

Financial Statement

2020-21

Reliance Underwater Systems Private Limited

Reliance Underwater Systems Private Limited

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

Balance Sheet as at March 31, 2021

Rs in Lakhs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I ASSETS			
(1) Current Assets			
Financial Assets			
Cash and Cash Equivalants	2	15.17	15.24
		15.17	15.24
Other Current Assets	3	0.45	0.45
		0.45	0.45
TOTAL ASSETS		15.62	15.69
II EQUITY AND LIABILITIES			
(1) EQUITY			
Equity Share Capital	4	28.00	28.00
Other Equity		(22.68)	(22.29)
		5.32	5.71
(2) LIABILITIES			
Current Liabilities			
Financial Liabilities			
Borrowings	5	3.87	3.87
Other Financial Liabilities	6	5.96	5.50
		9.83	9.38
Other Liabilities	7	0.47	0.61
		0.47	0.61
		10.30	9.99
TOTAL EQUITY & LIABILITIES		15.62	15.70
Significant Accounting Policies Notes to Financial Statements	1 2 to 17	0.00	(0.02)

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

Arup Gupta
Director

Place: Mumbai
Date : May 03, 2021

Place: Mumbai
Date : May 03, 2021

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, 2021

Rs in Lakhs

Particulars	Notes	For the Year Ended March 31, 2021	For the Year ended March 31,2020
REVENUE			
Other Income	8	0.27	0.06
Total Revenue		0.27	0.06
EXPENSES			
Finance Costs	9	0.46	0.47
Other Expenses	10	0.20	0.19
Total Expenses		0.66	0.65
Profit / (Loss) before Tax		(0.39)	(0.59)
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Profit/Loss After Tax		(0.39)	(0.59)
Other Comprehensive Income		-	-
Total Other Comprehensive Income for the period / year		-	-
Total Comprehensive Income for the period / year		(0.39)	(0.59)
Earnings per Equity share of Rs. 10/- each			
- Basic / Diluted (In Rupees)	14	(0.14)	(0.26)
Significant Accounting Policies	1		

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

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Saurabh Jain
Partner
Membership No.: 405013

Arup Gupta
Director

Place: Mumbai
Date : May 03, 2021

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Reliance Underwater Systems Private Limited

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Statement of Changes in Equity for the year ended March 31, 2021

A Equity Share Capital

Particulars	Rs in Lakhs			
	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	2,79,999	28.00	2,79,999	28.00
Add: Shares Issued during the period	-	-	-	-
Equity shares at the end of the period	2,79,999	28.00	2,79,999	28.00

B Other Equity

Particulars	Rs in Lakhs			
	Retained Earning	Total	Retained Earning	Total
As at April 01, 2019	(21.70)		(21.70)	(21.70)
Profit/(Loss) for the year	(0.59)		(0.59)	(0.59)
As at March 31, 2020	(22.29)		(22.29)	(22.29)
Profit/(Loss) for the quarter	(0.39)		(0.39)	(0.39)
As at March 31, 2021	(22.68)		(22.68)	(22.68)

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

Place: Mumbai

Date : May 03, 2021

Arup Gupta

Director

Place: Mumbai

Date : May 03, 2021

Reliance Underwater Systems Private Limited

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Cash Flow Statement for the year ended March 31, 2021

Rs in Lakhs

Sr No	Particulars	For the Year Ended March 31, 2021	For the Year ended March 31,2020
A	Cash Flow from Operating Activities		
	Net Profit/(Loss) before Tax	(0.39)	(0.59)
	Adjustments for :-		
	Finance Cost	0.46	0.46
	Operating profit/(Loss) before working capital changes	0.06	(0.14)
	Adjusted for		
	Increase/(Decrease) in Current Liabilities & Trade Payable	(0.15)	0.13
	Cash Generated from/(used in) Operations	(0.08)	(0.01)
	Direct Taxes (Paid) / Refund	-	-
	Net Cash from / (used in) Operating Activities	(0.08)	(0.01)
B	Cash Flow from Investing Activities		
	Interest Income	-	-
	Net Cash used in Investing Activities	-	-
C	Cash Flow from Financing Activities		
	Short Term Loan (net)	-	-
	Finance Cost Paid	-	-
	Issue of Share Capital	-	14.00
	Net Cash Flow from/(used in) Financing Activities	-	14.00
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(0.08)	13.99
	Cash & Cash Equivalents - Opening balance	15.24	1.24
	Cash & Cash Equivalents - Closing balance	15.17	15.24

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

Arup Gupta

Director

Place: Mumbai

Date : May 03, 2021

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Reliance Underwater Systems Private Limited

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Notes to Financial Statements for the year ended March 31, 2021

Note - 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 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 previous 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 Ramapura II, Via-Rajula, District Amreli (Gujarat).

1.2 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.

1.3 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.

1.4 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.

1.5 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 recovered. Revenue
 - 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.

1.6 CURRENT VERSUS NON CURRENT CLASSIFICATION :

- i. **The assets and liabilities in the balance sheet are based on current/ non-current classification. An asset as current when it is:**
 - 1 Expected to be realised or intended to sold or consumed in normal operating cycle
 - 2 Held primarily for the purpose of trading
 - 3 Expected to be realised within twelve months after the reporting period, or
 - 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- 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.

1.7 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 differeneccs to the extent regarded an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

1.8 FOREIGN CURRENCY TRANSACTIONS:

- i. Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

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Notes to Financial Statements for the year ended March 31, 2021

- 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 recognised over the life of the contract.
- 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 Profit and Loss.

1.9 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 considiring the expected loss/profit in case of financial assets or liabilities.

1.10 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 recognised in correlation to the underlying transaction.

1.11 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	<i>Rs in Lakhs</i>	
	As at March 31, 2021	As at March 31, 2020
Balances with Bank		
- in Current Account	15.17	15.24
Total	<u>15.17</u>	<u>15.24</u>

Note - 3 OTHER CURRENT ASSETS (Unsecured & Considered Good)

Particulars	<i>Rs in Lakhs</i>	
	As at March 31, 2021	As at March 31, 2020
Sales Tax Deposit	0.45	0.45
Total	<u>0.45</u>	<u>0.45</u>

Note - 4 SHARE CAPITAL

Particulars	<i>Rs in Lakhs</i>	
	As at March 31, 2021	As at March 31, 2020
Equity Shares		
Authorised		
2,89,999 Equity shares of Rs. 10/- each (1,50,000 Equity shares of Rs. 10/- each)	29.00	29.00
Issued		
2,79,999 Equity Shares of Rs. 10/- each (1,40,000 Equity shares of Rs. 10/- each)	28.00	28.00
Subscribed and Paid up		
2,79,999 Equity Shares of Rs. 10/- each fully Paid up	28.00	28.00
(2,79,999 Equity shares of Rs. 10/- each fully Paid up)	<u>28.00</u>	<u>28.00</u>

4.1 Reconciliation of Number of Equity shares outstanding at the beginning and as at March 31, 2021

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Rs in Lakhs	No of Shares	Rs in Lakhs
No. of shares at the beginning of the year	2,79,999	28.00	1,40,000	14.00
Add: Shares allotted during the period			1,39,999	14.00
No. of shares at the end of the period	<u>2,79,999</u>	<u>28.00</u>	<u>2,79,999</u>	<u>28.00</u>

Reliance Underwater Systems Private Limited

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Notes to Financial Statements for the year ended March 31, 2021

4.2 Shareholders holding more than 5% No. of Shares

Shares held by	No. of Shares	% Holding	No. of Shares	% Holding
Reliance Naval and Engineering Limited	1,40,000	50%	1,40,000	50%
Reliance Corporate Advisory Services Limited (A Wholly Owned Subsidiary of Reliance Capital Limited)	1,39,999	50%	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 shareholders.

4.4 In previous year additional Equity shares 1,39,999 nos. with the face value of Rs. 10 each were issued to Reliance Corporate Advisory Services Limited (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)

Particulars	Rs in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Loan from		
- Bodies Corporte	3.87	3.87
Total	3.87	3.87

Note - 6 OTHER FINANCIAL LIABILITIES (Unsecured)

Particulars	Rs in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Interest Accrued but not due	5.96	5.50
Total	5.96	5.50

Note - 7 OTHER LIABILITIES

Particulars	Rs in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Statutory Dues	-	0.00
Creditors for Expenses	0.33	0.47
Provision for Expenses	0.14	0.14
Total	0.47	0.61

Note - 8 OTHER INCOME

Particulars	Rs in Lakhs	
	For the Year Ended March 31, 2021	For the Year ended March 31,2020
Interest Income	-	-
Miscellaneous Income	-	0.06
Balance Write Back	0.27	-
Total	0.27	0.06

Note - 9 FINANCE COSTS

Particulars	Rs in Lakhs	
	For the Year Ended March 31, 2021	For the Year ended March 31,2020
Interest Expenses	0.46	0.47
Total	0.46	0.47

Note - 10 OTHER EXPENSES

Particulars	Rs in Lakhs	
	For the Year Ended March 31, 2021	For the Year ended March 31,2020
Labour & Fabrication Charges	-	-
Payment to Auditors	0.14	0.14
Bank Charges	0.06	0.00
Interest on TDS	-	0.00
Legal & professional fees	-	0.04

Reliance Underwater Systems Private Limited

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Notes to Financial Statements for the year ended March 31, 2021

Total

0.20

0.19

Reliance Underwater Systems Private Limited

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Notes to Financial Statements for the year ended March 31, 2021

10.1 Payment to Auditors includes

Particulars	Rs in Lakhs	
	For the Year Ended March 31, 2021	For the Year ended March 31, 2020
Audit Fees	0.14	0.14
Total	<u>0.14</u>	<u>0.14</u>

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

iii) Fellow Subsidiaries

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 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)
Gullfoss Enterprise Private 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 quarter end are unsecured and interest have been accounted on market rate except the advances which is merely reimbursement of expenses. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Reliance Underwater Systems Private Limited

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Notes to Financial Statements for the year ended March 31, 2021

Note - 14 Earnings per share

Particulars	Rs in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Net Profit / (Loss) after Tax	(a) (0.39)	(0.59)
Amount available for calculation of Basic and diluted EPS	(a) <u>(0.39)</u>	<u>(0.59)</u>
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) 2,79,999	2,27,595
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)	(a) / (b) <u>(0.14)</u>	<u>(0.26)</u>

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 with floating interest rates.

Financial instruments and cash deposits

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

Liquidity risk

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

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 shareholder value.

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

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

Note - 17

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

As per our report of even date

For Rajkumar Rathi & Co.

Chartered Accountants

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