

**Independent Auditors' Report**

To The Members of  
**Reliance Defence Limited**

**Opinion**

We have audited the accompanying financial statements of **Reliance Defence Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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").

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, 2025, its Loss (including other comprehensive income), the Changes in Equity and its Cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of 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.

**Uncertainty related to Going Concern**

We draw attention to Note 41 in the financial statements regarding Net Worth of the Company fully eroded due to accumulated loss. Current Liabilities exceeding its current assets which indicates uncertainty exists on the company's ability to continue as a going concern. The accounts, however has been prepared by the management on a going concern basis for the reason stated in the aforesaid note. Our opinion is not modified in this respect.

**Management's Responsibility for the Financial Statements**

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 audit trail compliance and for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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 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 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**

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. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a Director in terms of Section 164(2) of the Act;
- f) The going concern matter described in Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company;
- g) 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 B";
- h) 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:  
As per the information and explanations given to us, the Company has not paid any managerial remuneration to directors during the year.
- i) 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, 2025.
  - (iv) (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries  
  
(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (i) (iv) (a) & (b) contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year.
- (vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software for the year ended March 31, 2025.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

**For M. S. Sethi & Associates**

Chartered Accountants  
Firm Regn.No.109407W

**Manoj Sethi**

Proprietor  
Membership No.039784

Place: Mumbai

Date: May 20, 2025

UDIN: 25039784BMFXJH9017

## ANNEXURE A TO THE AUDITORS' REPORT

Referred to in our Report of even date on Accounts of **Reliance Defence Limited** for the year ended March 31, 2025

- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
(B) As explained to us, the Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) In respect of immovable property comprising of land that has been taken as right of use for leasehold land is disclosed under Property, Plant and Equipment in the financial statements and the agreement for the same has been entered into by the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year under audit.
- (e) There are no proceedings initiated or any pending against the Company as at March 31, 2025 for holding any benami property under the Prohibition of Benami Transactions Act, 1988 (as amended in 2016) and rules made there under.
- ii) (a) As explained to us, there is no inventory hence clause 3(ii) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits from any bank or financial institution, hence provisions of clause 3 (ii)(b) of the Order is not applicable.

- iii) (a) During the year, the Company has granted loans to various companies. The details of aggregate amount of loans given and balance outstanding of such loans is as under:

Particulars	Amount (Rs. In '000)
Balance outstanding as at March 31, 2025	5,600
Aggregate amount given during the year	5,600

- (b) The investments made, guarantee provided, security given and the terms and conditions of grant of loans and advances in the nature of loans are in our opinion, prima –facie, not prejudicial to the company's interest.
- (c) Based on the records examined by us and information and explanations given to us, the repayment of principal and interest has been as stipulated.
- (d) Based on our verification of records of the Company there are no overdue amounts with respect to interest on loans for more than ninety days.
- (e) According to information and explanations given and records examined by us, no loan falling due during the year, has been renewed by the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us, in respect of loans, investments, guarantees and securities, the Company has complied with provisions of section 185 and 186 of the Act, to the extent applicable.
- v) According to the information and explanations given, the Company has not accepted any deposit which is deemed to be deposit from the public hence clause 3(v) of the Order is not applicable.
- vi) According to the information and explanations given to us, no cost records have been prescribed by the Central Government under section 148(1) of the Act in respect of activities carried on by the Company.
- 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, 2025 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) As per the information and explanations given to us and based on our examinations of the records of the Company, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) (a) The Company has not raised any funds from financial institutions or banks or by issue of debentures during the year, hence, clause 3(ix) of the Order is not applicable.  
 (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.  
 (c) According to the information and explanations given to us and based on examination of the records of the Company, we report that during the year Company has not obtained any term loans.  
 (d) According to the information and explanations given to us and based on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.  
 (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
 (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) (a) 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, clause 3(x)(a) of the Order is not applicable.  
 (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures during the year hence clause 3(x)(b) of the Order is not applicable.
- xi) (a) In our opinion and according to the information and explanations given to us, no fraud on the Company or by the Company, by its officers or employees has been noticed or reported during the year.  
 (b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
 (c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.
- xii) According to the information and explanations given to us, the Company is not a Nidhi company. Hence clause 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 given to us, the Company does not have a formal internal audit system.
- 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 them. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.  
 (b) In our opinion and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act, 1934.  
 (c) In our opinion and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
 (d) In our opinion, and according to the information and explanations provided to us, the Group does not have any Core Investment Company (CIC).
- xvii) The Company has incurred cash losses in the current year of Rs.244.65 thousand and in the immediately preceding year of Rs.39,241.98 thousand.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xvii) of the Order is not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, indicate that uncertainty exists on the Company's ability to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) According to information and explanations given to us, and based on our examination of the financial statements of the Company, the CSR requirement is not applicable to the Company in view of losses incurred by the Company. Accordingly, clause 3(xx) of the Order is not applicable.

**For M. S. Sethi & Associates**

Chartered Accountants  
Firm Regn.No.109407W

**Manoj Sethi**

Proprietor  
Membership No. 039784

Place: Mumbai  
Date: May 20, 2025

## **ANNEXURE B 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 Defence Limited** 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 Defence Limited** ("the Company") as of March 31, 2025 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, 2025, 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 M. S. Sethi & Associates**

Chartered Accountants  
Firm Regn.No.109407W

**Manoj Sethi**

Proprietor  
Membership No. 039784

Place: Mumbai  
Date: May 20, 2025

**RELIANCE DEFENCE LIMITED**

**Accounts for the year ended on March 31, 2025**

**Reliance Defence Limited**
**Balance Sheet as at March 31, 2025**

Rs in Thousands

Particulars	Note	As At March 31, 2025	As At March 31, 2024
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	1,571.13	2,309.24
Capital work-in-progress	2	3,435.00	3,435.00
Right- Of -Use Assets	3	518.17	536.27
Other Intangible Assets	3	53.88	-
Financial Assets			
- Investments	4	4,335.02	4,635.02
- Other Financial Assets	10	8,898.08	1,191.00
Other Non - Current Assets	11	81,985.56	21,661.13
<b>Total Non-Current Assets</b>		<b>1,00,796.85</b>	<b>33,767.66</b>
<b>Current Assets</b>			
Inventories	12	1,08,309.00	-
Financial Assets			
- Investments	5	93,830.37	-
- Trade Receivables	6	68,096.96	7,496.58
- Cash and Cash Equivalents	7	10,44,873.57	2,769.84
- Bank Balances	8	-	20,100.00
- Loans	9	5,600.00	-
- Other Financial Assets	10	1,985.82	9,423.96
Current Tax Assets (Net)	10A	903.48	577.18
Other Current Assets	11	95,051.29	23,021.87
<b>Total Current Assets</b>		<b>14,18,650.48</b>	<b>63,389.42</b>
<b>Total</b>		<b>15,19,447.33</b>	<b>97,157.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	13	500.00	500.00
Other Equity	14	(4,00,418.52)	(63,525.27)
<b>Total Equity</b>		<b>(3,99,918.52)</b>	<b>(63,025.27)</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Lease liabilities	16	535.27	538.70
- Other Financial Liabilities	18	143.75	143.75
Provisions	20	2,956.29	2,977.03
<b>Total Non-Current Liabilities</b>		<b>3,635.31</b>	<b>3,659.48</b>
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	15	1,87,940.60	1,16,980.60
- Lease liabilities	16	3.44	3.11
- Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	17	2.73	3,498.49
Total outstanding dues of creditors other than Micro and Small Enterprises	17	17,603.65	8,321.09
- Other Financial Liabilities	18	4,22,391.29	-
Provisions	20	10,739.18	3,570.08
Other Current Liabilities	19	12,77,049.65	24,149.50
<b>Total Current Liabilities</b>		<b>19,15,730.54</b>	<b>1,56,522.87</b>
<b>Total Liabilities</b>		<b>19,19,365.85</b>	<b>1,60,182.35</b>
<b>Total</b>		<b>15,19,447.33</b>	<b>97,157.08</b>

Material Accounting Policies

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The accompanying notes form an integral part of Financial Statements

As per our Report of even date

**For M.S Sethi & Associates**

Chartered Accountants

Firm Registration No. 109407W

For and on behalf of the Board of Directors

**Manoj Sethi**

Proprietor

Membership No.039784

**Rajesh K Dhingra**

Director

DIN : 03612092

**Thota Vijesh Babu**

Director

DIN : 09128139

Place : Mumbai

Date : May 20, 2025

Place : New Delhi

Date : May 20, 2025



**Reliance Defence Limited**
**Statement of Profit and Loss for the year ended March 31, 2025**

Rs in Thousands

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	21	3,08,121.32	6,353.03
Other Income	22	73,874.66	26,389.76
<b>Total</b>		<b>3,81,995.98</b>	<b>32,742.79</b>
<b>Expenses</b>			
Cost of Materials consumed		3,11,784.44	5,486.72
Changes in inventories of finished goods, semi finished goods and stock-in-trade	23	(1,08,309.00)	-
Employee Benefits Expense	25	54,371.72	26,356.34
Finance Costs	24	90,293.45	20.93
Depreciation and Amortisation Expenses	2,3	605.87	521.16
Other Expenses	26	33,853.22	37,262.24
<b>Total</b>		<b>3,82,599.69</b>	<b>69,647.39</b>
<b>Profit before exceptional items and tax</b>		<b>(603.71)</b>	<b>(36,904.60)</b>
Exceptional items - Interest charges on Sub-ordinate Debts		3,35,785.68	-
<b>Profit / (Loss) before tax</b>		<b>(3,36,389.39)</b>	<b>(36,904.60)</b>
Tax Expense :			
- Current Tax		-	-
- Deferred Tax		-	-
		-	-
<b>Profit / (Loss) for the year</b>		<b>(3,36,389.39)</b>	<b>(36,904.60)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans : Gains / (Loss)		(503.86)	(205.84)
Income Tax relating to above		-	-
<b>Other Comprehensive Income</b>		<b>(503.86)</b>	<b>(205.84)</b>
<b>Total Comprehensive Income for the year</b>		<b>(3,36,893.25)</b>	<b>(37,110.44)</b>
<b>Earnings per equity share (Face Value of Rs 10 each)</b>	40		
Basic (Rs)		(6,727.79)	(738.09)
Diluted (Rs)		(6,727.79)	(738.09)

Material Accounting Policies

1

The accompanying notes form an integral part of Financial Statements

As per our Report of even date

**For M.S Sethi & Associates**

Chartered Accountants

Firm Registration No. 109407W

For and on behalf of the Board of Directors

**Manoj Sethi**

Proprietor

Membership No.039784

**Rajesh K Dhingra**

Director

DIN : 03612092

**Thota Vijesh Babu**

Director

DIN : 09128139

Place : Mumbai

Date : May 20, 2025

Place : New Delhi

Date : May 20, 2025

**Reliance Defence Limited**
**Statement of Cash Flows for year ended March 31, 2025**

Rs in Thousands

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Cash flow from Operating Activities</b>		
Profit / (Loss) before tax	(3,36,389.39)	(36,904.60)
<b>Adjustments for:</b>		
Depreciation and Amortisation	605.87	521.16
Interest Income on Deposits	(2,055.60)	(3,812.60)
Interest and Finance charges	4,26,079.13	20.93
Loss / (Profit) on disposal of property, plant and equipments (net)	269.67	-
Write Off of Long Term investment	300.00	-
Provisions / Liabilities written back	(57.50)	(2,858.54)
Stamp duty on purchase of current investments	64.25	194.08
Profit on sale / redemption of current investments (net)	(57,201.83)	(17,725.87)
Changes in fair value of financial assets at fair value through profit or loss	(3,689.46)	-
<b>Cash generated from operations before working capital changes</b>	<b>27,925.13</b>	<b>(60,565.44)</b>
Adjustments for:		
(Increase)/ Decrease in financial assets	(61,608.95)	(5,911.52)
(Increase)/ Decrease in other assets	(1,32,353.85)	-
(Increase)/decrease in inventories	(1,08,309.00)	-
Increase/ (Decrease) in financial liabilities	5,786.81	-
Increase/ (Decrease) in other Liabilities	12,52,900.15	6,137.77
Increase/ (Decrease) in provisions	6,644.50	(3,567.58)
<b>Cash generated from operations</b>	<b>9,90,984.78</b>	<b>(63,906.77)</b>
Income taxes paid (net of refund)	326.30	115.82
<b>Net cash used in Operating Activities (A)</b>	<b>9,90,658.48</b>	<b>(64,022.59)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(243.08)	(227.29)
Purchase of Intangible Assets	(59.59)	-
Proceeds from disposal of Property, Plant and Equipment	399.14	-
Investment in equity shares and mutual fund units	(25,30,717.46)	(19,44,054.23)
Proceeds from sale / redemption of current investment	24,40,576.55	19,43,957.05
Profit on sale / redemption of current Investments (net)	57,201.83	17,725.87
Proceeds from sale of scrap	58.50	5.00
Inter Corporate Deposit Given	(5,600.00)	-
Redemption from bank fixed deposits	20,100.00	3,100.00
Loss / (Profit) on disposal of property, plant and equipments (net)	(269.67)	-
Interest received on bank and other deposits	2,794.23	3,812.60
Security Deposit Paid (net of refund received)	-	(4,066.00)
Stamp duty on current investment purchase	(64.25)	(194.08)
<b>Net cash generated from / (used in) Investing activities (B)</b>	<b>(15,823.81)</b>	<b>20,058.93</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Inter Corporate Deposits	70,960.00	41,215.00
Lease obligations payments	(60.00)	-
Interest and finance charges paid	(3,630.94)	-
<b>Net Cash generated from / (used in) Financing Activities (C)</b>	<b>67,269.06</b>	<b>41,215.00</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>10,42,103.73</b>	<b>(2,748.66)</b>
Cash and Cash Equivalents as at the beginning of the year	2,769.84	5,518.51
Cash and Cash Equivalents as at end of the year ( Refer Note No. 7)	10,44,873.57	2,769.84
<b>Net Increase / (Decrease) as disclosed above</b>	<b>10,42,103.73</b>	<b>(2,748.66)</b>

**Cash and Cash Equivalents at the end of the period comprises of :**

Balance with banks in current accounts (Refer Note No. 7 )	10,44,873.57	2,769.84
<b>Total Cash and Cash Equivalent</b>	<b>10,44,873.57</b>	<b>2,769.84</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

As per our Report of even date

**For M.S Sethi & Associates**

Chartered Accountants

Firm Registration No. 109407W

For and on behalf of the Board of Directors

**Manoj Sethi**

Proprietor

Membership No.039784

**Rajesh K Dhingra**

Director

DIN : 03612092

**Thota Vijesh Babu**

Director

DIN : 09128139

Place : Mumbai

Date : May 20, 2025

Place : New Delhi

Date : May 20, 2025

**Reliance Defence Limited****Statement of Changes in Equity for the year ended March 31, 2025****A. EQUITY SHARE CAPITAL**

(Refer Note No.10)

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	500.00	500.00
Changes during the year	-	-
Balance at the end of the year	500.00	500.00

**B. OTHER EQUITY**

(Refer Note No.11)

Particulars	Equity Component of Financial Instruments (Subordinate Debts)	Reserves & Surplus		Total
		Retained Earnings	Other Reserves	
Balance as at April 01, 2023	7,08,936.50	(7,35,351.33)	-	(26,414.83)
Profit /(Loss) for the year	-	(36,904.60)	-	(36,904.60)
Other Comprehensive Income for the year	-	(205.84)	-	(205.84)
Total Comprehensive Income for the year	-	(37,110.44)	-	(37,110.44)
Issue/ (Repayment) of Subordinate Debt	-	-	-	-
Balance as at March 31, 2024	7,08,936.50	(7,72,461.77)	-	(63,525.27)
<b>Balance as at April 01, 2024</b>	<b>7,08,936.50</b>	<b>(7,72,461.77)</b>	<b>-</b>	<b>(63,525.27)</b>
Profit /(Loss) for the year	-	(3,36,389.39)	-	(3,36,389.39)
Other Comprehensive Income for the year	-	(503.86)	-	(503.86)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(3,36,893.25)</b>	<b>-</b>	<b>(3,36,893.25)</b>
Issue/ (Repayment) of Subordinate Debt	-	-	-	-
<b>Balance as at March 31, 2025</b>	<b>7,08,936.50</b>	<b>(11,09,355.02)</b>	<b>-</b>	<b>(4,00,418.52)</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

As per our Report of even date

**For M.S Sethi & Associates**

Chartered Accountants

Firm Registration No. 109407W

For and on behalf of the Board of Directors

**Manoj Sethi**

Proprietor

Membership No.039784

**Rajesh K Dhingra**

Director

DIN : 03612092

**Thota Vijesh Babu**

Director

DIN : 09128139

Place : Mumbai

Date : May 20, 2025

Place : New Delhi

Date : May 20, 2025



## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### **Background of the Company:**

The objective of the company is to carry on in India and elsewhere the business of dual use military and civil platforms with primary focus on fixed wing, rotary wing, land and naval platforms. To undertake and carry on in India or elsewhere the business of research, design, development, engineering, procurement, construction, building, production, manufacture, assembly, modification, Integration, Testing, refit, repair, upgrade, overhaul, servicing, buying, selling, retailing, trading, importing, exporting, exchanging or otherwise dealing in all forms of machines, equipments, components, tools, tackles, spares, systems, weapons and technology for defence and/or non defence segment applications and uses including missile systems, tanks, mines, torpedoes, guns, grenades, Howitzers, small arms of all calibers, Armoured & Protective Equipments, Machine Guns, Night Vision Devices, Imaging or Counter measure equipments, Simulators, Fuzes, mortars, rockets, launchers, similar projectiles for launch from land, air and sea whether operated manually, digitally or remotely (with or without explosives), armaments, artillery and other weaponry, assemblies, ammunition, gun or gun parts/components, detonators, armoured vehicles, cranes and other forms of vehicles for transport and all forms of terrestrial vehicles, naval systems, submersible and floating vessels, amphibious vehicles, ships, frigates, boats, tugs crafts, barges, ports, airplanes, fighter planes, helicopters, drones, spacecrafts and all forms or constituent of aerospace, engineering, surveillance and communication systems and devices, radars, electronic warfare equipment and all forms of software, systems, machine tools and machinery of any other description for use by armed, naval and air forces and others.

The Company is a public limited company incorporated and domiciled in India. The registered office of the Company is located at 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai - 400 055, Maharashtra.

These financial statements of the Company for the year ended March 31, 2025 are authorised for issue by the Board of Directors on May 20, 2025. Pursuant to the provisions of section 130 of the Act, the Central Government, income tax authorities and other statutory regulatory body and section 131 of the Act the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

### **1. Material Accounting Policies:**

#### **a) Basis of Preparation, Measurement and Material Accounting Policies**

##### **(i) Compliance with Indian Accounting Standards (Ind AS)**

The Financial statements of the Company comply in all material aspects with Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles. The policies set out below have been consistently applied during the years presented.

##### **(ii) Basis of Preparation**

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

These financial statements are presented in 'Indian Rupees', which is also the Company's functional currency and all amounts, are rounded to the nearest Thousands with two decimals, unless otherwise stated.

##### **(iii) Basis of Measurement**

The Financial Statement have been prepared on the historical cost convention on accrual basis except for certain financial instrument that are measured at amortised cost at the end of each reporting period.

## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### **b) Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. The estimates, judgements and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, at the date of financial statements and reported amounts of

revenues and expenses during the period. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **c) Current versus Non-current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- Held primarily for the purpose of trading

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- Held primarily for the purpose of trading

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

### **d) Revenue Recognition Policy**

The Company applies Ind AS 115 "Revenue from Contract with Customers". The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is accounted as under :

(i) Revenue from the sale of goods is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations. The customer obtains control of the goods when the goods are delivered to and accepted by the customer, according to the agreed delivery terms.

(ii) Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed

## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### **e) Foreign Currency Transactions**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss except in case of certain long term foreign currency monetary items.

### **f) Financial Instruments:**

#### **1. Financial Assets**

##### **I] Classification**

The Company shall classify financial assets measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### **II] Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised costs.

##### **III] Subsequent Measurement**

For purpose of subsequent measurement financial assets are classified in two broad categories:

- (a) Financial assets at fair value or
- (b) Financial assets at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Where assets are measured at fair value, gains or loss are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

All other financial assets are measured at fair value through profit or loss.

##### **Equity instruments:**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### **Investments in Subsidiaries:**

The Company has accounted for its equity instruments in Subsidiaries at cost.

#### **IV] Impairment of Financial Assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### V] Derecognition of Financial Assets

A financial asset is derecognised only when:

- Right to receive cash flow from assets have expired or
- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## 2. Financial Liabilities

### I] Initial recognition and measurement

All financial liabilities are recognised at fair value. The Company financial liabilities include Trade and other Payables, loans and borrowings.

### II] Subsequent Measurement

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

#### (i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

#### (ii) Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### III] Derecognition of Financial Liabilities

A Financial Liabilities is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### g) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for recurring and non- recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Quantitative disclosures of fair value measurement & hierarchy (Refer Note No. 27)

## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### **h) Property, Plant and Equipment:**

Property, Plant and Equipment assets are carried at cost including taxes less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Gains and losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the Statement of Profit and Loss.

### **Depreciation method**

Property, Plant and Equipment (PPE) have been depreciated under the straight line method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

The Company charges 100% depreciation on any PPE item whose unit base value is less than Rs 5000.

### **i) Intangible Assets:**

Intangible assets are stated at cost of acquisition including taxes, if any, less accumulated amortisation / depletion. Cost includes expenditure directly attributable to the acquisition of asset.

### **Amortisation method**

Leasehold land premium is amortised over the period of lease term.

Computer Softwares capitalised are amortised on straight line basis over the period of 3 years.

### **j) Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **k) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### **l) Contingent Liabilities and Contingent Assets**

Contingent liabilities are possible obligation that arise from past events and whose existence will only be confirmed by that occurrence or non occurrence of one or more future events not wholly within the control of the company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgement of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. A contingent asset is disclosed, where an inflow of economic benefit is probable.

### **m) Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss

### **n) Cash and Cash Equivalent**

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **o) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **p) Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

### **q) Employee Benefits**

#### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### (ii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund, superannuation fund etc.

#### Defined Benefit Plans

##### (a) Gratuity obligations

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income(OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs

##### (b) Provident Fund

The benefit involving employee established provident funds, which require interest shortfall to recompensated are to be considered as defined benefit plans.

#### Defined Contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The Company makes annual contributions based on a specified percentage of each eligible employee's salary.

### (iii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss.



## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### **r) Leases**

Company as a lessee

The Company's lease asset consist of lease hold land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

### **s) Inventories**

Inventories are valued at the lower of cost (on FIFO basis) and net realisable value after providing for obsolescence and other losses, if considered necessary. Cost include all charges in bringing to the point of sale including quality inspection charges, octroi and other levies, transportation charges ,transit insurance and customs clearance expenses. Cost comprises Company incurred own as well as third party cost of labour and services.

Work-in-progress, semi finished goods and finished goods are valued at lower of cost and net realisable value. Cost include direct materials and labour and proportionate manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.

### **t) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company and its subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transition that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Tax Credit (MAT) entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement..This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain the normal income tax will be paid during the specified period

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

### **u) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 2: Property, Plant and Equipment and Depreciation**

Rs in Thousands

Particulars	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total	Capital work in progress
<b>Year ended March 31, 2024</b>						
<b>Gross Carrying Amount</b>						
Opening gross carrying amount	477.25	813.84	4,025.58	2,194.57	7,511.24	3,435.00
Additions	-	-	96.49	130.80	227.29	-
Disposals	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>477.25</b>	<b>813.84</b>	<b>4,122.07</b>	<b>2,325.37</b>	<b>7,738.52</b>	<b>3,435.00</b>
<b>Accumulated Depreciation</b>						
Opening accumulated depreciation	111.53	0.53	3,407.86	1,394.85	4,914.76	-
Depreciation charge during the year	43.44	97.17	124.47	249.43	514.52	-
Disposals	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>154.97</b>	<b>97.70</b>	<b>3,532.33</b>	<b>1,644.28</b>	<b>5,429.28</b>	<b>-</b>
Net carrying amount as on March 31, 2024	322.28	716.14	589.74	681.09	2,309.24	3,435.00
<b>Year ended March 31, 2025</b>						
<b>Gross Carrying Amount</b>						
Opening gross carrying amount	477.25	813.84	4,122.07	2,325.37	7,738.52	3,435.00
Additions	-	-	-	243.08	243.08	-
Disposals	(378.30)	-	(396.20)	-	(774.50)	-
<b>Closing Gross Carrying Amount</b>	<b>98.95</b>	<b>813.84</b>	<b>3,725.868</b>	<b>2,568.445</b>	<b>7,207.10</b>	<b>3,435.00</b>
<b>Accumulated Depreciation</b>						
Opening accumulated depreciation	154.97	97.70	3,532.33	1,644.28	5,429.28	-
Depreciation charge during the year	37.40	96.64	117.40	330.613	582.05	-
Disposals	(107.87)	-	(267.49)	-	(375.37)	-
<b>Closing Accumulated Depreciation</b>	<b>84.49</b>	<b>194.35</b>	<b>3,382.24</b>	<b>1,974.89</b>	<b>5,635.97</b>	<b>-</b>
<b>Net Carrying Amount as on March 31, 2025</b>	<b>14.46</b>	<b>619.49</b>	<b>343.63</b>	<b>593.55</b>	<b>1,571.13</b>	<b>3,435.00</b>

**(ii) Capital Work-in-Progress**

Capital work-in-progress comprises of professional consultancy costs for project.

**(iii) CWIP aging schedule**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	3,435.00	-	-	3,435.00

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 3: Right-of- Use Asset and Amortisation**

Rs in Thousands

Particulars	Leased hold Industrial Land	Total
Year ended March 31, 2024		
Gross carrying amount		
Opening Gross Carrying amount	-	-
Additions	542.91	542.91
Deductions /Adjustments	-	-
Closing Gross Carrying Amount	542.91	542.91
Accumulated amortisation		
Opening Accumulated Amortisation	-	-
Amortisation charge for the year	6.64	6.64
Deductions /Adjustments	-	-
Closing Accumulated Amortisation	6.64	6.64
Net carrying amount as on March 31, 2024	536.27	536.27
<b>Year ended March 31, 2025</b>		
<b>Gross carrying amount</b>		
Opening Gross Carrying amount	<b>542.91</b>	<b>542.91</b>
Additions	-	-
Deductions /Adjustments	-	-
<b>Closing Gross Carrying Amount</b>	<b>542.91</b>	<b>542.91</b>
<b>Accumulated Amortisation</b>		
Opening Accumulated Amortisation	<b>6.64</b>	<b>6.64</b>
Amortisation charge for the year	<b>18.10</b>	<b>18.10</b>
Deductions /Adjustments	-	-
<b>Closing Accumulated Amortisation</b>	<b>24.74</b>	<b>24.74</b>
<b>Closing Net Carrying Amount as on March 31, 2025</b>	<b>518.17</b>	<b>518.17</b>

**Note:**

The company had received a right to use for leasehold industrial land admeasuring 0.028 hectare from its fellow subsidiary company Jai Ammunition Limited .The Lease period for lease hold land is 30 years with option for renewal. The Company considers lease hold land as finance lease.

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Notes annexed to and forming part of the Financial Statements****Note 3: Intangible Assets and Amortisation**

Rs in Thousands

<b>Particulars</b>	<b>Computer Softwares</b>	<b>Total</b>
<b>Year ended March 31, 2024</b>		
<b>Gross carrying amount</b>		
Opening Gross Carrying amount	18.00	18.00
Additions	-	-
<b>Closing Gross Carrying Amount</b>	<b>18.00</b>	<b>18.00</b>
<b>Accumulated amortisation</b>		
Opening Accumulated Amortisation	18.00	18.00
Amortisation charge for the year	-	-
<b>Closing Accumulated Amortisation</b>	<b>18.00</b>	<b>18.00</b>
Net carrying amount as on March 31, 2024	-	-
<b>Year ended March 31, 2025</b>		
<b>Gross carrying amount</b>		
Opening Gross Carrying amount	18.00	18.00
Additions	59.59	59.59
<b>Closing Gross Carrying Amount</b>	<b>77.59</b>	<b>77.59</b>
<b>Accumulated Amortisation</b>		
Opening Accumulated Amortisation	18.00	18.00
Amortisation charge for the year	5.714	5.71
<b>Closing Accumulated Amortisation</b>	<b>23.71</b>	<b>23.71</b>
<b>Closing Net Carrying Amount as on March 31, 2025</b>	<b>53.88</b>	<b>53.88</b>



**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 4: Financial Assets : Non-Current Investments**

Particulars	Face Value in Rs.	As at March 31, 2025		As at March 31, 2024	
		Number of shares	Amount Rs Thousands	Number of shares	Amount Rs Thousands
<b>Investment in Equity instruments</b>					
<b>Subsidiary Companies</b> (Non-Trade, At Cost, Fully Paid up, Unquoted)					
Reliance Defence Systems Private Limited	10	10,000	100.00	10,000	100.00
Reliance Defence Technologies Private Limited	10	-	-	10,000	100.00
Reliance Defence and Aerospace Private Limited	10	-	-	10,000	100.00
Reliance Unmanned Systems Limited	10	50,000	500.00	50,000	500.00
Reliance Aerostructure Limited	10	50,000	500.00	50,000	500.00
Reliance Propulsion Systems Limited	10	50,000	500.00	50,000	500.00
Reliance Defence Systems & Tech Limited	10	50,000	500.00	50,000	500.00
Reliance Defence Infrastructure Limited	10	50,000	500.00	50,000	500.00
Reliance Land Systems Limited	10	50,000	500.00	50,000	500.00
Reliance Helicopters Limited	10	50,000	500.00	50,000	500.00
Reliance Naval Systems Limited	10	50,000	500.00	50,000	500.00
Reliance Aero Systems Private Limited	10	-	-	10,000	100.00
<b>Associate Companies</b> (Non-Trade, At Cost, Fully Paid up, Unquoted)					
Gulfoss Enterprises Private Limited	10	5,000	50.00	5,000	50.00
Reliance SED Limited	10	18,500	185.00	18,500	185.00
<b>Fellow Subsidiary Companies</b> (Non-Trade, At Cost, Fully Paid up, Unquoted)					
Jai Ammunition Limited	10	1	0.01	1	0.01
Jai Armaments Limited	10	1	0.01	1	0.01
<b>Total</b>			<b>4,335.02</b>		<b>4,635.02</b>
<b>Total Non-current Investments</b>		<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Aggregate amount of quoted investments and market value thereof		-	-	-	-
Aggregate amount of unquoted investments		<b>4,335.02</b>	-	4,635.02	-
<b>Note 5: Current Investments</b>					
Particulars	Face Value in Rs.	As at March 31, 2025		As at March 31, 2024	
		Number of units	Amount Rs Thousands	Number of units	Amount Rs Thousands
<u>At Fair value through Profit &amp; Loss</u>					
<b>Investment in Mutual Funds</b>					
<b>Quoted</b>					
HSBC Money Market Fund- Growth	10	34,55,515	93,830.37	-	-
<b>Total</b>		<b>34,55,515</b>	<b>93,830.37</b>	-	-
<b>Total Current Investments</b>		<b>Book Value</b>	<b>Market value</b>	<b>Book Value</b>	<b>Market value</b>
Aggregate amount of quoted investments and market value thereof		93,830.37	93,830.37	-	-
Aggregate amount of unquoted investments		-	-	-	-

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 6: Trade Receivables**

Rs in Thousands

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-Current	Current	Non-Current
<b>Unsecured, considered good</b>				
Trade Receivables	68,096.96	-	7,496.58	-
<b>Total</b>	<b>68,096.96</b>	<b>-</b>	<b>7,496.58</b>	<b>-</b>

**Trade Receivables Ageing schedule**

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 6 mont	6 month - 1 year	1-2 years	2-3 years	
<b>As at March 31,2025</b>					
(i) Undisputed Trade Receivables- considered good	68,096.96	-	-	-	68,096.96
(ii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-
(iii) Disputed Trade Receivables- considered good	-	-	-	-	-
(iv) Disputed Trade Receivables- credit impaired	-	-	-	-	-
<b>As at March 31, 2024</b>					
(i) Undisputed Trade Receivable- considered good	7,496.58	-	-	-	7,496.58
(ii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-
(iii) Disputed Trade Receivables- considered good	-	-	-	-	-
(iv) Disputed Trade Receivables- credit impaired	-	-	-	-	-

**Note 7: Cash and Cash Equivalents**

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in - Current Account	10,44,873.57	2,769.84
<b>Total</b>	<b>10,44,873.57</b>	<b>2,769.84</b>

**Note: 8: Bank Balances**

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed Deposits with original maturity of less than 12 months	-	20,100.00
<b>Total</b>	<b>-</b>	<b>20,100.00</b>

**Note 9 : Current Loans**

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Inter Corporate Deposits to Related Party * (Refer Note. 38)	5,600.00	-
<b>Total</b>	<b>5,600.00</b>	<b>-</b>

**\*Terms and Conditions**

Inter Corporate Deposit given to related party with coupon rate of 10.5% p.a. for tenure of 1 year from the date of issue or as mutually agreed.

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 10: Other Financial Assets**

Rs in Thousands

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-Current	Current	Non-Current
Fixed Deposits with original maturity more than 12 months	-	374.83	-	-
Security Deposits	-	8,523.25	7,000.00	1,191.00
- Unsecured, Considered good				
Advance to Employees	301.17	-	26.35	-
- Unsecured, Considered good				
Interest accrued on bank fixed deposits	154.13	-	955.01	-
Interest accrued on deposit given to related party	44.95	-	-	-
- Unsecured, Considered good ( Refer Note.38)				
Other Receivables from Related Parties	1,485.58	-	1,442.60	-
- Unsecured, Considered good ( Refer Note.38)				
<b>Total</b>	<b>1,985.82</b>	<b>8,898.08</b>	<b>9,423.96</b>	<b>1,191.00</b>

**Note 10A : Current Tax Assets (Net)**

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
TDS Receivable	903.48	577.18
Less: Provision for Income tax	-	-
<b>Total</b>	<b>903.48</b>	<b>577.18</b>

**Note 11: Other Assets**

Rs in Thousands

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-Current	Current	Non-Current
Advance to Vendors - Cosidered good	94,561.35	-	22,536.35	-
Prepaid Expenses	64.04	-	59.62	-
Other Recoverable from Related Parties	425.90	-	425.90	-
- Considered good ( Refer Note. 38)				
Tax Credit Receivable	-	81,985.56	-	21,661.13
<b>Total</b>	<b>95,051.29</b>	<b>81,985.56</b>	<b>23,021.87</b>	<b>21,661.13</b>

**Note 12: Inventories**

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
Semi finished goods with third party	36,309.00	-
Finished goods ( in transit )	72,000.00	-
<b>Total</b>	<b>1,08,309.00</b>	<b>-</b>

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 13 : Equity Share Capital**

Rs in Thousands

Authorised	As at	
	March 31, 2025	March 31, 2024
50,000 (50,000) Equity Shares of Rs.10 each	500.00	500.00
<b>Total</b>	<b>500.00</b>	<b>500.00</b>

Rs in Thousands

Issued, Subscribed and Paid Up	As at	
	March 31, 2025	March 31, 2024
50,000 (50,000) Equity Shares of Rs.10 each	500.00	500.00
<b>Total</b>	<b>500.00</b>	<b>500.00</b>

**(i) Movements in Share capital**

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Rs in Thousands	No. of shares	Rs in Thousands
<b>Equity Shares -</b>				
At the beginning of the year	50,000	500.00	50,000	500.00
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>50,000</b>	<b>500.00</b>	<b>50,000</b>	<b>500.00</b>

**(ii) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The Company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subjected to the approval of Shareholders in the ensuing Annual General Meeting.

**(iii) Shares of the company held by Holding company**

Particulars	As at March 31, 2025	As at March 31, 2024
Reliance Infrastructure Limited, the Holding Company 50,000 equity shares of Rs.10 each fully paid up	500.00	500.00

**(iv) Details of shareholders holding more than 5% shares in the company**

Name of the Shareholders	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% held	No. of Shares	% held
Equity Shares of Rs.10 each fully paid up Reliance Infrastructure Limited and its nominees	50,000	100%	50,000	100%

**(v) Details of Promoters Shareholding**

Promoter Name	As at March 31, 2025			As at March 31, 2024	
	No. of Shares	% held	% Change	No. of Shares	% held
Equity Shares of Rs.10 each fully paid up Reliance Infrastructure Limited	50,000	100%	-	50,000	100%

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 14: Other Equity**

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
Equity Component of Financial Instruments	7,08,936.50	7,08,936.50
Retained Earnings	(11,09,355.02)	(7,72,461.769)
<b>Total Other Equity</b>	<b>(4,00,418.52)</b>	<b>(63,525.27)</b>

**(i) Equity Component of Financial Instruments (Sub-ordinate Debt)**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as per last Balance Sheet	7,08,936.50	7,08,936.50
Add: Addition/ (Deduction) during the year	-	-
<b>Closing balance</b>	<b>7,08,936.50</b>	<b>7,08,936.50</b>

**Terms and Conditions of Subordinate Debt**

Sub-ordinate Debts (SD) @ 0% p.a were issued to Reliance Infrastructure Limited, the Holding Company with an option to convert at any time during the tenor of the Subordinate debt, whether in part or full into equivalent number of equity shares at par (10 SD into 1 Equity shares) or to be repaid within 10 years from the date of allotment or mutually agreed. Subsequently coupon rate has been reset from 0% p.a to 10.5% p.a for the period starting after 18 months from date of allotment as mutually agreed.

**(ii) Retained Earnings**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as per last Balance Sheet	(7,72,461.77)	(7,35,351.33)
Add: Profit / (Loss) for the year	(3,36,893.25)	(37,110.44)
<b>Closing balance</b>	<b>(11,09,355.02)</b>	<b>(7,72,461.769)</b>



**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 15: Current Borrowings**

Rs in Thousands

Particulars	Maturity Date	Terms of Repayment	Effective Interest Rate	As at March 31, 2025	As at March 31, 2024
<b>Unsecured</b>					
Inter Corporate Deposits					
- from Related Parties ( Refer Note No. 38)	On Demand	To be repaid by mutual consent	10.5% p.a	<b>1,87,940.60</b>	1,16,980.60
<b>Total</b>				<b>1,87,940.60</b>	<b>1,16,980.60</b>

**Note 16: Lease Liabilities**

Rs in Thousands

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non Current	Current	Non-Current
Lease Liability Obligations	<b>3.44</b>	<b>535.27</b>	3.11	538.70
<b>Total</b>	<b>3.44</b>	<b>535.27</b>	3.11	538.70

**Maturity analysis of Lease Obligations (undiscounted cash flows)**

Rs in Thousands

Particulars	FY 2029-54	FY 2028-29	FY 2027-28	FY 2026-27	FY 2025-26	FY 2024-25
Lease Obligations @10.5% p.a	522.64	4.64	4.20	3.80	3.44	3.11

**Note 17 : Trade Payables**

Rs in Thousands

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues to Micro and Small Enterprises (Refer Note. 42 )	<b>2.73</b>	3,498.49
Total outstanding dues to others	<b>17,603.65</b>	8,321.09
<b>Total</b>	<b>17,606.38</b>	11,819.58

**Trade Payables ageing schedule**

Rs in Thousands

Particulars	Not Due	Outstanding for following periods from due				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2025</b>						
(i) MSME	-	<b>2.73</b>	-	-	-	<b>2.73</b>
(ii) Others	-	<b>10,410.36</b>	-	-	<b>6,015.75</b>	<b>16,426.11</b>
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
(v) Unbilled Dues	<b>1,177.55</b>	-	-	-	-	<b>1,177.55</b>
<b>As at March 31, 2024</b>						
(i) MSME	-	3,498.49	-	-	-	3,498.49
(ii) Others	-	2,031.47	24.48	-	6,028.37	8,084.33
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
(v) Unbilled Dues	236.76	-	-	-	-	236.76

**Disclosure requirement under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount payable to suppliers as at year end	<b>2.73</b>	3,498.49
(ii) Interest accrued, due to suppliers on the above amount and unpaid as at the year end	-	-
(iii) Payments made to suppliers (other than interest) beyond the appointed date under section 16 of MSMED Act	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers	-	-
(v) Interest paid by the Company under Section 16 of MSMED Act, along with the amount of payment made to supplier beyond the appointed day during the accounting year	-	-
(vi) Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act.	-	-
(vii) Interest accrued and remaining unpaid at the end of each accounting year to suppliers	-	-
(viii) Further interest remaining due and payable for earlier years even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 18: Other Financial Liabilities**

Rs in Thousands

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non Current	Current	Non-Current
Retention Payable	-	143.75	-	143.75
Interest accrued and due on sub-ordinate debts payable to related party (Refer Note. 38)	4,08,172.89	-	-	-
Interest accrued and due on inter corporate deposit payable to related party (Refer Note. 38)	14,218.40	-	-	-
<b>Total</b>	<b>4,22,391.29</b>	<b>143.75</b>	<b>-</b>	<b>143.75</b>

**Note 19: Other Liabilities**

Rs in Thousands

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non Current	Current	Non-Current
Advance from Customers	12,69,775.47	-	23,337.67	-
Other Payables	-	-	113.84	-
Employee Payables	472.88	-	132.83	-
Statutory Dues Payables	6,801.30	-	565.16	-
<b>Total</b>	<b>12,77,049.65</b>	<b>-</b>	<b>24,149.50</b>	<b>-</b>

**Note 20: Provisions**

Rs in Thousands

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Leave Encashment	233.58	220.76	20.28	265.37
Gratuity ( Refer Note. 30)	1,395.59	2,735.54	230.80	2,711.66
Other Employee Benefits	9,110.00	-	3,319.00	-
<b>Total</b>	<b>10,739.18</b>	<b>2,956.29</b>	<b>3,570.08</b>	<b>2,977.03</b>

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 21: Revenue from Operations**

Rs in Thousands

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of Products- Domestic	-	6,353.03
Sale of Products- Exports	3,06,644.56	-
Other Operating Income	1,476.75	-
<b>Total</b>	<b>3,08,121.32</b>	<b>6,353.03</b>

**Note 22: Other Income**

Rs in Thousands

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest income from other financial assets at amortised cost		
- Fixed deposits with banks	1,988.35	3,794.15
- Intercompany Deposits	49.94	-
- Others	17.31	18.45
Net gain/(loss) on financial assets mandatorily measured at Fair Value through P&L	3,689.46	-
Net Gain / (Loss) on sale of current investments	57,201.83	17,725.87
Business Auxiliary Services	6,996.55	1,987.25
Provisions and Liabilities written back	57.50	2,858.54
Net Gain /(Loss) on foreign currency translation or transaction	3,815.21	-
Other Recoveries	-	0.50
Sale of Scrap	58.50	5.00
<b>Total</b>	<b>73,874.66</b>	<b>26,389.76</b>

**Note 23: Changes in inventories of finished goods,semi finished goods and stock-in-trade**

Rs in Thousands

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance of finished goods, semi finished goods and stock-in-trade	-	-
Closing balance of finished goods, semi finished goods and stock-in-trade	1,08,309.00	-
<b>Changes in inventories of finished goods,semi finished goods and stock-in-trade</b>	<b>(1,08,309.00)</b>	<b>-</b>

**Note 24: Finance Costs**

Rs in Thousands

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest charges on Subordinate Debts	74,438.33	-
Interest and financing charges on financial liabilities		
- Inter Corporate Deposits	15,798.23	-
- Lease Obligation	56.89	20.93
<b>Total</b>	<b>90,293.45</b>	<b>20.93</b>

**Note 25: Employee Benefits Expense**

Rs in Thousands

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, Wages, Bonus, etc.	51,504.78	24,625.15
Contribution to Provident and Other Funds	1,842.12	1,009.72
Gratuity Expense ( Refer Note. 30)	684.81	597.06
Leave Encashment	168.69	18.25
Workmen and Staff Welfare	171.32	106.15
<b>Total</b>	<b>54,371.72</b>	<b>26,356.34</b>

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 26: Other Expenses**

Rs in Thousands

<b>Particulars</b>	<b>Year ended March 31, 2025</b>	<b>Year ended March 31, 2024</b>
Communication Expenses	<b>648.93</b>	821.97
Hire Charges	<b>255.77</b>	268.00
Rent	<b>1,766.37</b>	2,268.33
<u>Repairs and Maintenance</u>		
- Buildings	<b>172.15</b>	208.06
- Other Assets	<b>387.53</b>	204.44
<u>Auditors Remuneration</u>		
- Audit Fees	<b>23.60</b>	21.80
Travelling and Conveyance Expenses	<b>5,349.92</b>	4,662.65
Membership and Subscription Fees	<b>90.92</b>	103.20
Seminar and Training Fees	<b>24.62</b>	5.00
Insurance	<b>797.15</b>	889.19
Rates and Taxes	<b>6.03</b>	16.60
Registration Fees and Stamp Duty	<b>137.89</b>	356.17
Filing Fees & Stamp Duty	<b>200.07</b>	41.82
Electricity	<b>233.34</b>	240.57
Legal and Professional charges	<b>9,886.19</b>	5,023.05
Postage and Courier	<b>39.71</b>	30.63
House Keeping Expenses	<b>369.97</b>	348.12
Printing and Stationery	<b>145.17</b>	136.13
Miscellaneous expense	<b>112.39</b>	48.99
Freight and Forwarding Charges	<b>43.82</b>	-
Recruitment Expenses	<b>1,970.34</b>	-
Books and Periodicals	<b>16.47</b>	13.39
Entertainment and Hospitality	<b>433.97</b>	388.99
Fuel & Maintenance	<b>409.42</b>	409.82
Licence and Application Fees	<b>0.21</b>	87.99
Marketing Fees	<b>9,267.53</b>	-
Net Loss/(gain) on disposal of property, plant and equipment	<b>269.67</b>	-
Sundry Balances Written Off	-	139.96
Software License Fees	<b>494.10</b>	-
Long Term Investments Written Off	<b>300.00</b>	-
Net Loss on foreign currency translation or transaction	-	20,527.37
<b>Total</b>	<b>33,853.22</b>	37,262.24

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 27 : Fair Value Measurements****(a) Financial Instruments by category****(i) Significance of Financial Instruments**

Particulars	Rs in Thousands	
	As at March 31, 2025	As at March 31, 2024
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Loans	5,600.00	-
Trade Receivables	68,096.96	7,496.58
Security Deposits	8,523.25	8,191.00
Fixed deposits with original maturity more than 12 months	374.83	-
Fixed deposits with original maturity less than 12 months	-	20,100.00
Interest accrued on fixed deposits	154.13	955.01
Interest accrued on inter corporate deposits	44.95	-
Cash and Cash Equivalents	10,44,873.57	2,769.84
Advances to Employees	301.17	26.35
Other Receivables from related party	1,485.58	1,442.60
<b>At Fair Value through Profit &amp; Loss</b>		
Current Investments in mutual funds	93,830	-
<b>Total Financial Assets</b>	<b>12,23,284.80</b>	<b>40,981.38</b>
<b>Financial Liabilities</b>		
<b>At Amortised Cost</b>		
Borrowings	1,87,940.60	1,16,980.60
Trade Payables	17,606.38	11,819.58
Retention Money Payable	143.75	143.75
Lease Liability Obligations	538.70	541.81
Interest accrued and due on sub-ordinate debts	4,08,172.89	-
Interest accrued and due on borrowings	14,218.40	-
<b>At Fair Value through Profit &amp; Loss</b>	-	-
<b>Total Financial Liabilities</b>	<b>6,28,620.73</b>	<b>1,29,485.74</b>

The carrying amounts of trade receivables, cash and cash equivalents, bank fixed deposits, loans given, security deposits paid, advances given, accrued interest receivable, other receivables and borrowings received, trade payables, accrued interest payables, retention money payables, other payables are considered to have their fair values approximately equal to their carrying values.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 27 : Fair Value Measurements****(b) Fair Value Hierarchy****(i) Fair value hierarchy - Recurring Fair Value Measurements**

Particulars	Rs in Thousands	
	As at March 31, 2025	As at March 31, 2024
<b>Financial Assets</b>		
At Fair value through Profit & Loss		
Level 1		
Current Investments in mutual funds	93,830	-
<b>Total Financial Assets</b>	<b>93,830</b>	<b>-</b>

**(ii) Fair Value hierarchy - Assets and Liabilities which are measured at amortised cost for which fair values are disclosed**

Particulars	Rs in Thousands	
	As at March 31, 2025	As at March 31, 2024
<b>Financial Assets</b>		
Level 3		
Loans	5,600.00	-
Security Deposits	8,523.25	8,191.00
Trade Receivables	68,096.96	7,496.58
Fixed deposits with maturity of more than 12 months	374.83	-
Fixed deposits with maturity of less than 12 months	-	20,100.00
Interest accrued on fixed deposits	154.13	955.01
Interest accrued on inter corporate deposits	44.95	-
Cash and Cash Equivalent	10,44,873.57	2,769.84
Advances to Employees	301.17	26.35
Other Receivable from related party	1,485.58	1,442.60
<b>Total Financial Assets</b>	<b>11,29,454.43</b>	<b>40,981.38</b>
<b>Financial Liabilities</b>		
Level 3		
Borrowings	1,87,940.60	1,16,980.60
Retention money payable	143.75	143.75
Trade Payables	17,606.38	11,819.58
Lease Liability Obligations	538.70	541.81
Interest accrued and due on sub-ordinate debts	4,08,172.89	-
Interest accrued and due on borrowings	14,218.40	-
<b>Total Financial Liabilities</b>	<b>6,28,620.73</b>	<b>1,29,485.74</b>

**Recognised fair value measurements**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 28: Financial Risk Management**

The Company's risk management is carried out by a treasury department (company treasury) under policies approved by board of directors. Treasury team identifies, evaluates and hedges financial risk in close co-operation with the company's operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

**(i) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk encompasses both direct risk of default and risk of deterioration of credit worthiness as well as concentration of risks. Credit risks principally arises from trade receivables. The company derived entire sales from one of its reputed foreign customer and expects to continue to derive most of its sales from that customer.

**(ii) Cash and Cash Equivalents & Other Financial Asset**

The Company held cash and cash equivalents & other financial assets with credit worthy banks aggregating Rs.10,44,873.57 Thousands and Rs.2,769.84 Thousands as at March 31, 2025 and March 31, 2024 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

**(iii) Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices, liquidity and credit risks – will affect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to any equity price risk.

**(a) Foreign Currency Risk**

The Company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions primarily with respect to EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through the forecast of highly probable foreign currency cash flows. The objective of Company is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

**(i) Exposure to Foreign Currency Risk**

	Rs. in Thousands	
<b>Financial Assets</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Trade Receivables (in EUR)	<b>68,096.96</b>	-
Customer Advance Received in EUR	<b>(12,09,654.34)</b>	-
Customer Advance Received in USD	<b>(59,384.03)</b>	-
	<b><u>(12,00,941.41)</u></b>	-

As at March 31, 2025 the company's entire foreign currency exposures are unhedged.

**(ii) Sensitivity analysis**

Profit or loss is sensitive to changes in foreign exchange rates arising from foreign currency denominated financial instruments

	Rs. in Thousands	
<b>Impact on profit /loss after tax</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
INR /EUR- Increase by 6% *	<b>48,548.15</b>	-
INR /EUR- Decrease by 6% *	<b>(48,548.15)</b>	-
INR /USD- Increase by 6% *	<b>2,525.48</b>	-
INR /USD- Decrease by 6% *	<b>(2,525.48)</b>	-

\* holding all other variables constant

**(b) 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. As of now, the Company is not exposed to any interest risk.

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 28: Financial Risk Management****(c) Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The Company has sufficient cash flows to meet its financial obligations as and when they fall due.

**Liquidity Risk - Table**

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining year at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Rs. in Thousands					
As at March 31, 2025	On Demand	Less than 1 year	Between 1 year and 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Borrowings	1,87,940.60	-	-	-	1,87,940.60
Lease Liabilities	-	3.44	12.63	522.64	538.70
Trade and Other payables	-	17,606.38	-	-	17,606.38
Other Financial Liabilities	-	4,22,391.29	143.75	-	4,22,535.04
<b>Total Non-derivatives</b>	<b>1,87,940.60</b>	<b>4,40,001.11</b>	<b>156.38</b>	<b>522.64</b>	<b>6,28,620.73</b>

  

As at March 31, 2024	On Demand	Less than 1 year	Between 1 year and 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Borrowings	1,16,980.60	-	-	-	1,16,980.60
Lease Liabilities	-	3.11	16.07	522.64	541.81
Trade and Other payables	-	11,819.58	-	-	11,819.58
Other Financial Liabilities	-	-	143.75	-	143.75
<b>Total Non-derivatives</b>	<b>1,16,980.60</b>	<b>11,822.69</b>	<b>159.82</b>	<b>522.64</b>	<b>1,29,485.74</b>

**Note 29: Capital Risk Management**

The Company considers the following components of its Balance Sheet to be manage capital:

Total equity – share capital and retained earnings.

The Company's policy is to maintain a stable and strong capital base with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of the business. It sets the amount of capital required on the basis of annual business and long term operating plans which includes capital and other strategic investments.

The funding requirements are made through a mixture of equity and borrowings. The Company's policy is to use long term borrowings to meet anticipated funding requirements.

The Company's adjusted Net Debt and Equity are as follows

Rs. in Thousands		
Particulars	As at March 31, 2025	As at March 31, 2024
Total Borrowings	1,87,940.60	1,16,980.60
Less: Cash and Cash Equivalents	10,44,873.57	2,769.84
<b>Adjusted Net Debt</b>	<b>(8,56,932.97)</b>	<b>1,14,210.76</b>
<b>Adjusted Equity</b>	<b>(3,99,918.52)</b>	<b>(63,025.27)</b>

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 30: Disclosure under Ind AS 19 "Employee Benefits"****a) Defined Contribution Plan**

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	Rs in Thousands	
	As at March 31, 2025	As at March 31, 2024
Contribution to Provident Fund	1,655.20	791.11
Contribution to Employee Pension Scheme	111.25	99.17
<b>Total</b>	<b>1,766.45</b>	<b>890.28</b>

**b) Defined Benefit Plan****i) Gratuity**

The guidance on implementing Ind AS 19, Employee Benefits issued by Accounting Standard Board states benefit involving employee established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans

The following tables summaries the amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Rs in Thousands	
	Gratuity	
	As at March 31, 2025	As at March 31, 2024
<b>Opening defined benefit liability / (assets)</b>	<b>2,942.46</b>	2,340.41
<b>Net employee benefit expense recognised in the employee cost</b>		
Current service cost	481.26	429.06
Past service cost	-	-
Interest cost on benefit obligation	203.55	168.00
(Gain) / losses on settlement	-	-
<b>Net benefit expense</b>	<b>684.81</b>	597.06
<b>Amount recorded in Other Comprehensive Income (OCI)</b>		
Measurement during the year due to :		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial loss / (gain) arising from change in financial assumptions	127.36	338.55
Actuarial loss / (gain) arising on account of experience changes	376.50	(132.71)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-
<b>Amount recognized in OCI</b>	<b>503.86</b>	205.84
<b>Benefit Paid</b>	-	(200.85)
<b>Closing net defined benefit liability / (asset)</b>	<b>4,131.13</b>	2,942.46

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
<b>Opening fair value of plan assets</b>		
<b>Net employee benefit expense recognised in the employee cost</b>		
Interest cost on benefit obligation	-	-
(Gain) / losses on settlement	-	-
<b>Net benefit expense</b>	-	-
<b>Amount recorded in Other Comprehensive Income (OCI)</b>		
Measurement during the year due to :		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
Experience (gains)/losses	-	-
<b>Amount recognized in OCI</b>	-	-
Employer contributions/premiums paid	-	-
Benefits Paid	-	-
<b>Closing fair value of plan assets</b>	-	-

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 30: Disclosure under Ind AS 19 "Employee Benefits"**

The net liability disclosed above relates to unfunded plan is as follows:

Rs in Thousands

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	4,131.13	2,942.46
Amount not recognised as an asset (asset ceiling)	-	-
	4,131.13	2,942.46
<b>Net liability is bifurcated as follows :</b>		
Current	1,395.59	230.80
Non-current	2,735.54	2,711.66
<b>Total</b>	<b>4,131.13</b>	<b>2,942.46</b>

A quantitative analysis for significant assumption is as shown below:

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Discount rate	6.60%	7.20%
Expected rate of return on plan assets (p.a.)	-	-
Salary escalation rate (p.a.)	10.00%	10.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
<b>Assumptions -Discount rate</b>		
Sensitivity Level	50 bp	50 bp
Impact on defined benefit obligation -in % increase	-2.58%	-2.75%
Impact on defined benefit obligation -in % decrease	2.72%	2.90%
<b>Assumptions -Future salary increases</b>		
Sensitivity Level	50 bp	50 bp
Impact on defined benefit obligation -in % increase	2.62%	2.81%
Impact on defined benefit obligation -in % decrease	-2.52%	-2.69%

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Rs in Thousands

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
<b>Within the next 12 months (next annual reporting year)</b>	<b>1,395.59</b>	<b>230.80</b>
Between 2 and 5 years	1,255.16	1,851.24
Between 6 and 9 years	1,925.15	1,441.22
For and Beyond 10 years	1,714.12	1,313.94
<b>Total expected payments</b>	<b>6,290.02</b>	<b>4,837.19</b>
The weighted average duration of the defined benefit plan obligation at the end of the reporting year	5.30 years	5.64 years

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 31: Income Tax and Deferred Tax (Net) :****31(a) Income Tax Expense**

Rs in Thousands

Particulars	March 31, 2025	March 31, 2024
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	-	-
<b>Total current tax expense (A)</b>	-	-
<i>Deferred tax</i>		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	-	-
<b>Total deferred tax expense / (benefit) (B)</b>	-	-
<b>Income tax expense (A + B)</b>	-	-

**31(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Particulars	March 31, 2025	March 31, 2024
Loss before income tax expense	<b>(3,36,389.39)</b>	(36,904.60)
<b>Tax at the Indian tax rate of 29.12% (March 31, 2024 : 26%)</b>	<b>(97,956.59)</b>	(9,595.20)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses debited to Statement of Profit and Loss not allowable as deduction	<b>3,665.83</b>	9,595.20
Expenses not debited to statement of Profit & Loss and allowable for Income Tax	<b>(2,199.42)</b>	-
Tax losses for which no deferred income tax was recognised	<b>96,490.17</b>	-
<b>Income tax expense charged to Statement of Profit and Loss</b>	-	-

Note: The Company has not recognised deferred tax assets on the unabsorbed losses/depreciation in absence of reasonable certainty around the taxable future profits against which the same can be realised.

**31(c) Amounts recognised in respect of current tax /deferred tax directly in equity**

Particulars	March 31, 2025	March 31, 2024
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 32: Financial Performance Ratios :**

Sr.	Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	Variance %	Reason for >25%
A	Current ratio (in times)	Current Assets	Current Liabilities	<b>0.74</b>	0.40	82.85%	Big amount of advance received from foreign customers
B	Debt-Equity ratio (in times)	Total Debt	Shareholders' Equity	<b>-0.47</b>	-1.86	-74.68%	Further Increase in current borrowings during the year
C	Debt service coverage ratio (in times)	Earnings Available for Debt Service *	Debt service	<b>-1.63</b>	-0.46	251.92%	Conversion of interest free sub-ordinate debt and inter-corporate deposits into interest bearing borrowings by lenders.
D	Return on equity ratio (in %)	Net Profit After Taxes	Average Shareholders' Equity	<b>-36.33%</b>	-20.75%	75.12%	Significant reduction in equity due to exceptional item of interest charges on sub-ordinate debt
E	Inventory turnover ratio (In times)	Cost of Goods Sold	Average Inventory	<b>1.44</b>	-	100%	Inventory of materials lying at end of current year only.
F	Trade receivables turnover ratio (in times)	Net Credit Sales	Average trade receivables	<b>1.81</b>	1.00	81.43%	Credit sales increased significantly during the year
G	Trade payables turnover ratio (in times)	Net Credit Purchases	Average trade payables	<b>17.68</b>	(1.28)	-1476.27%	Increase in credit purchase and trade payables due to increase in sales and operation volume and value
H	Net capital turnover ratio (in times)	Net Sales	Average working capital	<b>(0.26)</b>	(0.02)	1118.14%	Significant increase in sales volume and big change in working capital during the year
I	Net profit ratio (in %)	Net Profit	Net Sales	<b>-109.17%</b>	-580.90%	-81.21%	Significant increase in loss after tax and sales during the year
J	Return on capital employed (in %)	Earnings before Interest and taxes	Capital employed **	<b>-42.31%</b>	-68.36%	-38.11%	Significant increase in earnings (before interest and tax) due to huge increase in sales
K (i)	Return on Current Investment (in %)	Income generated from investments in money market	Average Investments in money market	<b>49.42%</b>	-	100%	First time investment in mutual funds during current year
K (ii)	Return on Non- Current Investment (in %)	Income generated from investments in equity	Average Investments in equity	-	-	-	-

\* Net Profit after taxes+ Non-cash operating expenses+ Interest+ Other adjustments like loss on sale of Fixed assets, profit on sale of investments, write off of investments etc.

\*\* Tangible Net worth+ Total Debt+ Deferred Tax Liability

**Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**Note 33: Disclosure pursuant to Ind AS 115 " Revenue from Contracts with Customers "**

- a) Out of the total revenue recognised under Ind AS 115 during the year, Rs. Nil (previous year: Rs. Nil ) is recognised over a period of time and Rs. 3,06,644.56 thousands (previous year: Rs. 6,353.03 thousands ) is recognised at a point in time.

**b) Contract balances:**

i. Movement in contract balances during the year.

Rs in Thousands

Particulars	FY 2024-25			FY 2023-24		
	Contract Assets	Contract Liabilities	Net Contract balance	Contract Assets	Contract Liabilities	Net Contract balance
Opening balance	7,497	23,338	(15,841)	-	23,338	(23,338)
Closing balance	93,830	12,69,775	(11,75,945)	7,497	23,338	(15,841)
<b>Increase/(decrease)</b>	<b>(86,334)</b>	<b>(12,46,438)</b>	<b>11,60,104</b>	<b>(7,497)</b>	<b>-</b>	<b>(7,497)</b>

- ii Revenue recognized from opening balance of contract liabilities amounts to Rs. Nil (previous year: Rs. Nil).
- iii Revenue recognized from the performance obligation satisfied (or partially satisfied) upto previous year (arising out of contract modifications) amounts to Rs.Nil (previous year : Rs.Nil).

**c) Cost to obtain the contract:**

- i Amortisation in Statement of Profit and Loss: Rs. 9,267.53 thousands (previous year: Rs. Nil)
- ii Recognised as contract assets as at March 31, 2025: Rs Nil ( previous year: Rs. Nil)

**d) Outstanding performance and Time of its expected conversion into Revenue:**

Rs in Thousands

Particulars	Time for expected conversion to Revenue			
	Total	Upto 1 year	2-4 years	Beyond 5 years
<b>Outstanding Performance</b>				
As on March 31, 2025	4,87,20,41,686.57	4,79,08,19,501.90	8,12,22,184.67	-
As on March 31, 2024	8,12,22,184.67		8,12,22,184.67	-

**e) Disaggregation of revenue**

Company's entire business falls under one operational segment of manufacturing and supply of defence related materials. Further, the management believes that the nature, amount, timing and uncertainty of revenue and cash flows from all its contracts are similar. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

- f) The revenue from a customer (having more than 10% of total revenue) during the year is Rs.3,06,644.56 thousands (March 31, 2024: Rs. 6,353.03 thousands) arising from revenue from supply of defence related materials.

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### 34. Segment Reporting

The Company has no separate reportable segments as required under Indian Accounting Standard 108 "Operating Segment" as prescribed under Section 133 of the Act.

35. The company has used an accounting Software for maintaining its books of account for the year ended March 31, 2025 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in software at the application level, except any configuration or master table changes directly from the application level, further audit trails have not been appropriately configured at the database level to log any direct changes to the database by way of Data Manipulation Language (DML) and DDL (Data Definition Language) queries executed by the users in accounting software SAP for the year ended March 31, 2025.

### 36. Commitments and Contingencies

- a. The estimated amount of contracts remaining to be executed on capital amounts and not provided for (net of advance) are Rs.Nil (March 31, 2024: Rs.Nil)
- b. The Company have other commitments for purchase of goods and services in the normal course of business. The company does not have any long term commitments /contracts for which there will be any material foreseeable losses.
- c. The Company does not have any pending litigations which would impact its financial position in the financial statement.

There are no contingent liabilities.

37. There are no events observed after the reported period which requires an adjustment or disclosure in the financial statements.

### 38. Related Party Transactions

As per Indian Accounting Standard 24 as prescribed under Section 133 of the Act, the Company's related parties and transactions are disclosed below:

#### (a) Parties where control exists:

- (i) Holding Company – Reliance Infrastructure Limited (R Infra)
- (ii) Subsidiaries and Associates as below

Subsidiary Companies	(a)	Reliance Defence Systems Private Limited (RDSPL)
	(b)	Reliance Aerostructure Limited (RAL)
	(c)	Reliance Defence Infrastructure Limited (RDIL)
	(d)	Reliance Helicopters Limited (RHL)
	(e)	Reliance Land Systems Limited (RLSL)
	(f)	Reliance Naval Systems Limited (RNSL)
	(g)	Reliance Propulsion Systems Limited (RPSL)
	(h)	Reliance Defence Systems & Tech Limited (RDSTL)
	(i)	Reliance Unmanned Systems Limited (RUSL)
Step Down Subsidiary Companies	(a)	Dassault Reliance Aerospace Limited (DRAL)
	(b)	Thales Reliance Defence Systems Limited (TRDSL)
	(c)	Reliance Global Limited, (Incorporated in Republic of Korea)
Associate Companies	(a)	Reliance SED Limited (RSEDL)
	(b)	Gulfoss Enterprises Private Limited



## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

**(b) Other related parties with whom transactions have taken place during the year:**

- (i) Person having significant influence over holding Company – Shri. Anil D Ambani and family
- (ii) Fellow Subsidiary Companies :
  - (a) Jai Ammunition Limited
  - (b) Jai Armaments Limited
  - (c) Reliance Velocity Limited
  - (d) DS Toll Road Limited
- (iii) Enterprises where person named in (i) above having joint control :
  - (a) Reliance Transport and Travels Private Limited
  - (b) Rosa Power Supply Company Limited

**(c) Details of transactions during the year and closing balances at the year end:**

(Rs .in Thousands)

Particulars	2024-25	2023-24
<b>Transactions during the year:</b>		
<b>(a) Balance Sheet Items:</b>		
Inter Corporate Deposit (ICD) Received - Reliance Velocity Limited	70,960.00	41,215.00
Inter Corporate Deposit (ICD) Given –Jai Ammunition Limited	5,600.00	-
Right -to-use for leasehold land received from- Jai Ammunition Limited	-	542.91
Finance Lease Obligations payable to - Jai Ammunition Limited	3.11	542.91
Receivable from subsidiaries for liabilities paid on their behalf (net of reimbursement)		
- Reliance Defence Systems & Tech Limited	0.90	6.00
- Reliance Land Systems Limited	42.08	-
- Reliance Defence and Aerospace Private Limited	-	63.21
- Reliance Defence Technologies Private Limited	-	62.47
Receipt from subsidiary against Other Receivables (net of TDS)-		
- Thales Reliance Defence Systems Limited	6,296.90	1,788.52
- Reliance Aerostructure Limited	-	3,654.39
Sale of Investment in Associate- Gullfoss Enterprises Private Limited	-	0.01
Receivable from holding company for expenses paid on their behalf	3.60	2.40
Write Off of balance receivable from subsidiary		
- Reliance Defence and Aerospace Private Limited	-	63.21
- Reliance Defence Technologies Private Limited	-	62.47
- Reliance Aero Systems Private Limited	-	14.28
Write Off of non-current investment in subsidiary (on companies being strike- off)		
- Reliance Defence and Aerospace Private Limited	100.00	-

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

Particulars	2024-25	2023-24
- Reliance Defence Technologies Private Limited	100.00	-
- Reliance Aero Systems Private Limited	100.00	-
<b>(b) Income:</b>		
Business Support Services provided to -Thales Reliance Defence Systems Limited	6,996.55	1,987.25
Interest income on Inter Corporate Deposit from- Jai Ammunition Limited	49.94	-
Write Back of liability and balance payable to- Rosa Power Supply Company Limited	-	2,295.84
<b>(c) Expenses:</b>		
Interest Charges on Inter Corporate Deposit - Reliance Velocity Limited	15,798.23	-
Interest Charges on Sub-ordinate Debts - Reliance Infrastructure Limited	4,10,224.01	-
Travelling Expenses - Reliance Transport and Travels Private Limited	1,316.31	852.15
Lease Rent paid - Jai Ammunition Limited	60.00	22.03
Write off of non-current investment in subsidiary (pursuant to strike –off of companies)		
- Reliance Defence and Aerospace Private Limited	100.00	-
- Reliance Defence Technologies Private Limited	100.00	-
- Reliance Aero Systems Private Limited	100.00	-
Write Off of balance receivables from subsidiary		
- Reliance Defence and Aerospace Private Limited	-	63.21
- Reliance Defence Technologies Private Limited	-	62.47
- Reliance Aero Systems Private Limited	-	14.28
<b>(d) Closing Balances:</b>		
(a) Share Capital Issued - Reliance Infrastructure Limited	500.00	500.00
(b) Equity Component of Financial Instrument (Sub-ordinate Debt) – R Infra	7,08,936.50	7,08,936.50
(c) Non Current Investment in Equity of Subsidiaries and Associates		
- Reliance Defence Systems Private Limited	100.00	100.00
- Reliance Defence and Aerospace Private Limited (being strike off)	-	100.00
- Reliance Defence Technologies Private Limited (being strike off)	-	100.00
- Reliance Aerostructure Limited	500.00	500.00
- Reliance Defence Infrastructure Limited	500.00	500.00
- Reliance Helicopters Limited	500.00	500.00
- Reliance Land Systems Limited	500.00	500.00
- Reliance Naval Systems Limited	500.00	500.00

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

Particulars	2024-25	2023-24
- Reliance Propulsion Systems Limited	500.00	500.00
- Reliance SED Limited	185.00	185.00
- Reliance Defence Systems & Tech Limited	500.00	500.00
- Reliance Unmanned Systems Limited	500.00	500.00
- Reliance Aero Systems Private Limited (being strike off)	-	100.00
- Gullfoss Enterprises Private Limited	50.00	50.00
- Jai Ammunition Limited	0.01	0.01
- Jai Armaments Limited	0.01	0.01
(d) Financial Assets : Inter Corporate Deposit Given – Jai Ammunition Limited	5,600.00	-
(e) Financial Assets : Other Receivables from Related Parties		
- Reliance Land Systems Limited	42.08	-
- Reliance Defence Systems & Tech Limited	1,434.90	1,442.60
- D S Toll Road Limited	425.90	425.90
(f) Financial Assets : Interest accrued receivable (net of tax) from – Jai Ammunition Limited	44.95	-
(g) Financial Liabilities : Borrowings (Inter Corporate Deposit Received) – Reliance Velocity Ltd.	1,87,940.60	1,16,980.60
(h) Financial Liabilities : Lease Liabilities payable – Jai Ammunition Limited	538.70	541.81
(i) Financial Liabilities : Interest accrued payable (net of tax) to		
- Interest accrued on Inter Corporate Deposit payable– Reliance Velocity Limited	14,218.40	-
- Interest accrued on Sub-ordinate Debt payable – Reliance Infrastructure Limited	4,08,172.89	-
(j) Financial Liabilities : Trade & Other Payables		
- Reliance Infrastructure Limited	4,216.93	4220.83
- Reliance Transport and Travels Private Limited	-	52.74
- Jai Ammunition Limited	-	22.03

### 39. Details of Loan given, Investment made, Guarantee given and Security provided covered u/s 186(4) of the Companies Act, 2013

\* Investment made is given in Note No. 4 and No.5

\* No Security provided or Guarantee given by the Company

\* The details of loan given by the company are provided hereunder.

Sr. No.	Name of Party	Amount (Rs in Thousands)	Purpose
1	Jai Ammunition Limited	5,600.00	General corporate purpose

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

### 40. Earnings per Share

Sr. No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i)	Profit / ((Loss) after tax available for Equity Share holders (Rs.in Thousands)	<b>(3,36,389.39)</b>	(36,904.60)
(ii)	Weighted Average Number of Equity Shares (Nos.)	<b>50,000</b>	50,000
(iii)	Nominal Value per Share (Rs.)	<b>10</b>	10
(iv)	Earnings per Equity Share- Basic (Rs)	<b>(6,727.79)</b>	(738.09)
(v)	Earnings per Equity Share- Diluted (Rs)	<b>(6,727.79)</b>	(738.09)

### 41. Going Concern

The Company's entire net worth has been fully eroded, and its current liabilities exceed current assets, which indicates uncertainty exists that may cast a doubt on the Company's ability to continue as Going Concern. In view of adequate financial support from its Promoters, wherever required to meet its obligation, the accounts of the Company have been prepared on Going Concern basis.

### 42. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company..

### 43. Disclosure as required under Ind AS-7

Disclosure as required under para 44A to E of Ind AS- 7 "Statement of Cash Flows" as prescribed under section 133 of the Act is given below :

(Rs in Thousands)			
Sr. No	Particulars	2024-25	2023-24
<b>1</b>	<b>Equity Component of Financial Instruments (Sub-ordinate Debt )</b>		
	Opening Balance	<b>7,08,936.50</b>	<b>7,08,936.50</b>
	Issued during the year	-	-
	Repaid during the year	-	-
	Closing Balance	<b>7,08,936.50</b>	<b>7,08,936.50</b>
<b>2</b>	<b>Borrowings ( Inter Corporate Deposit)</b>		
	Opening Balance	<b>1,16,980.60</b>	<b>75,765.60</b>
	Availed during the year	<b>70,960.00</b>	<b>41,215.00</b>
	Repaid during the year	-	-
	Closing Balance	<b>1,87,940.60</b>	<b>1,16,980.60</b>
<b>3A</b>	<b>Interest Payable on Sub-ordinate Debt (Net of tax)</b>		
	Opening Balance	-	-
	Additions during the year	<b>4,08,172.89</b>	-
	Repaid /Adjusted during the year	-	-
	Closing Balance	<b>4,08,172.89</b>	-

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

Sr. No	Particulars	2024-25	2023-24
<b>3B</b>	<b>Interest Payable on Borrowings ( Inter Corporate Deposit ) (Net of tax)</b>		
	Opening Balance	-	-
	Additions during the year	<b>14,218.40</b>	-
	Repaid /Adjusted during the year	-	-
	Closing Balance	<b>14,218.40</b>	-

### 44. Exceptional item - Interest Charges on Sub-ordinate Debts

The exceptional item pertains to interest charges on sub-ordinate debts received from holding company due to reset of coupon rate from 0% p.a. to 10.05.% p.a. with retrospective effect for the period starting after 18 months from date of allotment of each debt till preceeding financial year ending on 31<sup>st</sup> March, 2024.

### 45. Lease

The Company has earlier entered into cancellable leasing agreement for office premises renewable by mutual consent on mutually agreeable terms. The Company has accounted Rs.Thousand 1,766.37 as lease rental for the financial year 2024-25 ('Rs.Thousand 2,268.337 for the financial year 2023-24)

### 46. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### 46A. Additional regulatory information required by Schedule III of Companies Act, 2013:

- (i) No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- (ii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company during the year or in any person or entity, including foreign entities ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company ('ultimate beneficiaries').

## Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

The Company has not received any funds during the year from any party ("Funding Parties"), with the understanding that the Company shall whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

- (iii) (a) The Company does not have any Borrowings from any Bank or Financial Institution.  
(b) The Company has not been declared willful defaulter by any bank or financial institution or other lenders.  
(c) The Company has not taken any secured Loan and hence, no charge have been registered or yet to be registered with Registrar of Companies .
- (iv) The Company has not made any transactions with any company Struck Off under section 248 of the Companies Act, 2013.
- (v) The Company has not entered into any Scheme of Arrangements in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- (vi) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets which have been recorded in the books of accounts during the year.
- (vii) The Company has neither traded nor invested in Crypto Currency or any Virtual Currency during the year.
- (viii) During the year the Company has not:
  - (a) Imported any raw material, spare parts and consumable or capital goods.
  - (b) Declared any dividend to any non-resident shareholders
- (ix) During the year the Company has
  - (a) Earnings in foreign exchange only on account of export of goods (on FOB basis) is Rs.Thousand 3,06,644.56
  - (b) Expenditure in foreign currency only on account of marketing fees is Rs.Thousand 9,267.53
- (x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (xi) Provisions regarding "Corporate Social Responsibility" (CSR) are not applicable to the Company.

## **Reliance Defence Limited**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2025

47. Figures for the previous year have been regrouped /rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous year's figures.

As per our report of even date

**For M.S Sethi & Associates**

Chartered Accountants

Firm Registration No.:109407W

For and on behalf of the Board of Directors

**Manoj Sethi**

Proprietor

Membership No.: 039784

**Rajesh K Dhingra**

Director

DIN : 03612092

**Thota Vijesh Babu**

Director

DIN : 09128139

Place: Mumbai

Place: New Delhi

Date: May 20,2025