

Reliance Defence Systems & Tech Limited

Accounts for the year ended on March 31, 2023

Reliance Defence Systems & Tech Limited
Balance Sheet as at March 31, 2023

Rs in Hundreds

Particulars	Note	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	9.55	26.98
Financial Assets	5	-	250.25
- Other Financial Assets	6	4,121.74	4,796.54
Other Non - Current Assets		4,131.29	5,073.77
Total Non-Current Assets			
Current Assets			
Financial Assets			
- Investments	3	1,351.38	1,296.23
- Cash and Cash Equivalents	4	345.75	778.79
Current Tax Assets (Net)		6.12	-
Total Current Assets		1,703.25	2,075.02
Total Assets		5,834.54	7,148.79
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	7	5,000.00	5,000.00
Other Equity	8	(23,262.02)	(21,886.04)
Total Equity		(18,262.02)	(16,886.04)
LIABILITIES			
Current Liabilities			
Financial Liabilities			
- Trade Payables			
-Total outstanding dues of micro enterprises and small enterprises	21	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	9	24,096.56	24,021.22
Current Tax Liabilities (Net)		-	13.62
Total Current Liabilities		24,096.57	24,034.84
Total Liabilities		24,096.57	24,034.84
Total Equity and Liabilities		5,834.54	7,148.79

Significant Accounting Policies

The accompanying notes form an integral part of Financial Statements

1

As per our Report of even date

For Bakliwal & Co.

Chartered Accountants

Firm Registration No. 130381W

For and on behalf of the Board of Directors

Ankur Jain

Partner

Membership No.197643

Rajesh K Dhingra

Director

DIN : 03612092

Sanjay Wadhwa

Director

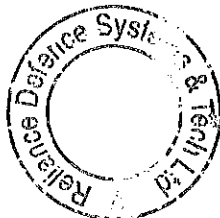
DIN : 07087721

Place : Mumbai

Date : April 27, 2023

Place : New Delhi

Date : April 27, 2023



Reliance Defence Systems & Tech Limited
Statement of Profit and Loss for the year ended March 31, 2023

Rs in Hundreds

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Other Income	10	66.56	814.30
Total Income		66.56	814.30
Expenses			
Depreciation Expense	2	17.43	53.25
Other Expenses	11	1,378.78	375.87
Total Expenses		1,396.21	429.12
Profit / (Loss) before tax		(1,329.65)	385.18
Tax Expense :			
- Current tax		-	14.19
- Deferred tax		-	-
- Income tax for earlier years		46.33	-
		46.33	14.19
Profit / (Loss) for the year		(1,375.98)	370.99
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(1,375.98)	370.99
Earnings per equity share (Face Value of Rs 10 each)	18		
Basic		(2.75)	0.74
Diluted		(2.75)	0.74

Significant Accounting Policies

The accompanying notes form an intergral part of Financial Statements

1

As per our Report of even date

For Bakliwal & Co.

Chartered Accountants

Firm Registration No. 130381W



Ankur Jain

Partner


Membership No.197643

Place : Mumbai

Date : April 27, 2023

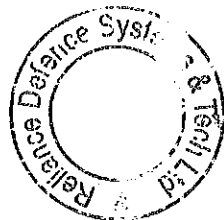
For and on behalf of the Board of Directors


Rajesh K Dhingra
Director
DIN : 03612092


Sanjay Wadhwa
Director
DIN : 07087721

Place : New Delhi

Date : April 27, 2023



Reliance Defence Systems & Tech Limited
Statement of Cash Flows for the year ended March 31, 2023

Rs in Hundreds

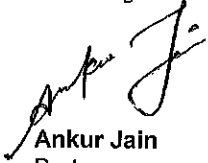
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from Operating Activities		
Income /(Loss) before income tax	(1,329.65)	385.18
Adjustments for:		
Depreciation	17.43	53.25
Provision for doubtful advances, deposits	(250.25)	-
Dividend Income	(61.22)	(54.59)
Input Tax Credit Balance Written Off	(677.50)	-
Provisions/Liabilities written back	(5.34)	(759.71)
Changes in fair value of financial assets at fair value through profit or loss	-	2.03
Cash generated from operations before working capital changes	(2,306.53)	(373.83)
Adjustments for:		
(Increase) /Decrease in Financial Assets & Other Assets	1,852.80	(2.70)
Increase /(decrease)in Financial Liabilities & Other Liabilities	75.34	60.00
Cash generated from operations	(378.39)	(316.53)
Income taxes paid	60.73	18.32
Cash Flow from / (used in) Operating activities (A)	(439.12)	(334.85)
Cash flow from Investing Activities		
Purchase of investments	(55.14)	(49.13)
Dividend received	61.22	54.59
Cash Flow from / (used in) Investing activities (B)	6.08	5.46
Cash flow from Financing Activities		
Cash Flow from / (used in) Financing activities (C)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(433.04)	(329.39)
Cash and Cash Equivalents as at the beginning of the year	778.79	1,108.18
Cash and Cash Equivalents as at end of the year (Refer Note No.4)	345.75	778.79
Net Increase/(Decrease) as disclosed above	(433.04)	(329.39)

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

As per our Report of even date

For Bakliwal & Co.

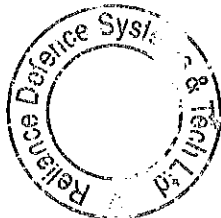
Chartered Accountants
Firm Registration No. 130381W


Ankur Jain
Partner

Membership No.197643

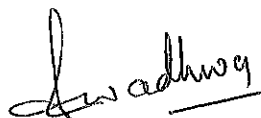
Place : Mumbai

Date : April 27, 2023



For and on behalf of the Board of Directors


Rajesh K Dhingra
Director
DIN : 03612092


Sanjay Wadhwa
Director
DIN : 07087721

Place : New Delhi

Date : April 27, 2023

Reliance Defence Systems & Tech Limited
Statement of Changes in Equity for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL
(Refer Note No.7)

Rs. In Hundreds

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	5,000.00	5,000.00
Changes during the year	-	-
Balance at the end of the year	5,000.00	5,000.00

B. OTHER EQUITY
(Refer Note No. 8)

Rs. In Hundreds

Particulars	Equity Component of Financial Instruments (Subordinate Debt)	Reserves and Surplus		Total
		Retained Earnings	Other Reserves	
Balance as at April 01, 2021	2,50,000.00	(2,72,257.03)	-	(22,257.03)
Income/ (Loss) for the year	-	370.99	-	370.99
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	370.99	-	370.99
Balance as at March 31, 2022	2,50,000.00	(2,71,886.04)	-	(21,886.04)
Balance as at April 01, 2022	2,50,000.00	(2,71,886.04)	-	(21,886.04)
Income/ (Loss) for the year	-	(1,375.98)	-	(1,375.98)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	(1,375.98)	-	(1,375.98)
Balance as at March 31, 2023	2,50,000.00	(2,73,262.02)	-	(23,262.02)

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

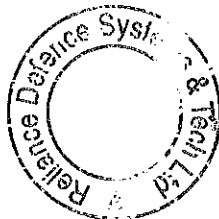
As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Firm Registration No. 130381W


Ankur Jain
Partner

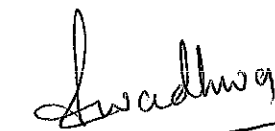
Membership No.197643

Place : Mumbai
Date : April 27, 2023



For and on behalf of the Board of Directors


Rajesh K Dhingra
Director
DIN : 03612092


Sanjay Wadhwa
Director
DIN : 07087721

Place : New Delhi
Date : April 27, 2023

Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Note 3: Financial Assets : Current Investments

Particulars	Face Value in Rs	As at March 31, 2023		As at March 31, 2022	
		Number of Units	Amount in INR	Number of Units	Amount in INR
At Fair Value through Profit & Loss					
Investment in Mutual Fund Quoted					
Nippon India Low Duration Fund - Daily IDCW Plan	1,000	133.936	1,351.38	128.471	1,296.23
Total		133.936	1,351.38	128.471	1,296.23
Total Current Investments					
Aggregate amount of quoted investments and market value thereof		Book Value	Market value	Book Value	Market value
		1,351.38	1,351.38	1,296.23	1,296.23
		1,351.38	1,351.38	1,296.23	1,296.23

Note 4: Cash and Cash Equivalents

Rs in Hundreds

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in - Current Account	345.75	778.79
Total	345.75	778.79

Note 5: Other Financial Assets

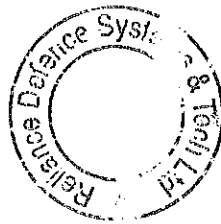
Rs in Hundreds

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Security Deposits - Doubtful	-	250.25	-	250.25
Less: Provision for Doubtful Deposits	-	(250.25)	-	-
Total	-	-	-	250.25

Note 6: Other Assets

Rs in Hundreds

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Input Tax Credit Receivable	-	4,121.74	-	4,796.54
Total	-	4,121.74	-	4,796.54



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Note 7: Equity Share Capital

Rs in Hundreds

Authorised	As at	
	March 31, 2023	March 31, 2022
50,000 (50,000) Equity Shares of Rs.10 each	5,000.00	5,000.00
Total	5,000.00	5,000.00

Issued, Subscribed and Paid Up	As at	
	March 31, 2023	March 31, 2022
50,000 (50,000) Equity Shares of Rs.10 each	5,000.00	5,000.00
Total	5,000.00	5,000.00

(i) Movements in Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs in Hundreds	No. of shares	Rs in Hundreds
Equity Shares				
At the beginning of the year	50,000	5,000.00	50,000	5,000.00
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	50,000	5,000.00	50,000	5,000.00

(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

Rs in Hundreds

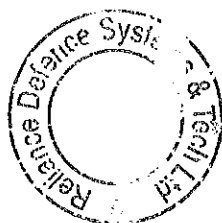
Particulars	As at	As at
	March 31, 2023	March 31, 2022
Reliance Defence Limited, the Holding Company 50,000 equity shares of Rs. 10 each fully paid up	5,000.00	5,000.00

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

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Equity Shares of Rs. 10 each fully paid up Reliance Defence Limited and its nominees	50,000	100%	50,000	100%

(v) Details of Promoters Shareholding

Promoter Name	As at March 31, 2023			As at March 31, 2022	
	No. of Shares	% held	% Change	No. of Shares	% held
Equity Shares of Rs.10 each fully paid up Reliance Defence Limited	50,000	100%	0%	50,000	100%



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Note 8: Other Equity

Rs in Hundreds

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Component of Financial Instruments (Subordinate Debt)	2,50,000.00	2,50,000.00
Retained Earnings	(2,73,262.02)	(2,71,886.04)
Total	(23,262.02)	(21,886.04)

(i) Equity Component of Financial Instruments (Subordinate Debt)

Rs in Hundreds

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as per last Balance Sheet	2,50,000.00	2,50,000.00
Add: Addition during the year	-	-
Closing balance	2,50,000.00	2,50,000.00

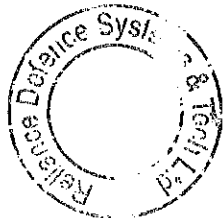
Terms and Condition of Subordiante Debt

Subordinate Debts is issued to Reliance Infrastructure Limited, the Ultimate 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 share) or to be repaid within 10 years from the date of allotment or mutually agreed. Coupon rate is 0% per annum till 18 months from date of allotment subject to reset after 18 months as mutually agreed.

(ii) Retained Earnings

Rs in Hundreds

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as per last Balance Sheet	(2,71,886.04)	(2,72,257.03)
Add: Income/(Loss) for the year	(1,375.98)	370.99
Closing balance	(2,73,262.02)	(2,71,886.04)



Note 9: Trade Payables

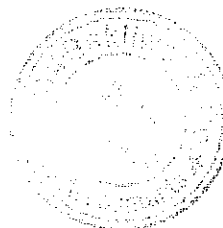
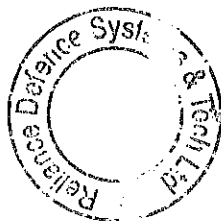
Rs in Hundreds

Particulars	Rs in Hundreds	
	As at March 31, 2023	As at March 31, 2022
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to others	24,096.56	24,021.22
Total	24,096.56	24,021.22

Trade Payables aging schedule

Rs in Hundreds

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 yrs	
As at March 31, 2023					
(i) MSME	-	-	-	-	-
(ii) Others	17.70	-	-	23,960.86	23,978.56
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
(v) Unbilled Dues	118.00	-	-	-	118.00
As at March 31, 2022					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	23,903.22	23,903.22
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
(v) Unbilled Dues	118.00	-	-	-	118.00



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Note 10: Other Income

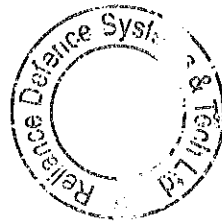
Rs in Hundreds

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Dividend income from mutual funds	61.22	54.59
Provision or liabilities written back	5.34	759.71
Total	66.56	814.30

Note 11: Other Expenses

Rs in Hundreds

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<u>Auditor's Remuneration</u>		
- Audit Fees	118.00	118.00
Rates and taxes	25.00	25.00
Stamp Duty and Filing fees	24.45	4.00
Legal and Professional charges	220.30	163.50
Miscellaneous expense	63.28	63.34
Input Tax Credit Balance written off	677.50	-
Provision for doubtful advances, deposits	250.25	-
Net loss /(gain) on financial assets mandatorily measured at fair value through profit or loss	-	2.03
Total	1,378.78	375.87



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

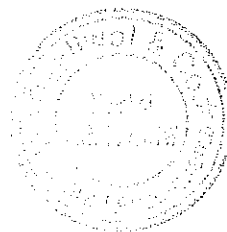
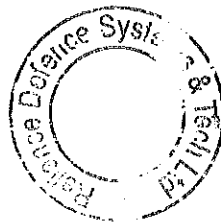
Note 12 : Fair Value Measurements**(a) Financial Instruments by category****(i) Significance of financial instruments**

Particulars	Rs in Hundreds	
	As at March 31, 2023	As at March 31, 2022
Financial Assets		
At Amortised Cost		
Security Deposits	-	250.25
Cash and Cash equivalent	345.75	778.79
At Fair value through profit & loss		
Mutual fund Investments	1,351.38	1,296.23
Total Financial Assets	<u>1,697.13</u>	<u>2,325.27</u>
Financial Liabilities		
At Amortised Cost		
Trade Payables	24,096.56	24,021.22
At Fair value through profit & loss		
	-	-
Total Financial Liabilities	<u>24,096.56</u>	<u>24,021.22</u>

The carrying amounts of cash and cash equivalents, borrowings, trade payables, interest accrued, other payables are considered to have their fair values approximately equal to their carrying values

(b) Fair Value Hierarchy**(i) Fair Value Hierarchy - Recurring fair value measurements**

Particulars	Rs in Hundreds	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	1,351.38	1,296.23
Total Financial Assets	<u>1,351.38</u>	<u>1,296.23</u>
Financial Liabilities		
	-	-
Total Financial Liabilities	<u>-</u>	<u>-</u>



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Note 12 : Fair Value Measurements**Fair Value Hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

Particulars	Rs in Hundreds	
	As at March 31, 2023	As at March 31, 2022
Financial Assets		
Level 3		
Security Deposits	-	250.25
Cash and Cash equivalent	345.75	778.79
Total Financial Assets	345.75	1,029.04
Financial liabilities		
Level 3		
Trade Payables	24,096.56	24,021.22
Total Financial Liabilities	24,096.56	24,021.22

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.

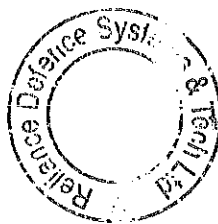
Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant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

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Note 13: 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.

The Company is engaged in Defence Business.

The Company does not have any significant exposure to credit risk.

(ii) Cash and cash equivalents & Other Financial Asset

The Company held cash and cash equivalents & other financial assets with credit worthy banks aggregating Rs.345.75 Hundreds and Rs. 778.79 Hundreds as at March 31, 2023 and March 31, 2022 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 – will affect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to any currency risk and equity price risk.

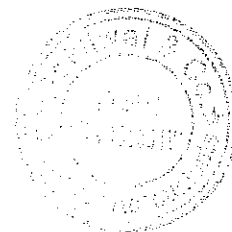
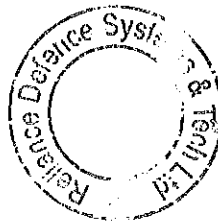
(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

Liquidity Risk - Table

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

Rs in Hundreds				
As at March 31, 2023	Less than 1 year	Between 1 year and 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	-	24,096.56	-	24,096.56
Total Non-derivatives	-	24,096.56	-	24,096.56
<hr/>				
As at March 31, 2022	Less than 1 year	Between 1 year and 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	-	24,021.22	-	24,021.22
Total Non-derivatives	-	24,021.22	-	24,021.22



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Note 14: Income Tax and Deferred Tax (Net) :
14(a) Income tax expense

Particulars	Rs in Hundreds	
	March 31, 2023	March 31, 2022
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	-	14.19
Adjustments for current tax of prior periods	46.33	-
Total current tax expense (A)	46.33	14.19
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit) (B)	-	-
Income tax expense (A + B)	46.33	14.19

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

Particulars	Rs in Hundreds	
	March 31, 2023	March 31, 2022
Income /(Loss) before income tax expense	(1,329.65)	385.18
Tax at the Indian tax rate of 26.0% (March 31, 2022: 26.0%)	(345.71)	100.15
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax losses /(profit) for which no deferred income tax was recognised	345.71	(85.96)
Income tax expense charged to statement of Profit and Loss	-	14.18

Note: The Company has not recognised deferred tax asset on the unabsorbed losses as the Company has not yet commenced its business operations.

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

Particulars	Rs in Hundreds	
	March 31, 2023	March 31, 2022
Amounts recognised in respect of current tax /deferred tax directly in equity	-	-

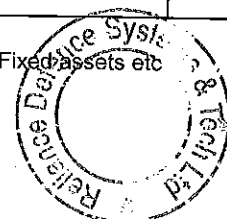
Note 15: Financial Performance Ratios

Sl. No	Particulars	As at March 31, 2023	As at March 31, 2022	Variance % in Ratio	Reason for >25%
(a)	Current Ratio : Current Assets / Current Liabilities	0.07	0.09	-18.13%	-
(b)	Debt -Equity Ratio : Total Debt / Shareholder's Equity	NA	NA	NA	-
(c)	Debt Service Coverage Ratio : Earnings available for debt service * / Debt Service	NA	NA	NA	-
(d)	Return on Equity Ratio : Net Profit after taxes - Preference Dividend (if any) /Average Shareholder's Equity	7.83%	-2.17%	-460.29%	Net profit converted to net loss during FY
(e)	Inventory Turnover Ratio : Cost of goods sold or Sales / Average Inventory	NA	NA	-	-
(f)	Trade Receivables Turnover Ratio : Net Credit Sales/ Average Accounts Receivable	NA	NA	-	-
(g)	Trade Payables Turnover Ratio : Net Credit Purchase / Average Trade Payables	NA	NA	-	-
(h)	Net Capital turnover Ratio : Net Sales / Average Working Capital	NA	NA	-	-
(i)	Net Profit Ratio : Net Profit / Net Sales	NA	NA	-	-
(j)	Return on Capital Employed : Earning before interest and taxes / Capital Employed **	7.28%	-2.28%	-419.19%	Net profit converted to net loss during FY
(k)	Return on Investment : Return / Investment ***	4.62%	4.13%	11.99%	-

* Net Profit after taxes+ Non-cash operating expenses+ Interest+ Other adjustments like loss on sale of Fixed assets etc

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

*** Income generated from invested funds /Average invested fund in treasury investments



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

Background of the Company:

The objective of the Company is to undertake and carry on the business of manufacturing, developing, designing, building engineering, fabricating, assembling, sub-contracting, altering, testing, buying, acquisition, let, hire, import, export, sell, re-sell, transfer, exchange, or otherwise deal in all kinds of Defence Combat Management Systems, surface, sub-surface, land, air applications, surveillance systems, multi sensor data fusion, situation assessment systems, compact sensor & control system, electronic warfare systems.

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.

These financial statements of the Company for the year ended March 31, 2023 are authorised for issue by the Board of Directors on April 27, 2023. 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. Significant Accounting Policies:

a) Basis of Preparation, Measurement and Significant 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 (Ind AS) 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 Hundreds 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.

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

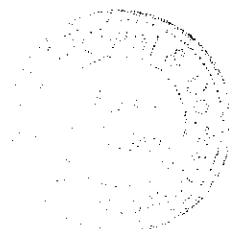
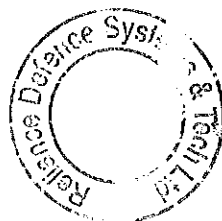
c) Current versus Non-current classification

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.



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

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 recognises revenue when the amount of revenue can be reliably measured; it is probable that the economic benefits associated with the transaction will flow to the entity.

All the items of Income and Expense are recognized on accrual basis of accounting

e) 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

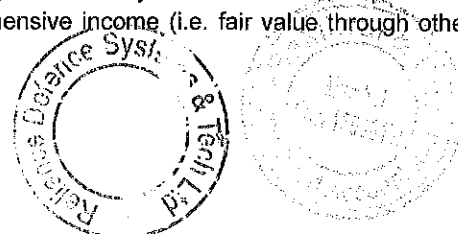
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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.

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 Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

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

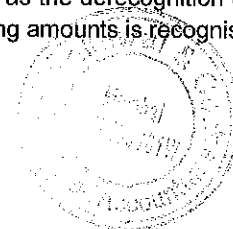
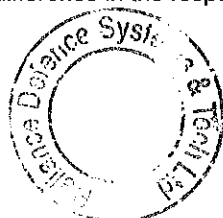
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the 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 Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

(f) 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.

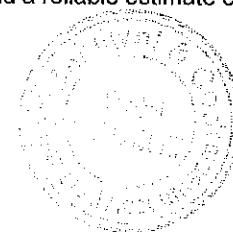
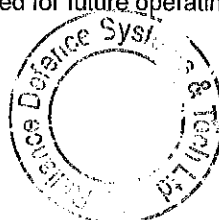
The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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 (Note No 12).

g) 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.



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

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.

h) 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 uncertain 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.

i) 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

j) 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.

k) 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

l) Borrowing Costs

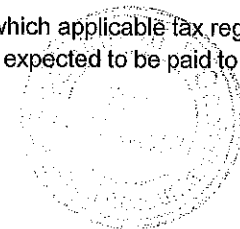
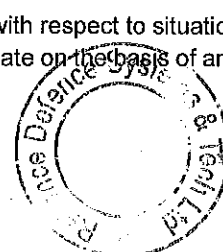
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which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

m) 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 Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

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.

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.

n) 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.

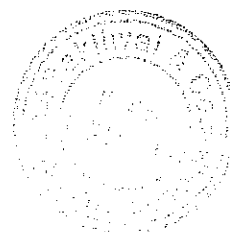
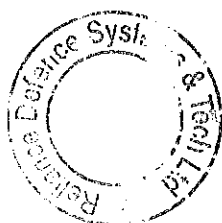
o) Recent accounting pronouncements

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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS. 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

16. 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 Indian Accounting Standard 108 "Operating Segments" as prescribed under Section 133 of the Act.

17. Related Party Disclosure

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) Ultimate Holding Company – Reliance Infrastructure Limited
- (ii) Holding Company - Reliance Defence Limited (RDL)

(b) Other related parties with whom transactions have taken place during the year :: No other parties

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

(Rs in Hundreds)

Particulars	2022-23	2021-22
Transactions during the year:		
(a) Balance Sheet Items:		
Statutory Liabilities paid on our behalf by RDL	60.00	60.00
Closing Balance:		
Share Capital Issued - Reliance Defence Limited	5,000.00	5,000.00
Equity Component of Financial Instruments - Reliance Infrastructure Limited	2,50,000.00	2,50,000.00
Trade and Other Payables		
- Reliance Infrastructure Limited	2,811.25	2,811.25
- Reliance Defence Limited	14,365.97	14,305.97

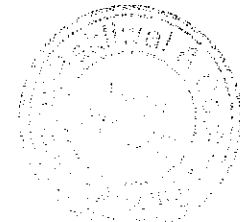
18. Earnings per Share

Sr. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i)	Profit / (Loss) after tax available for Equity Share holders (Rs. in Hundreds)	(1375.98)	370.99
(ii)	Weighted Average Number of Equity Shares (Nos.)	50,000	50,000
(iii)	Nominal Value per Share (Rs.)	10	10
(iv)	Earnings per Equity Share- Basic (Rs)	(2.75)	0.74
(v)	Earnings per Equity Share- Diluted (Rs)	(2.75)	0.74

19. 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. 03

* No Loans given, Guarantee given or Security provided by the Company.



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

20. Going Concern

The Company's entire net worth has been fully eroded, and its current liabilities exceed current assets, which indicates material uncertainty exists that may cast a significant 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 has been prepared on Going Concern basis.

21. 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, 2023. 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.

22. Additional regulatory information required by Schedule III of Companies Act, 2013:

(i) 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 by or on behalf of the Company ('ultimate beneficiaries').

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 by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(ii) (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.

(iii) The Company has not made any transactions with any company Struck Off under section 248 of the Companies Act, 2013.

(iv) 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.

(v) 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.

(vi) The Company has neither traded nor invested in Crypto Currency or any Virtual Currency during the year.

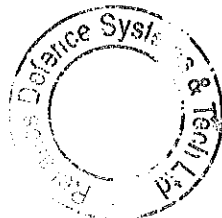
(vii) During the year the Company has not:

(i) Imported any raw material, spare parts, and consumable or capital goods.

(ii) Exported any goods, or services.

(iii) Declared any dividend to any non-resident shareholders.

(viii) Provisions regarding "Corporate Social Responsibility" (CSR) are not applicable to the Company



Reliance Defence Systems & Tech Limited

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2023

23. 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 Bakliwal & Co.
Chartered Accountants
Firm Registration No.:130381W

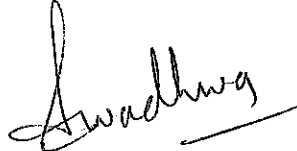


Ankur Jain
Partner
Membership No.:197643

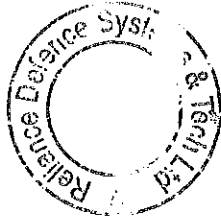
For and on behalf of the Board of Directors



Rajesh K Dhingra
Directors
DIN : 03612092



Sanjay Wadhwa
Director
DIN : 07087721



Place: Mumbai
Date : April 27, 2023

Place: New Delhi
Date : April 27, 2023

