

Financial Statement

2019-20

Reliance Underwater Systems Private Limited

Independent Auditors' Report

To The Members of

Reliance Underwater Systems Private Limited
(Formerly Reliance Lighter than Air Systems Private Limited)

Opinion

1. We have audited the accompanying financial statements of **Reliance Underwater Systems Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 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, 2020, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 opinion on the financial statements.

Management's Responsibility for the Financial Statements

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's report and shareholders' information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 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 material misstatement therein; we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) On the basis of the written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to directors during the year.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There were no pending litigations which would impact financial position of the Company.
 - (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 during the year ended March 31, 2020.

For Rajkumar Rathi & Co.
Chartered Accountants
Regn.No.006342C

Sd/-
Saurabh Jain
Partner
Membership No.405013

Place: Mumbai
Date : May 05, 2020
UDIN:20405013AAAACR3629

ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Reliance Underwater Systems Private Limited** of even date)

- i) As represented to us, the Company has no fixed assets hence clause 3 (i) of the Order is not applicable.
- ii) As explained to us, there is no inventory during the year hence clause 3(ii) of the Order is not applicable.
- iii) According to the information and explanations given, during the year the Company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained pursuant to section 189 of the Act. Hence clause 3(iii) of the Order is not applicable.
- iv) According to the information and explanations given to us, the Company has no loans or investments made hence clause 3(iv) of the Order is not applicable.
- v) According to information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) According to the information and explanations given to us, no cost records have been prescribed by the Central Government of India under section 148(1) of the Act.
- vii) (a) Based on our examination of the books and records, the Company has generally been regular in depositing with appropriate authority undisputed statutory dues including provident fund, income-tax, duty of customs, Goods and service tax, cess and other statutory dues, wherever applicable, during the year. Further no undisputed amounts payable in respect of provident fund, income tax, duty of customs, Goods and service tax, cess and other statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
(b) As per the information and explanations given to us, there are no disputed statutory dues pending to be deposited with the respective authorities by the Company.
- viii) The Company has not raised any funds from financial institutions or banks or by issue of debentures during the year, hence, question of repayment of dues to them does not arise.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has not paid any managerial remuneration. Hence paragraph 3(xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made right issue as private placement of shares during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rajkumar Rathi & Co.
Chartered Accountants
Regn.No.006342C

Sd/-
Saurabh Jain
Partner
Membership No.405013

Place: Mumbai
Date: May 05, 2020

ANNEXURE 2 TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Reliance Underwater Systems Private Limited** ("the Company") of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Reliance Underwater Systems Private Limited** as of March 31, 2020 in conjunction with our audit of the 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 based on the internal control 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 Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate 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 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Rajkumar Rathi & Co.

Chartered Accountants
Regn.No.006342C

Sd/-

Saurabh Jain

Partner

Membership No.405013

Place: Mumbai

Date: May 05, 2020

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

Balance Sheet as at March 31, 2020

Rs in Lakhs

Particulars	Notes	As at March 31, 2020		As at March 31, 2019
I ASSETS				
(1) Current Assets				
Financial Assets				
Cash and Cash Equivalants	2	15.24	15.24	1.24
				1.24
Other Current Assets	3	0.45	0.45	0.45
				0.45
TOTAL ASSETS		15.69	15.69	1.69
II EQUITY AND LIABILITIES				
(1) EQUITY				
Equity Share Capital	4	28.00	14.00	
Other Equity		(22.29)	(21.70)	(7.70)
			5.71	(7.70)
(2) LIABILITIES				
Current Liabilities				
Financial Liabilities				
Borrowings	5	3.87	3.87	
Other Financial Liabilities	6	5.50	5.04	
		9.37	8.91	
Other Liabilities	7	0.61	0.48	
		0.61	0.48	
			9.98	9.39
TOTAL EQUITY & LIABILITIES		15.69	15.69	1.69
Significant Accounting Policies	1			

As per our Report of even date

For Rajkumar Rathi & Co.

Chartered Accountants

Firm Registration No.: 006342C

For and on behalf of the Board of Directors

Saurabh Jain

Partner

Membership No. 405013

Nikhil Jain

Director

Arup Gupta

Director

Place: Mumbai

Date : 5th May 2020

Place: Mumbai

Date : 5th May 2020

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

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

Rs in Lakhs

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
REVENUE			
Other Income	8	0.05	0.67
Total Revenue		0.05	0.67
EXPENSES			
Finance Costs	9	0.46	0.50
Other Expenses	10	0.18	0.48
Total Expenses		0.64	0.98
Profit / (Loss) before Tax		(0.59)	(0.31)
Tax Expense			
Current Tax		-	0.13
Deferred Tax		-	-
Profit/Loss After Tax		(0.59)	(0.44)
Other Comprehensive Income		-	-
Total Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		(0.59)	(0.44)
Earnings per Equity share of Rs. 10/- each - Basic / Diluted (In Rupees)	14	(0.26)	(0.22)
Significant Accounting Policies	1		

As per our Report of even date

For Rajkumar Rathi & Co.

Chartered Accountants

Firm Registration No.: 006342C

For and on behalf of the Board of Directors

Saurabh Jain

Partner

Membership No. 405013

Nikhil Jain

Director

Arup Gupta

Director

Place: Mumbai

Date : 5th May 2020

Place: Mumbai

Date : 5th May 2020

Reliance Underwater Systems Private Limited
(formerly known as Reliance Lighter Than Air Systems Private Limited)

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

A Equity Share Capital

Particulars	<i>Rs in Lakhs</i>			
	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	1,40,000	14.00	1,40,000	14.00
Add: Shares Issued during the year	1,39,999	14.00	-	-
Equity shares at the end of the year	2,79,999	28.00	1,40,000	14.00

B Other Equity

Particulars	<i>Rs in Lakhs</i>	
	Retained Earning	Total
As at April 01, 2018	(21.26)	(21.26)
Profit/(Loss) for the year	(0.44)	(0.44)
As at March 31, 2019	(21.70)	(21.70)
Profit/(Loss) for the year	(0.59)	(0.59)
As at March 31, 2020	(22.29)	(22.29)

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

For and on behalf of the Board of Directors

Saurabh Jain
Partner
Membership No. 405013

Nikhil Jain
Director

Arup Gupta
Director

Place: Mumbai
Date : 5th May 2020

Place: Mumbai
Date : 5th May 2020

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

Cash Flow Statement for the year ended March 31, 2020

Rs in Lakhs

Sr No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A	Cash Flow from Operating Activities		
	Net Profit/(Loss) before Tax	(0.59)	(0.31)
	Adjustments for :-		
	Finance Cost	0.46	0.50
	Operating profit/(Loss) before working capital changes	(0.13)	0.19
	Adjusted for		
	Increase/(Decrease) in Current Liabilities & Trade Payable	0.13	0.15
	Cash Generated from/(used in) Operations	-	0.34
	Direct Taxes (Paid) / Refund	-	-
	Net Cash from (used in) Operating Activities	-	0.34
B	Cash Flow from Investing Activities		
	Interest Income	-	-
	Net Cash used in Investing Activities	-	-
C	Cash Flow from Financing Activities		
	Short Term Loan (net)	-	(0.24)
	Finance Cost Paid	-	(13.09)
	Issue of Share Capital	14.00	-
	Net Cash Flow from/(used in) Financing Activities	14.00	(13.33)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	14.00	(12.99)
	Cash & Cash Equivalents - Opening balance	1.24	14.23
	Cash & Cash Equivalents - Closing balance	15.24	1.24

Notes:

- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 - Statement of Cash flows.
- (2) Figures in brackets indicate outflow.

As per our Report of even date

For Rajkumar Rathi & Co.

Chartered Accountants

Firm Registration No.: 006342C

For and on behalf of the Board of Directors

Saurabh Jain

Partner

Membership No. 405013

Nikhil Jain

Director

Arup Gupta

Director

Place: Mumbai

Date : 5th May 2020

Place: Mumbai

Date : 5th May 2020

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

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

Note - 1

SIGNIFICANT ACCOUNTING POLICIES

i General Information

Reliance Underwater Systems Private Limited was incorporated on November 25, 2013. The name of the Company got changed from Reliance Lighter Than Air Systems Private Limited during the year and fresh certificate of incorporation was issued by the Ministry of Corporate Affairs (MCA), Government of India on July 5, 2020. The Company is domiciled in India having registered office at Survey no 658, Village Ramupura II, Via- Rajula, District Amreli (Gujarat).

ii Basis of Preparation of Financial Statements:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] on accrual basis and other relevant provisions of the Act. Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations.

iii Functional and Presentation Currency:

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

IV Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised and if material, their effects are disclosed in the notes to the Financial Statements.

V REVENUE RECOGNITION:

- i. Revenue from operation include income from sale of goods, services & service tax and is net of value added tax and sales tax
 - identify the Contract with Customer
 - identify the performance obligations in the contract
 - determining the transaction price
 - allocate the transaction price to the performance obligations in the contract
 - recognise revenue when the entity satisfies a performance obligation
- ii. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established. Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.
- iii. Where the financing element is significant in the transaction price of a long term contract, the revenue are recognised considering the time value of money.

VI CURRENT VERSUS NON CURRENT CLASSIFICATION :

- i. **The assets and liabilities in the balance sheet are based on current/ non-current classification. An asset as current when it is:**
 - 1 Expected to be realised or intended to sold or consumed in normal operating cycle
 - 2 Held primarily for the purpose of trading
 - 3 Expected to be realised within twelve months after the reporting period, or
 - 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the
- ii **A liability is current when:**
 - 1 It is expected to be settled in normal operating cycle
 - 2 It is held primarily for the purpose of trading
 - 3 It is due to be settled within twelve months after the reporting period, or
 - 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
 - 5 All other liabilities are treated as non-current.

VII BORROWING COSTS:

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consist of interest, other cost incurred in connection with borrowings of fund and exchnage differeneecs to the extent regarded an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are

VIII FOREIGN CURRENCY TRANSACTIONS:

- i. Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are re measured at the exchange rate prevailing on the balance sheet date. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

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

IX FAIR VALUE MEASUREMENT:

Fair value is the price that would be received to sell an assets or settal a liability in an ordinary transaction between market participants at the maesurement date. The fair value of an assets or liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming that market participants act in their best economic interest. The fair value of property, plant & equipments as at transition date have been taken based on valuation performed by technical experts. The Company used valuation techniques which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in

X PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax are recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognsiend in correlation to the underlying transaction.

XI PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.

Note - 2

CASH AND CASH EQUIVALANTS

Particulars	Rs in Lakhs	
	As at March 31,2020	As at March 31, 2019
Balances with Bank		
- in Current Account	15.24	1.24
Total	15.24	1.24

Note - 3

OTHER CURRENT ASSETS

(Unsecured)

Particulars	Rs in Lakhs	
	As at March 31,2020	As at March 31, 2019
Sales Tax Deposit	0.45	0.45
Total	0.45	0.45

Note - 4

SHARE CAPITAL

Particulars	Rs in Lakhs	
	As at March 31,2020	As at March 31, 2019
Equity Shares		
Authorised		
2,89,999 Equity shares of Rs. 10/- each (1,50,000 Equity shares of Rs. 10/- each)	29.00	15.00
Issued		
2,79,999 Equity Shares of Rs. 10/- each (1,40,000 Equity shares of Rs. 10/- each)	28.00	14.00
Subscribed and Paid up		
279,999 Equity Shares of Rs. 10/- each fully Paid up	28.00	14.00
(1,40,000 Equity shares of Rs. 10/- each fully Paid up)	28.00	14.00

4.1 Reconciliation of Number of Equity shares outstanding at the beginning and as at March 31,2020

Particulars	As at March 31,2020		As at March 31, 2019	
	No of Shares	Rs in Lakhs	No of Shares	Rs in Lakhs
No. of shares at the beginning of the year	1,40,000	14.00	1,40,000	14.00
Add: Shares allotted during the year	1,39,999	14.00	-	-
No. of shares at the end of the year	2,79,999	28.00	1,40,000	14.00

4.2 Shareholders holding more than 5% No. of Shares

Shares held by	As at March 31,2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Reliance Naval and Engineering Limited	1,40,000	50	1,40,000	100
Reliance Corporate Advisory Services Limited (A Wholly Owned Subsidiary of Reliance Capital Limited)	1,39,999	50	-	-

4.3 Terms and Rights attached to Equity Shares.

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity share holders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

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

- 4.4** During the year Additional Equity shares 1,39,999 nos. with the face value of Rs. 10 each were issued to Reliance Corporate Advisory Pvt. Ltd. (A Wholly Owned Subsidiary of Reliance Capital Limited), Where even they have now holding of 49.99% but they have been allotted Voting rights through Voting right agreement.

**Note - 5
BORROWINGS**

(Unsecured)

	<i>Rs in Lakhs</i>	
Particulars	As at March 31, 2020	As at March 31, 2019
Loan from Related parties (Refer Note 13)	3.87	3.87
Total	3.87	3.87

**Note - 6
OTHER FINANCIAL LIABILITIES**

(Unsecured)

	<i>Rs in Lakhs</i>	
Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued but not due	5.50	5.04
Total	5.50	5.04

**Note - 7
OTHER LIABILITIES**

	<i>Rs in Lakhs</i>	
Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	-	0.08
Creditors for Expenses	0.47	0.26
Provision for Expenses	0.14	0.14
Total	0.61	0.48

**Note - 8
OTHER INCOME**

	<i>Rs in Lakhs</i>	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Miscellaneous Income	0.05	0.30
Balance Write Back	-	0.37
Total	0.05	0.67

**Note - 9
FINANCE COSTS**

	<i>Rs in Lakhs</i>	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses	0.46	0.50
Total	0.46	0.50

**Note - 10
OTHER EXPENSES**

	<i>Rs in Lakhs</i>	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to Auditors	0.14	0.14
Bank Charges	-	0.06
Legal & professional fees	0.04	0.18
Interest Paid on statutory dues	-	0.10
Total	0.18	0.48

10.1 Payment to Auditors includes

	<i>Rs in Lakhs</i>	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit Fees	0.14	0.14
Total	0.14	0.14

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

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

Note - 11

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

Note - 12

SEGMENT REPORTING

The risk - return profile of the Company's business is determined predominantly by the nature of its products. The Company is not engaged in any business. As such, there are no separate reportable segments. Further there are no operations of the Company as such there are no separate reportable geographical segments.

Note - 13

Related Party Disclosures

a) List of Related parties

i) Ultimate Holding Company

Reliance Capital Limited (w.e.f 16th August 2019)

ii) Holding Company

Reliance Naval and Engineering Limited (up to 15th August 2019)

Reliance Corporate Advisory Services Limited (w.e.f 16th August 2019)

iii) Fellow Subsidiaries

E -Complex Private Limited (up to 15th August 2019)

PDOC Pte. Ltd. (up to 15th August 2019)

RMOL Engineering and Offshore Limited (Formerly Reliance Marine and Offshore Limited) (up to 15th August 2019)

Reliance Technologies and Systems Private Limited (up to 15th August 2019)

REDS Marine Services Limited (Formerly Reliance Engineering and Defence Services Ltd) (up to 15th August 2019)

Reliance Capital Pension Fund Limited (w.e.f 16th August 2019)

Reliance Capital Trustee Co. Limited (w.e.f 16th August 2019)

Reliance General Insurance Company Limited (w.e.f 16th August 2019)

Reliance Nippon Life Insurance Company Limited (w.e.f 16th August 2019)

Reliance Commercial Finance Limited (w.e.f 16th August 2019)

Reliance Health Insurance Limited (w.e.f 16th August 2019)

Reliance Home Finance Limited (ceased wef March 5 2020) (w.e.f 16th August 2019)

Reliance Securities Limited (w.e.f 16th August 2019)

Reliance Wealth Management Limited (w.e.f 16th August 2019)

Reliance Commodities Limited (w.e.f 16th August 2019)

Reliance Financial Limited (w.e.f 16th August 2019)

Reliance Money Precious Metals Private Limited (w.e.f 16th August 2019)

Reliance Money Solutions Private Limited (w.e.f 16th August 2019)

Reliance Capital AIF Trustee Company Private Limited (w.e.f 16th August 2019)

Quant Capital Private Limited (w.e.f 16th August 2019)

Quant Broking Private Limited (w.e.f 16th August 2019)

Quant Securities Private Limited (w.e.f 16th August 2019)

Quant Investment Services Private Limited (w.e.f 16th August 2019)

Gulfoss Enterprise Private Limited (w.e.f 16th August 2019)

iv) Other Related Parties

Reliance Naval and Engineering Limited (w.e.f. 16th August 2019)

b) Terms and Conditions of transactions with related parties

The Transactions from related parties are made on arm's length price. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances which is merely reimbursement of expenses. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party

c) Transactions with related parties for the year ended March 31,2020

Particulars	Rs in Lakhs	
	As at March 31,2020	As at March 31, 2019
Reliance Naval and Engineering Limited		
Borrowings		
Transaction during the year	-	0.09
Closing Balance	3.87	3.87
Interest Expenses	0.46	0.50
Interest accrued but not due	5.50	5.04

Reliance Underwater Systems Private Limited

(formerly known as Reliance Lighter Than Air Systems Private Limited)

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

Note - 14

Earnings per share

Particulars	Rs in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Net Profit / (Loss) after Tax	(a) (0.59)	(0.31)
Amount available for calculation of Basic and diluted EPS	(a) (0.59)	(a) (0.31)
Weighted Average No. of Equity Shares outstanding for Basic and Diluted EPS (Opening Qty 1,40,000 & additional 1,39,999 Issued on 16th August 2019)	(b) 2,27,595	(b) 1,40,000
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)	(a) / (b) (0.26)	(a) / (b) (0.22)

Note - 15

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include Investment, and cash and bank balances that derive directly from its operations.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the

Liquidity risk

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

Note - 16

CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Note - 17

During the year, the Company changed its name from Reliance Lighter Than Air Systems Private Limited to Reliance Underwater Systems

Note - 18

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

As per our Report of even date

For Rajkumar Rath & Co.

Chartered Accountants

Firm Registration No.: 006342C

For and on behalf of the Board of Directors

Saurabh Jain

Partner

Membership No. 405013

Nikhil Jain

Director

Arup Gupta

Director

Place: Mumbai

Date : 5th May 2020

Place: Mumbai

Date : 5th May 2020