

RELIANCE DEFENCE LIMITED

Accounts for the year ended on March 31, 2016

Reliance Defence Limited
Balance Sheet as at March 31, 2016

Particulars	Note No.	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	5,00,000	5,00,000
(b) Reserves and Surplus	3	(779,27,820)	-
		(774,27,820)	5,00,000
2. Non- Current Liabilities			
(a) Long Term Borrowing	4	3280,00,000	-
(b) Long Term Provisions	5	40,15,917	-
		3320,15,917	-
2. Current Liabilities			
(a) <u>Trade Payable</u> :			
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues to others		1,65,170	-
(b) Other Current Liabilities	6	251,15,907	-
(c) Short-Term Provisions	7	6,30,345	-
		259,11,422	-
Total		2804,99,519	5,00,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed assets			
(i) Tangible Assets		5,60,266	-
(ii) Intangible Assets		13,262	-
(b) Non-Current Investments	9	53,00,000	-
(c) Long-Term Loans and Advances	10	13,11,816	-
		71,85,344	-
2. Current Assets			
(a) Cash and Cash Equivalents	11	41,02,028	5,00,000
(b) Short-Term Loans and Advances	12	2574,05,638	-
(c) Other Current Assets	13	118,06,510	-
		2733,14,175	5,00,000
Total		2804,99,519	5,00,000

Significant Accounting Policies and Notes to Financial Statements

1 to 26

As per our attached Report of even date

For Pathak H D & Associates

Chartered Accountants

Firm Registration No. 107783W

For and on behalf of the Board of Directors

Vishal D. Shah

Partner

Membership No. 119303

Lalit Jalan

Director

DIN : 00270338

Sateesh Seth

Director

DIN : 00004631

Place : Mumbai

Date : May 14, 2016

Place : Mumbai

Date : May 14, 2016

Reliance Defence Limited

Statement of Profit and Loss for the Year Ended March 31, 2016

Particulars		Note No.	Year Ended March 31, 2016 (Amount in Rs.)	Period Ended March 31, 2015 (Amount in Rs.)
I	Revenue:			
	Other Income	14	270,63,458	-
II	Total Revenue		270,63,458	-
III	Expenses:			
	(a) Employee Benefits Expenses	15	673,49,772	-
	(b) Depreciation and Amortization Expense	8	1,29,980	-
	(c) Other Expenses	16	375,11,526	-
IV	Total Expenses		1049,91,278	-
V	Profit /(Loss) before Tax (II-IV)		(779,27,820)	-
VI	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
	(3) Income Tax for earlier years		-	-
VII	Profit / (Loss) after Tax (V-VI)		(779,27,820)	-
VIII	Earnings per equity share (face value of Rs 10 per share.) :	21		
	(1) Basic		(1,558.56)	-
	(2) Diluted		(1,558.56)	-

Significant Accounting Policies and Notes to Financial Statements

1 to 26

As per our attached Report of even date

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Reliance Defence Limited
Cash Flow Statement for the Year Ended March 31, 2016

(Amount in Rs.)

Particulars		Year Ended March 31, 2016	Period Ended March 31, 2015
A	Cash Flow from Operating Activities		
	Profit / (Loss) before Tax	(779,27,820)	-
	Adjustments for:		
	Interest Income on Inter Corporate Deposits	(131,18,326)	-
	Stamp Duty and Filing Fees	42,393	-
	Depreciation	1,29,980	-
	Operating loss before Working Capital Changes	(908,73,773)	-
	Adjustments for :		
	Trade and other Receivables	(141,80,848)	-
	Trade and other payables	299,27,339	-
		(751,27,281)	-
	Income Tax paid (net of refund)	(13,11,816)	-
	Net Cash generated from / (used in) Operating Activities	(764,39,097)	-
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(7,03,508)	-
	Investment in Shares of Subsidiary Companies	(53,00,000)	-
	Inter Corporate Deposits Given	(2550,61,300)	-
	Inter Corporate Deposits Refunded	30,000	-
	Interest Income on Inter Corporate Deposits	131,18,326	-
	Net Cash generated from / (used in) Investing Activities	(2479,16,482)	-
C	Cash Flow from Financing Activities		
	Proceeds from Issue of Shares	-	5,00,000
	Sub Ordinate Debts Received	3280,00,000	-
	Stamp Duty and Filing Fees	(42,393)	-
	Net Cash generated from Financing Activities	3279,57,607	5,00,000
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	36,02,028	5,00,000
	Opening Balance of Cash and Cash Equivalents	5,00,000	-
	Closing Balance of Cash and Cash Equivalents (Refer Note 11)	41,02,028	5,00,000
	Net Increase/(Decrease) in Cash and Cash Equivalents	36,02,028	5,00,000

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

As per our attached Report of even date

For Pathak H D & Associates

Chartered Accountants

Firm Registration No. 107783W

Vishal D. Shah

Partner

Membership No. 119303

Place : Mumbai

Date : May 14, 2016

For and on behalf of the Board of Directors

Lalit Jalan

Director

DIN : 00270338

Place : Mumbai

Date : May 14, 2016

Sateesh Seth

Director

DIN : 00004631

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

Note 2 : Share Capital

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
(a) Authorised: 50,000 Equity Shares of Rs.10 each		
	5,00,000	5,00,000
	5,00,000	5,00,000
(b) Issued, Subscribed and Paid up 50,000 Equity Shares of Rs.10 each Fully Paid up		
	5,00,000	5,00,000
Total issued, subscribed and fully paid-up share capital	5,00,000	5,00,000

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(Amount in Rs.)	No. of Shares	(Amount in Rs.)
As at the beginning of the year	50,000	5,00,000	-	-
Add: Issued during the year	-	-	50,000	5,00,000
Outstanding as at the end of the year	50,000	5,00,000	50,000	5,00,000

Shares are issued at Par value of Rs. 10

(b) 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, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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.

(c) Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/associates are as below:

Name	As at March 31, 2016	As at March 31, 2015
	Amount in Rs	Amount in Rs
Reliance Infrastructure Limited, the Holding Company 50,000 equity shares of Rs. 10 each fully paid	5,00,000	5,00,000

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

Name of the Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of Rs. 10 each fully paid				
Reliance Infrastructure Limited and its nominees	50,000	100%	50,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note 3 : Reserves and Surplus

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Surplus/(Deficit) as per Statement of Profit and Loss		
Balance As Per Last Balance Sheet	-	-
Add: Net Profit/(loss) for the year	(779,27,820)	-
Balance as at end of the year	(779,27,820)	-

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

Note 4 : Long Term Borrowing

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Unsecured Loans from Related Party		
0% Sub Ordinate Debts (The sub ordinate debt is taken from the holding company M/s Reliance Infrastructure Limited. This sub ordinate debt to be repaid by mutual consent of the parties only after primary lenders are paid in full and in installments as may be mutually agreed between the issuer and investor)	3280,00,000	-
	3280,00,000	-

Note 5 : Long Term Provisions

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Provision for Employee Benefits		
Provision for Leave Encashment (Refer Note 17)	38,07,018	-
Provision for Gratuity (Refer Note 17)	2,08,899	-
	40,15,917	-

Note 6 : Other Current Liabilities

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Employees' Payable	198,16,525	-
Statutory Dues Payables	29,84,099	-
Other Payables	23,15,283	-
	251,15,907	-

Note 7 : Short Term Provisions

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Provision for Employee Benefits		
Provision for Leave Encashment (Refer Note 17)	6,30,345	-
	6,30,345	-

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

Note 8 : Fixed Assets

(Amount in Rs.)

Particulars	Gross Block (at cost)				Depreciation/Amortisation				Net block	
	As at April 1, 2015	Additions during the year	Deductions	As at March 31, 2016	As at April 1, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible :										
Office Equipments	-	12,135	-	12,135	-	1,484	-	1,484	10,651	-
Data Processing Machine	-	6,73,373	-	6,73,373	-	1,23,758	-	1,23,758	5,49,615	-
Total (A)	-	6,85,508	-	6,85,508	-	1,25,242	-	1,25,242	5,60,266	-
Intangible:										
Software	-	18,000	-	18,000	-	4,738	-	4,738	13,262	-
Total (B)	-	18,000	-	18,000	-	4,738	-	4,738	13,262	-
Total (A + B)	-	7,03,508	-	7,03,508	-	1,29,980	-	1,29,980	5,73,528	-

Note:

Intangible assets are other than internally generated.

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

Note 9 : Non Current Investments (Non-trade)
(Valued at Cost, unless otherwise stated)

(Amount in Rs.)

Particulars	No. of Units	Face Value	As at March 31, 2016	As at March 31, 2015
(a) Investment in Equity Instruments (Valued at Cost)				
(Fully Paid up, unless otherwise stated)				
- Subsidiary Companies - (Unquoted)				
Reliance Defence Systems Private Limited (w.e.f. 07.01.2016)	10,000	10	1,00,000	-
	(-)			
Reliance Defence Technologies Private Limited w.e.f. 05.05.2015)	10,000	10	1,00,000	-
	(-)			
Reliance Defence and Aerospace Private Limited w.e.f. 05.05.2015)	10,000	10	1,00,000	-
	(-)			
Reliance Unmanned Systems Limited	50,000	10	5,00,000	-
	(-)			
Reliance Aerostructure Limited	50,000	10	5,00,000	-
	(-)			
Reliance Propulsion Systems Limited	50,000	10	5,00,000	-
	(-)			
Reliance Space Limited	50,000	10	5,00,000	-
	(-)			
Reliance Defence Infrastructure Limited	50,000	10	5,00,000	-
	(-)			
Reliance Land Systems Limited	50,000	10	5,00,000	-
	(-)			
Reliance Helicopters Limited	50,000	10	5,00,000	-
	(-)			
Reliance Naval Systems Limited	50,000	10	5,00,000	-
	(-)			
Reliance SED Limited	50,000	10	5,00,000	-
	(-)			
Reliance Defence Ventures Limited	50,000	10	5,00,000	-
	(-)			
Total			53,00,000	-
Particulars				
	Book Value	Market value		
Aggregate Value of Quoted Investments	-	-		
Aggregate Value of Unquoted Investments	53,00,000	-		
	53,00,000	-		

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

Note 10: Long-Term Loans and Advances

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Advance Income Tax (Net of Provision for Tax)	13,11,816	
	13,11,816	-

Note 11 : Cash and Cash Equivalents

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Balances with Bank in Current Account	41,02,028	-
Cheques on Hand	-	5,00,000
	41,02,028	5,00,000

Note 12 : Short Term Loans and Advances

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
<u>Unsecured, considered good, unless otherwise stated</u>		
Inter Corporate Deposits to related parties (Refer Note 19)	2550,31,300	-
Advances to Staff	1,30,044	-
Loans to Employees	22,44,294	-
	2574,05,638	-

Note 13: Other Current Assets

Particulars	As at March 31, 2016 (Amount in Rs.)	As at March 31, 2015 (Amount in Rs.)
Interest accrued on Inter Corporate Deposit (ICD) (Refer Note 19)	118,06,510	-
	118,06,510	-

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

Note 14 : Other Income

Particulars	Year Ended March 31, 2016 (Amount in Rs.)	Period Ended March 31, 2015 (Amount in Rs.)
Interest on Inter Corporate Deposits (Refer Note 19)	131,18,326	-
Interest on Advances to Employees	30,632	-
Miscellaneous Income	139,14,500	-
	270,63,458	-

Note 15 : Employee Benefit Expenses

Particulars	Year Ended March 31, 2016 (Amount in Rs.)	Period Ended March 31, 2015 (Amount in Rs.)
Salaries, Wages and Bonus	602,41,487	-
Contribution to Provident and other funds (Refer Note 17)	16,35,874	-
Contribution to Gratuity (Refer Note 17)	2,08,899	-
Leave Encashment (Refer Note 17)	45,82,856	-
Staff Welfare Expenses	6,80,656	-
	673,49,772	-

Note 16 : Other Expenses

Particulars	Year Ended March 31, 2016 (Amount in Rs.)	Period Ended March 31, 2015 (Amount in Rs.)
Communication Expenses	37,91,777	-
Rent (Refer Note 20)	37,69,500	-
Hire Charges	3,92,575	-
Legal and Professional Fees	8,91,186	-
<u>Auditors Remuneration</u>		
- Audit Fees	42,000	-
- Limited Review Fees	1,500	-
Travelling and Conveyance	82,58,233	-
Membership and Subscription Fees	46,107	-
Seminar and Training Fees	1,79,842	-
Insurance	5,312	-
Stamp Duty and Filing fees	42,393	-
Postage and Courier	27,958	-
Entertainment and Hospitality	3,08,804	-
Printing and Stationery	3,15,603	-
Rates and Taxes	2,500	-
Recruitment Expenses	17,80,350	-
Advertisement Expenses	4,58,000	-
Miscellaneous Expenses	161,49,007	-
Repairs and Maintenance	7,10,069	-
Fuel & Maintenance	3,38,811	-
	375,11,526	-

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

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. The business will undertake activities of conceptualization, research, design, development, production, manufacture, assembly, modification, upgrade, overhaul, engineering support, buying, selling, importing, exporting, exchanging, altering, hiring, letting on hire and any other related activity of such systems and to do all such incidental acts and things as may be necessary for the attainment of the aforesaid object.

1. Significant Accounting Policies:

(a) Basis of preparation of financial statements

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP), and comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (read with Rule 7 of the Companies (Accounts) Rule, 2014).

(b) Presentation and disclosure of financial statements

The Preparation and presentation of financial statements is made in accordance with the requirements of Schedule III under the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

(c) Use of Estimate

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

(d) Revenue Recognition Policy

Dividend on investment is recognized when the right to receive the payment is established.

Income from investments is recognized based in the terms of the investment. Income from mutual fund schemes having fixed maturity plan is accounted on declaration of dividend or on maturity of such investments. Interest income is recognized on a time proportion basis after taking into account the principal amount outstanding and the rate applicable.

All other types of Income and Expenses are recognised on accrual basis of accounting.

(e) Fixed Assets

(a) Tangible Assets:

Tangible Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to their working condition for their intended use.

(b) Intangible Assets:

Intangible Assets are stated at cost of acquisition net of tax/duty/credits.

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

(f) Depreciation / Amortization

Fixed assets are depreciated under the straight line method as per the useful life and in the manner specified under Schedule II of the Companies Act, 2013.

Computer Software capitalized are amortized on straight line basis over the period of 3 years.

(g) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

(h) Employee Benefits

Contributions to defined contribution schemes such as provident fund, superannuation fund etc. is charged to Statement of Profit and Loss. The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to Statement of Profit based on actuarial valuations, as at the balance sheet date, made by independent actuaries. Actuarial Gain and losses is recognized in the Statement of Profit. The liability in respect of this defined benefit plans is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Such defined benefits are charged to Statement of Profit, based on actuarial valuations, as at the balance sheet date, made by independent actuaries. Actuarial Gain and loss is recognized in the Statement of Profit.

(i) Accounting for Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

(j) Investments

Investments which are readily realizable 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.

(k) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

(l) Provisions

Provisions are recognized 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.

(m) Contingent liability and contingent assets

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

(n) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and demand deposits with banks and short-term investments with an original maturity of three months or less.

(o) Earning 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 period.

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

17. Disclosure under Accounting Standard 15 (revised 2005) “Employee Benefits”:

The Company has classified various employee benefits as under:

(A) Defined contribution plans

- a. Provident fund
- b. State defined contribution plans
 - Employers’ Contribution to Employees’ Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner. Under the schemes, the company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in the financial statements for the year:

(Amount in Rs.)			
Sr.No.	Particulars	2015-16	2014-15
(i)	Contribution to Provident Fund	11,46,798	-
(ii)	Contribution to Employees Pension Scheme, 1995	86,851	-

(B) Defined Benefit Plans

- a. Provident Fund
- b. Gratuity
- c. Leave Encashment

The guidance on implementing AS 15, Employee Benefits (revised 2005) 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.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the Group’s policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2015-2016	2014-2015	2015-2016	2014-2015
(i)	Discount Rate (Per annum)	7.80%	-	7.80%	-
(ii)	Rate of increase in Compensation levels	7.50%	-	7.50%	-
(iii)	Rate of Return on Plan Assets	-	-	-	-

Sr. No.	Particulars	Gratuity (Unfunded)		Leave Encashment (unfunded)	
		2015-2016	2014-2015	2015-2016	2014-2015
(i)	Changes in present value of obligation				
	Opening Balance of Present Value of Obligation	-	-	-	-
	On acquisition/disposal of subsidiary	-	-	-	-
	Liability on transfer in / (out) of Employees (net)	-	-	-	-
		-	-	-	-

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

	Interest Cost	-	-	-	-
	Current Service Cost	2,08,899	-	44,37,363	-
	Benefits Paid	-	-	-	-
	Actuarial (Gains) / Loss	-	-	-	-
	Closing Balance of Present Value of Obligation	2,08,899	-	44,37,363	-

(ii)	Changes in Fair Value of plan assets				
	Opening Balance of Present Value of Plan Assets	-	-	-	-
	On acquisition/disposal of subsidiary	-	-	-	-
	Planned Assets on transfer of employees (net)	-	-	-	-
	Expected return on Plan assets	-	-	-	-
	Contributions	-	-	-	-
	Benefits Paid	-	-	-	-
	Actuarial Gain / (Loss) on Plan assets	-	-	-	-
	Closing Balance of Fair Value of Plan Assets	-	-	-	-
	Plan assets pending Transfer				
	Closing Balance of Fair Value of Plan Assets net of pending transfer	-	-	-	-
(iii)	Percentage of each category of Plan assets to total fair value of Plan assets as at the year end				
	Administered by various insurance companies	-	-	-	-
(iv)	Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
	Closing Balance of Present Value of Obligation	2,08,899	-	44,37,363	-
	Closing Balance of Fair Value of Plan Assets net of pending transfers	-	-	-	-
	Amount not recognised as an asset (limit in para 59(b))	-	-	-	-
	(Asset) / Liability recognised in the Balance Sheet	2,08,899	-	44,37,363	-
(v)	Amounts recognised in the Balance Sheet				
	Closing Balance of Present Value of Obligation	2,08,899	-	44,37,363	-
	Closing Balance of Fair Value of Plan Assets net of pending transfers	-	-	-	-
	Amount not recognised as an asset (limit in para 59(b))	-	-	-	-
	Unfunded Liability recognised in the Balance Sheet	2,08,899	-	44,37,363	-
(vi)	Expenses recognised in the Statement of Profit and Loss				
	Current Service Cost	2,08,899	-	44,37,363	-
	Interest Cost	-	-	-	-
	Expected Return on Plan Assets	-	-	-	-
	Net Actuarial (Gain) / Loss	-	-	-	-
	Amount not recognised as an asset (limit in para 59(b))	-	-	-	-
	Total Expenses recognised in the Statement of Profit and Loss	2,08,899	-	44,37,363	-

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

Disclosure as required under para 120(n):

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Gratuity					
Present Value of the Defined Benefit Obligation	2,08,899	-	-	-	-
Fair Value of the Plan Assets	-	-	-	-	-
Surplus/ (Deficit) in the Plan	(2,08,899)	-	-	-	-
Experience adjustments On Plan Liabilities (Gain) / Loss	-	-	-	-	-
Experience adjustments On Plan Assets (Gain) / Loss	-	-	-	-	-
Leave Encashment					
Present Value of the Defined Benefit Obligation	44,37,363	-	-	-	-
Fair Value of the Plan Assets	-	-	-	-	-
Surplus/ (Deficit) in the Plan	(44,37,363)	-	-	-	-
Experience adjustments On Plan Liabilities (Gain) / Loss	-	-	-	-	-
Experience adjustments On Plan Assets (Gain) / Loss	-	-	-	-	-

18. Segment wise Revenue, Results and Capital Employed

The Company has not commenced its commercial operation hence; there are no separate reportable segments as required under Accounting Standard 17 "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013.

19. Related Party Disclosure

As per Accounting Standard – 18 as prescribed under Section 133 of the Companies Act, 2013, the Company's related parties and transactions are disclosed below:

(a) Parties where control exists:

(i) Holding Company – Reliance Infrastructure Limited

(ii)

Subsidiary Companies	(a)	Reliance Defence Systems Private Limited (RDSL) (w.e.f January 07, 2016)
	(b)	Reliance Defence and Aerospace Private Limited (RDAL) (w.e.f. May 05, 2016)
	(c)	Reliance Defence Technologies Private Limited (RDTL) (w.e.f. May 05, 2016)
	(d)	Reliance Aerostructure Limited (RAL)
	(e)	Reliance Defence Infrastructure Limited (RDIL)
	(f)	Reliance Helicopters Limited (RHL)
	(g)	Reliance Land Systems Limited (RLSL)
	(h)	Reliance Naval Systems Limited (RNSL)
	(i)	Reliance Propulsion Systems Limited (RPSL)
	(j)	Reliance SED Limited (RSED)
	(k)	Reliance Space Limited (RSL)
	(l)	Reliance Unmanned Systems Limited (RUSL)
	(m)	Reliance Defence Ventures Limited (RDVL)

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

(i) Person having significant influence over holding Company – Shri Anil Dhirubhai Ambani

(ii) Enterprises over which person described in (i) above has significant influence:-

- Reliance Communications Limited
- Campion Properties Limited
- Reliance Transport and Travels Private Limited

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

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

(Amount in Rs.)

Particulars	2015-16	2014-15
Transactions during the year/period:		
(a) Balance Sheet Items:		
<u>Issue of Equity Shares</u>		
- Reliance Infrastructure Limited	-	5,00,000
<u>Purchase of Equity Shares from</u>		
- Reliance Infrastructure Limited	3,00,000	-
<u>Investment in Equity Shares</u>		
- Reliance Aerostructure Limited (RAL)	5,00,000	-
- Reliance Defence Infrastructure Limited (RDIL)	5,00,000	-
- Reliance Helicopters Limited (RHL)	5,00,000	-
- Reliance Land Systems Limited (RLSL)	5,00,000	-
- Reliance Naval Systems Limited (RNSL)	5,00,000	-
- Reliance Propulsion Systems Limited (RPSL)	5,00,000	-
- Reliance SED Limited (RSED)	5,00,000	-
- Reliance Space Limited (RSL)	5,00,000	-
- Reliance Unmanned Systems Limited (RUSL)	5,00,000	-
- Reliance Defence Ventures Limited (RDVL)	5,00,000	-
<u>Subordinate Debts received</u>		
- Reliance Infrastructure Limited	32,80,00,000	-
<u>Inter Corporate Deposits (ICD) Given</u>		
- Reliance Aerostructure Limited	25,47,31,300	-
- Reliance Defence and Aerospace Private Limited	3,00,000	-
- Reliance Naval Systems Limited	30,000	-
<u>Inter Corporate Deposits (ICD) Received Back</u>		
- Reliance Naval Systems Limited	30,000	-
<u>Fixed Assets</u>		
- Reliance Infrastructure Limited	1,82,700	-
<u>Other Current Assets</u>		
<u>Interest accrued on Inter Corporate Deposit</u>		
- Reliance Aerostructure Limited	1,31,06,956	
- Reliance Defence and Aerospace Private Limited	11,189	
- Reliance Naval Systems Limited	181	

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

(b) Income:		
Interest on Inter Corporate Deposits (ICD)		
- Reliance Aerostructure Limited	1,31,06,956	-
- Reliance Defence and Aerospace Private Limited	11,189	-
- Reliance Naval Systems Limited	181	-
(c) Expenses:		
Communication Expenses		
- Reliance Communications Limited	8,69,827	-
Rent Expenses		
- Champion Properties Limited	37,69,500	-
Travelling and Conveyance Expenses		
- Reliance Transport and Travels Pvt. Ltd.	7,21,853	-
Expenses incurred and were reimbursed		
- Reliance Infrastructure Limited	1,50,000	-
Expenses incurred for Subsidiary Companies and were reimbursed		
- Reliance Defence Systems Private Limited (RDSL)	500	-
- Reliance Defence and Aerospace Private Limited (RDAL)	1,96,962	-
- Reliance Defence Technologies Private Limited (RDTL)	500	-
- Reliance Aerostructure Limited (RAL)	6,060	-
- Reliance Defence Infrastructure Limited (RDIL)	1,000	-
- Reliance Helicopters Limited (RHL)	3,530	-
- Reliance Land Systems Limited (RLSL)	3,530	-
- Reliance Naval Systems Limited (RNSL)	8,590	-
- Reliance Propulsion Systems Limited (RPSL)	6,060	-
- Reliance SED Limited (RSED)	3,530	-
- Reliance Space Limited (RSL)	1,000	-
- Reliance Unmanned Systems Limited (RUSL)	3,530	-
Closing Balances:		
(a) Share Capital		
- Reliance Infrastructure Limited	5,00,000	5,00,000
(b) Long Term Borrowing (Subordinate Debts Received)		
- Reliance Infrastructure Limited	32,80,00,000	-
(c) Investment in Equity Shares		
- Reliance Defence Systems Private Limited (RDSL)	1,00,000	-
- Reliance Defence and Aerospace Private Limited (RDAL)	1,00,000	-

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

- Reliance Defence Technologies Private Limited (RDTL)	1,00,000	-
- Reliance Aerostructure Limited (RAL)	5,00,000	-
- Reliance Defence Infrastructure Limited (RDIL)	5,00,000	-
- Reliance Helicopters Limited (RHL)	5,00,000	-
- Reliance Land Systems Limited (RLSL)	5,00,000	-
- Reliance Naval Systems Limited (RNSL)	5,00,000	-
- Reliance Propulsion Systems Limited (RPSL)	5,00,000	-
- Reliance SED Limited (RSED)	5,00,000	-
- Reliance Space Limited (RSL)	5,00,000	-
- Reliance Unmanned Systems Limited (RUSL)	5,00,000	-
- Reliance Defence Ventures Limited (RDVL)	5,00,000	-
(d) Short Term Loans and Advances (ICD Given)		
- Reliance Aerostructure Limited	25,47,31,300	-
- Reliance Defence and Aerospace Private Limited	3,00,000	-
(e) Other Current Assets (Int. accrued on ICD)		
- Reliance Aerostructure Limited	1,17,96,259	-
- Reliance Defence and Aerospace Private Limited	10,070	-
- Reliance Naval Systems Limited	181	-

20. Lease

The Company has taken premises on cancellable operating lease. The Lease rental recognized in Statement of Profit & Loss is amounting to Rs. 37,69,500 (Previous Year Rs. Nil).

21. Earnings per Share

(Amount in Rs.)

Sr. No.	Particulars	Year ended March 31, 2016	Period ended March 31, 2015
(i)	Profit / (Loss) after tax available for Equity Share holders (Rs.)	(781,99,620)	-
(ii)	Weighted Average Number of Equity Shares (Nos.)	50,000	-
(iii)	Nominal Value per Share (Rs.)	10	-
(iv)	Earnings per Equity Share- Basic	(1563.99)	-
(v)	Earnings per Equity Share- Diluted	(1563.99)	-

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

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This 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.

23. Since the Company has not yet commenced its commercial operation and there is no timing difference between taxable income and accounting income, the question of recognising deferred tax assets / liabilities does not arise.

Reliance Defence Limited

Notes annexed to and forming part of the Financial Statements

24. The Company's net worth has been eroded, however In the opinion of Board of Directors of the Company, in view of adequate financial support from its Promoters, it is appropriate to apply the Going Concern assumption in the preparation of the financial statements as on March 31, 2016. Hence the financial statements have been prepared on the basis that the Company is a Going Concern and that no adjustments are required to the carrying value of the assets and the liabilities.
25. Information to the extent not disclosed, with regards to Matters specified in 5 of the Schedule III of the Companies Act, 2013 is either Nil or not applicable to the Company for the period ended March 31, 2016.
26. The Company was incorporated on March 28, 2015, and no audit was conducted for the year 2014-2015, comparative figures for the previous year have been obtained from management certified financials of 2014-2015.

As per our attached report of even date

For Pathak H. D. & Associates

Chartered Accountants

Firm Registration No.: 107783W

For and on behalf of the Board of Directors

Vishal D. Shah

Partner

Membership No.: 119303

Lalit Jalan

Director

DIN : 00270338

Sateesh Seth

Director

DIN : 00004631

Place: Mumbai

Date: May 14, 2016

Place: Mumbai

Date: May 14, 2016