submarine building projects.

Shipyards controlled and / or managed by Defence Public Sector Units ('DPSUs') need complementary support from the Private Sector Shipyards to fulfill requirement of the Indian Navy. Apart from the requirements of the Indian Armed forces, the defence market in South-East Asia will also likely to provide growth opportunities in the coming years.

In the non-defence sector, new commercial naval shipbuilding and the Hydro-carbon Exploration and Production ('E&P') assets segment, both in India and in South-East Asia region, present another opportunity to our Company to expand its business. The Government of India has approved new Shipbuilding Financial Assistance Policy for Indian shipyards. This will provide them a level playing field vis-à-vis foreign shipyards. Financial assistance at the rate 20 percentage of the "Contract Price" or the "Fair Price" as determined by international valuers, whichever is lower, will be made available to Indian shipyards. All government departments or agencies are required to provide 'Right of First Refusal' to Indian shipyards for procurement or repair of vessels which are to be utilized for government purposes. This is welcome news for Indian shipyards.

Huge capacity exists in the private sector Indian shipyards for construction of new vessels and for carrying out repairs and refits. This capacity may be utilised by Defence Public Sector Undertakings ('DPSUs') through joint ventures / partnerships to speed up delivery of vessels to the Indian Navy / Coast Guard in order to synergies private infrastructure and modern production processes with the technical capabilities of DPSUs. We are in consultation with the Indian Navy Production and Acquisition wing for achieving this objectives.

Letter to Shareholders

Corporate Governance

Our Company has always maintained the highest governance standards and practices by adopting, as is the norm for all constituent companies of the Group, the "Reliance Group – Corporate Governance Policies and Code of Conduct". These policies and Code prescribe a set of systems, processes and principles, which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

Reliance Group

Our Company is a constituent of the Reliance Group which is a prominent business house, widely recognized in India and abroad as one of the leading creators of projects of national importance – in infrastructure, power generation, transmission and distribution, financial services, defence manufacturing, entertainment and telecommunications, amongst others.

We shall strive to make the Company a world-class defence Company, benchmarked to international standards of quality, operational performance, efficiency and customer orientation, to meet the uncompromising standards that our Defence forces need.

Social Commitments

We are committed to enhancing scale, competitiveness, efficiency and productivity of our businesses, benchmarked to global standards of excellence, which shall be a discipline to be pursued at all levels in our Company. Our projects require substantial use of natural resources such as land, water and minerals. We take adequate care in designing of our projects in a manner that ensure optimum utilization of natural resources. The interests of all stakeholders have always been our prime focus.

Our commitment

We remain committed to uphold stakeholders value. Thank you stakeholders, for your continued support in our pursuit of achieving positive transform.

Whole-time Director and CEO

Reliance Naval and Engineering Limited

Notice

Notice is hereby given that the 21st Annual General Meeting of the members of **Reliance Naval and Engineering Limited** (formerly known as Reliance Defence and Engineering Limited) will be held on Saturday, September 29, 2018 at 10.30 A.M. at the registered office of the Company i.e. Pipavav Port, Post Ucchhaiya, Via-Rajula, Dist. Amreli, 365 560, Gujarat, to transact the following business:

Ordinary Business:

1. To consider and adopt:
 - a. the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors' thereon, and;
 - b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Auditors thereon.
2. To appoint a Director in place of Shri Sateesh Seth (DIN: 00004631), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To confirm holding of office by Auditor for remaining term and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and read with Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W) as the Statutory Auditors of the Company which was approved by the Members at the 18th Annual General Meeting (AGM), to hold office from the conclusion of the 18th Annual General Meeting for a term of 5 (five) consecutive years till the conclusion of the 23rd Annual General Meeting, be and is hereby confirmed to hold office for the said period."

Special Business:

4. **Appointment and approval for remuneration payable to Debashis Bir as Whole-time Director**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the Article of Association of the Company, Shri Debashis Bir (DIN: 01932925), who was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on March 15, 2018 with effect from April 01, 2018, in the capacity of Whole-time Director and Chief Executive Officer based on the recommendation of Nomination and Remuneration Committee of the Board and who holds office as such up

to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V to the Act, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and subject to the approval of Central Government, if applicable, and such other sanctions as may be necessary, approval of the Members be and is hereby accorded to the appointment of Shri Debashis Bir, as Whole-time Director of the Company, for a period of 2 (two) years commencing from April 1, 2018, as per the terms and conditions including the remuneration as shall be decided from time to time by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee which the Board may have constituted or hereinafter constitute, to exercise its powers, including the power conferred by this resolution) and that the Board be and is hereby authorized to alter and vary the terms and conditions including the remuneration payable to him during the tenure of his appointment such that the remuneration payable to him shall not exceed the limits specified in the Act read with Schedule V, as amended thereto;

RESOLVED FURTHER THAT the Board, based on the recommendation of the Nomination and Remuneration Committee of the Board, be and is hereby authorized to provide annual increases in the remuneration payable to the Whole-time Director during his above tenure of appointment, subject to such increases being within the limits specified in the Act read with Schedule V thereto as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things and to take all such steps as may be deemed necessary, proper, desirable or expedient in its absolute discretion for the purpose of giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard without requiring the Board to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

5. **Appointment of Shri K. Ravikumar as an Independent Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act")

Notice

and the relevant Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri K Ravikumar (DIN: 00119753), who was appointed as an additional Director by the Board pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for appointment as a Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from September 29, 2017.

6. Appointment of Shri Rana Ranjit Rai as an Independent Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the relevant Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Rana Ranjit Rai (DIN: 01625853), who was appointed as an additional Director by the Board pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for appointment as a Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from September 29, 2017.

7. Appointment of Shri R. N. Bhardwaj as an Independent Director

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the relevant Rules made there under, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri R. N. Bhardwaj (DIN:01571764) who was appointed as an additional Director by the Board pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for appointment as a Director and who will attain the age of seventy five years in financial year 2020-21 and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from January 30, 2018.

By Order of the Board of Directors

Paresh Rathod
Company Secretary and Compliance Officer

Registered Office:
Pipavav Port, Post Ucchhaiya,
Via-Rajula, Dist. Amreli, Pin 365 560,
Gujarat, India
CIN: L35110GJ1997PLC033193
Website: www.rnaval.co.in

August 27, 2018

Reliance Naval and Engineering Limited

Notice

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act'), relating to items of Special Business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself, and the proxy need not be a Member of the Company. The instrument appointing the proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before commencement of the Meeting.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Shareholder. The holder of proxy shall prove his identity at the time of attending the meeting.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company, a certified true copy of their board resolution authorising their representative(s) together with their specimen signatures(s) to attend and vote on their behalf at the Meeting.
5. Attendance slip, proxy form and the route map of the venue of the meeting are annexed to the report.
6. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
8. Members who hold share(s) in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
10. The Company's Register of Members and Transfer Books will remain closed from Wednesday, September 26, 2018 to Saturday, September 29, 2018 (both days inclusive) for the purpose of Annual General Meeting.
11. For security reasons, no gadgets, mobile phones, cameras, article / baggage shall be allowed at the venue of the Meeting. If any such gadgets are brought by any Member, the same shall be deposited with the security personnel at the risk of such Member / attendee.
12. Non-Resident Indian Members are requested to inform Karvy Computershare Private Limited (Karvy), Company's Registrar and Transfer Agent immediately on:
 - a. the change in the residential status on return to India for permanent settlement; and
 - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. Re-appointment and appointment of Director:

At the ensuing Annual General Meeting, Shri Sateesh Seth, Director of the Company retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

The details pertaining to Shri Sateesh Seth pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Listing Regulations) are furnished below and in the Corporate Governance Report forming part of this Annual Report.

Shri Sateesh Seth, 62 years, is a Fellow Chartered Accountant and a law graduate. He has vast experience in general management. Shri Sateesh Seth is also on the Board of Reliance Infrastructure Limited, Reliance Telecom Limited, Reliance Power Limited, Reliance Anil Dhirubhai Ambani Group Limited, Reliance Defence and Aerospace Private Limited, Reliance Defence Systems Private Limited, Reliance Defence Technologies Private Limited and Reliance Defence Limited.

He was appointed by the Board as a Director of the Company with effect from September 12, 2016.

In terms of Section 152(6) of the Act, he was appointed as an Non-Executive Director at the Annual General Meeting held on August 22, 2017, liable to retire by rotation.

Shri Sateesh Seth is not related to any other Director and Key Managerial Personnel of the Company. He does not hold any share in the Company.

At the ensuing Annual General Meeting Shri Debashis Bir, as a Whole-time Director, Shri K Ravikumar, Shri Rana Ranjit Rai and Shri Raj Narain Bhardwaj, as an Independent Directors are being appointed.

The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended their appointments. The details pertaining to them pursuant to the requirements of Regulation 36(3) of the Listing Regulations and Secretarial Standard on general meeting are furnished in statement pursuant to Section 102 (1) of the Act accompanying this Notice and in the Corporate Governance Report forming part of this Annual Report.

Notice

14. In terms of Notification No. S.O. 1883 (E) dated May 7, 2018, issued by the Ministry of Corporate Affairs, Government of India, the requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM has since been done away. Members at the AGM held on September 30, 2015 had approved the appointment of M/s. Pathak H.D. & Associates, as Statutory Auditors of the Company for a term of five consecutive years. Keeping in view that appointment of above Statutory Auditors was subject to ratification at every AGM, resolution set out at item No. 3 is proposed as an abundant caution, seeking confirmation of the Members for the above Statutory Auditors to continue to hold office for their remaining term. The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.
15. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
16. **SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from December 5, 2018. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.**
17. Members are requested to fill in and submit online the Feedback Form provided in the 'Investor Relations' section on the Company's website www.rnaval.co.in to aid the Company in its constant endeavour to enhance the standards of service to investors.
18. The Statement containing the salient features of the balance sheet, the statement of profit and loss and auditors' report on the Financial Statement, is sent to the Members, along with the Consolidated Financial Statement. Any Member interested in obtaining a copy of the full Annual Report, may write to the Company or Registrar and Transfer Agent of the Company.
19. Members holding shares in physical mode:
 - a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy, if not registered with the Company as mandated by SEBI.
 - b. are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link <http://www.rnaval.co.in/web/rnaval/shareholder-services>.
 - c. are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.
20. Members holding shares in electronic mode:
 - a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b. are advised to contact their respective DPs for registering the nomination.
 - c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
21. The Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the Company / its registrar and transfer agent, the details of their valid Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to the Company or Karvy Computershare Private Limited (Karvy), the Company's Registrar and Transfer Agent. **Form for updating PAN / Bank details is provided as a part of this Annual Report. Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.**
22. Members who hold shares in physical form, in multiple folios, in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.
23. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated August 27, 2018 (remote e-voting). A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. Saturday, September 22, 2018 only shall be entitled to avail the facility of remote e-voting / voting. Karvy Computershare Private Limited will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from Tuesday, September 25, 2018 at 10:00 A.M. (IST) to Friday, September 28, 2018 at 5:00 P.M. (IST). The Members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip. The facility for voting shall also be available at the Meeting. The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their votes again at the Meeting. The Board of Directors have appointed Shri Jitendra R. Rawal, Practicing Company Secretary (Membership No. A54651) as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.

The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.rnaval.co.in and on the website of Karvy Computershare Private Limited at www.evoting.karvy.com.

Reliance Naval and Engineering Limited

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated August 27, 2018

Item No. 4 Appointment and approval for remuneration payable to Shri Debashis Bir as Whole-time Director

At its meeting held on March 15, 2018, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, has appointed Shri Debashis Bir as an Additional Director in the capacity of Whole-time Director and Chief Executive Officer effective from April 1, 2018. The appointment of Shri Debashis Bir as Whole-time Director is for a period of 2 years.

The Board has also approved the remuneration payable to him subject to the consent of the shareholders and such other sanctions as may be necessary.

As an Additional Director, Shri Debashis Bir holds office only up to the date of the ensuing Annual General Meeting as per the provisions of the Act.

Shri Bir has given his consent for the appointment and has also confirmed that he is not in any way disqualified from the appointment as per the provisions of the Act. He will be liable to retire by rotation during above tenure of his appointment.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Shri Bir for the office of Director of the Company.

As the Company does not have adequate profit within the meaning of Section 198 of the Act the proposed remuneration

payable to Shri Debashis Bir is subject to approval of members by way of special resolution and approval of Central Government, if applicable.

Shri Debashis Bir is not related to any other Director or Key Managerial Personal of the Company.

Shri Debashis Bir is functioning in a professional capacity and he does not have any interest in the capital of the Company or in any of its subsidiary companies either directly or indirectly or through any other statutory structures. He is not related to the directors or promoters of the Company or any of its subsidiaries at any time during the last two years before this appointment. He possesses B.Tech. qualifications in Naval Architecture from IIT Kharagpur. He has rich and diversified experience of over 40 years in the shipbuilding industry, having acquitted himself creditably by holding senior positions.

As per the provisions of the Companies Act, 2013 read with Schedule V, in the event of no profit or inadequate profit, Company may pay remuneration as per the limits prescribed under Part II of Schedule V to the Companies Act, 2013 and if the conditions prescribed under Part II of Schedule V is not fulfilled, then the Company can pay minimum remuneration with the approval of Central Government, if applicable.

Shri Debashis Bir fulfills the conditions for eligibility for the appointment as contained in Part I of Schedule V of the Act.

The details pertaining to Shri Bir, pursuant to the requirements of Schedule V of the Act, Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings are given below and also in the Corporate Governance Report forming part of this Report:

I. General Information:					
I	Nature of Industry	Defence / Commercial Shipbuilding and Ship repairs			
ii	Date of commencement of commercial production	April 1, 2009			
iii.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus applicable	Not applicable			
iv.	Financial performance based on given indicators	₹ in Crore			
		Particulars	2017-18	2016-17	2015-16
		Total Income	413.84	564.14	346.27
		PBT	(1168.53)	(706.23)	(803.58)
		PAT	(956.08)	(523.43)	(528.65)
		Net worth	222.90	1170.48	1694.61
v.	Foreign investments or collaborators, if any	The Company has made investment in PDOC Pte. Limited an overseas subsidiary. The Company has a wide spectrum of international strategic alliances in various domains of defence technologies			
II. Information about the Appointee:					
i.	Background details	Shri Debashis Bir, 63 years, is a Science Graduate and has a bachelor degree in Science (Hons.) from Calcutta University and B.Tech. (Hons.) in Naval Architecture from IIT, Kharagpur. Shri Bir has over 40 years of experience in Ship Design and Construction, Ship Repairs, Design & Development of Shipyard infrastructure, Financial Planning, Bidding and Strategic pricing of Projects, Business Development and Customer Management at Global platform. In 2007, Shri Debashis Bir joined the Company as President Shipbuilding and after developing the Yard's Infrastructure, Utilities and Services, implementation of policies and processes, he took over as the Chief Operating Officer.			