

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Balance Sheet as at 31st March 2020**

(Amount in ₹)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>(I) Non-Current Assets</b>			
a) Financial Assets	3	15,229,572	-
b) Income Tax Assets (Net)		25,508	-
<b>Total Non-Current Assets</b>		<b>15,255,080</b>	<b>-</b>
<b>(II) Current Assets</b>			
a) Financial Assets			
i) Cash & Cash Equivalents	4	116,101	372,502
b) Other Current Assets			
i) Balance with Government Authorities		298,982	-
<b>Total Current Assets</b>		<b>415,083</b>	<b>372,502</b>
<b>Total Assets</b>		<b>15,670,163</b>	<b>372,502</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	5	17,500,000	500,000
Other Equity		(1,859,337)	(170,278)
		<b>15,640,663</b>	<b>329,722</b>
<b>LIABILITIES</b>			
<b>(I) Non-Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>(II) Current Liabilities</b>			
a) Financial Liabilities			
i) Trade Payables	7		
Total Outstanding dues of:			
- Micro and small enterprises		-	14,855
- Other than micro and small enterprises		23,400	24,550
b) Other Current Liabilities			
Statutory Liabilities - TDS		6,100	3,375
<b>Total Current Liabilities</b>		<b>29,500</b>	<b>42,780</b>
<b>Total Equity and Liabilities</b>		<b>15,670,163</b>	<b>372,502</b>

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of financial statements

As per our attached report of even date  
For **Dharmesh Parikh & Co.**  
Firm Registration Number : 112054W  
Chartered Accountants

For and on behalf of the Board  
For **Adani Land Defence Systems And Technologies Limited**

**Harsh Parikh**  
Partner  
Membership No. 194284

**Ashish Rajvanshi**  
Director  
DIN: 07590913

**Jatin Jalundhwala**  
Director  
DIN: 00137888

Place : Ahmedabad  
Date : 30th April, 2020

Place : Ahmedabad  
Date : 30th April, 2020

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Statement of Profit and Loss for the year ended on 31st March 2020**

(Amount in ₹)

Particulars	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>a) Revenue</b>			
Revenue from Operations		-	-
Other Income	8	258,680	-
<b>Total Revenue</b>		<b>258,680</b>	<b>-</b>
<b>b) Expenses</b>			
Other Expenses	9	1,947,739	48,998
<b>Total Expenses</b>		<b>1,947,739</b>	<b>48,998</b>
<b>c) (Loss) Before Tax</b>		<b>(1,689,059)</b>	<b>(48,998)</b>
<b>d) Tax Expense</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>e) (Loss) For The Year</b>		<b>(1,689,059)</b>	<b>(48,998)</b>
<b>f) Other Comprehensive Income</b>			
- Item that will be reclassified to Statement of Profit & Loss		-	-
- Item that will not be reclassified to Statement of Profit & Loss		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>g) Total Comprehensive Income for the Year</b>		<b>(1,689,059)</b>	<b>(48,998)</b>
<b>h) Earning per Equity Share of ₹ 10 each</b>			
- Basic & Diluted	14	<b>(3.92)</b>	<b>(0.98)</b>

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of financial statements

As per our attached report of even date  
For **Dharmesh Parikh & Co.**  
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Chartered Accountants

For and on behalf of the Board  
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**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Cash Flow Statement for the year ended on 31st March 2020**

(Amount in ₹)

	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) for the year		(1,689,059)	(48,998)
<b>Adjustment on account of :</b>			
Interest Income		(255,080)	-
Share capital and share issue expenses		277,000	-
<b>Operating (Loss) Before Working Capital Changes</b>		<b>(1,667,139)</b>	<b>(48,998)</b>
<b>Movements in Working Capital :</b>			
Increase in Trade Payables & other financial liabilities		(13,281)	16,374
(Increase) / Decrease in Other Current Assets		(298,982)	-
<b>Cash Flow from Operations</b>		<b>(1,979,402)</b>	<b>(32,624)</b>
Less: Net Tax paid		(25,508)	-
<b>Net Cash Flow From Operating Activities</b>		<b>(2,004,910)</b>	<b>(32,624)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Deposit of Margin Money		(15,000,000)	-
Interest Received		25,508	-
<b>Net Cash Flow From Investing Activities</b>		<b>(14,974,492)</b>	<b>-</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of Equity Share Capital		17,000,000	-
Share capital and share issue expenses		(277,000)	-
<b>Net Cash Flow From Financing Activities</b>		<b>16,723,000</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(256,402)</b>	<b>(32,624)</b>
Cash & Cash Equivalents at the beginning of the year		372,502	405,126
<b>Cash &amp; Cash Equivalents at the end of the year (Refer Note 3)</b>		<b>116,100</b>	<b>372,502</b>
<b>Component of Cash and Cash equivalents</b>			
Balances with scheduled bank			
On current accounts		116,101	372,502
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>116,101</b>	<b>372,502</b>
Summary of Significant Accounting Policies	2		

**Notes:-**

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

(2) As there are no financing activities, hence Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) are not provided.

As per our attached report of even date  
**For Dharmesh Parikh & Co.**  
 Firm Registration Number : 112054W  
 Chartered Accountants

For and on behalf of the Board  
**For Adani Land Defence Systems And Technologies Limited**

**Harsh Parikh**  
 Partner  
 Membership No. 194284

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 Director  
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Place : Ahmedabad  
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# ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED

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

### A. Share Capital

Particulars	Numbers	(Amount in ₹ )
<b>As at 31st March 2018</b>	50,000	500,000
Changes in the Equity Share Capital	-	-
<b>As at 31st March 2019</b>	<b>50,000</b>	<b>500,000</b>
Changes in the Equity Share Capital	1,700,000	17,000,000
<b>As at 31st March 2020</b>	<b>1,750,000</b>	<b>17,500,000</b>

### B. Other Equity

Particulars	Retained Earnings
<b>Balance as at 1st April,2018</b>	(121,280)
<b>Adjustments</b>	
( Loss) for the year	(48,998)
Other Comprehensive Income	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>(170,278)</b>
Balance at 1 <sup>st</sup> April 2019	(170,278)
<b>Adjustments</b>	
( Loss) for the year	(1,689,059)
Other Comprehensive Income	
<b>As at 31<sup>st</sup> March 2020</b>	<b>(1,859,337)</b>

The accompanying notes are an integral part of financial statements

As per our attached report of even date  
For **Dharmesh Parikh & Co.**  
Firm Registration Number : 112054W  
Chartered Accountants

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**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

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**1 Corporate Information**

Adani Land Defence Systems and Technologies Limited was incorporated on 17th July, 2015 under the Companies Act, 2013 having its registered office at "Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad -380009, Gujarat, India to carry on the business activities relating to the Design, development, manufacture, maintenance, overhauling, repair & upgrade of Small Arms including Assault Rifles, Light Machine Guns, Sniper Rifles, Carbines,

**2 Summary of Significant Accounting Policies**

**a) Basis of preparation and presentation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

These financial statements have been prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The financial statements are presented in INR except when otherwise stated.

**b) Use of Significant Judgements, Estimates and Assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and the estimates are recognised in the periods in which the results are known / materialized.

**Estimates and assumptions are required in particular for:**

**i) Recognition of deferred tax assets:**

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

**ii) Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

**iii) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**c) Current & Non-Current Classification**

**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; or
- Held primarily for the purpose of trading; or
- 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

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- 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

The Company classifies all other liabilities as non-current

## **ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**

### **Notes to Financial Statements for the year ended 31st March 2020**

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

#### **d) Cash And Cash Equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **e) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

#### **g) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **> Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified as

- > Debt instruments at amortised cost
- > Debt instruments, derivatives, financial instruments and equity instruments at fair value through profit or loss (FVTPL)

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

##### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- > The rights to receive cash flows from the asset have expired, or
- > The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**

### **Notes to Financial Statements for the year ended 31st March 2020**

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Impairment of financial assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(b) Trade receivables or any contractual right to receive cash or another financial assets that result from transaction that are within the scope of Ind AS 11 and Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the 12 Month ECL is used to provide if credit risk has not increased significantly and if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR.

#### **> Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

**Loans and borrowings**

This is the most relevant category to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through profit or loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the 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 or loss.

**Derivative financial instruments**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the statement of profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**g) Related Party Transactions**

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party disclosures" has been set out in a separate note. Related Parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representation made by management and information available with the Company.



**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

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**h) Earnings Per Share**

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

**i) Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

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 assets**

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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 both recurring fair value measurement, such as unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

**j) Taxes on Income**

Tax expense comprises of current income tax and deferred tax.

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

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**I) Current Taxation**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current tax items, relating to items recognised outside the statement of profit and loss, are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961.

Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**II) Deferred Taxation**

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of unrecognised deferred tax assets are reviewed at each reporting date to assess their realisability and corresponding adjustment is made to carrying values of deferred tax assets in the financial statements.

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

Deferred tax assets and liabilities are offset where a legally enforceable right exists to offset current tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

**k) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the 'Provisions are recognised for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position.

Contingent assets are not recognised in the financial statements. the nature of such assets and an estimate of its financial effect are disclosed in notes to the financial statements.

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

**3 Non Current Financial Assets**

Margin Money Deposit  
Interest Accrued but not due

(Amount in ₹)	
As at 31st March, 2020	As at 31st March, 2019
15,000,000	-
229,572	-
<b>15,229,572</b>	<b>-</b>

**4 Cash & cash equivalents**

**Cash and Cash Equivalent**  
Balance with Bank - in Current Account

(Amount in ₹)	
As at 31st March, 2020	As at 31st March, 2019
116,101	372,502
<b>116,101</b>	<b>372,502</b>

**5 Share Capital**

	As at 31st March, 2020		As at 31st March, 2019	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Authorised shares</b> Equity Shares of Rs. 10/- each	2,000,000	20,000,000	50,000	500,000
<b>Issued, subscribed fully paid-up shares</b> Equity shares of Rs. 10/- each fully paid up	1,750,000	17,500,000	50,000	500,000
	<b>1,750,000</b>	<b>17,500,000</b>	<b>50,000</b>	<b>500,000</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	As at 31st March, 2020		As at 31st March, 2019	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Equity shares</b> At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	1,700,000	17,000,000	-	-
Outstanding at the end of the year	<b>1,750,000</b>	<b>17,500,000</b>	<b>50,000</b>	<b>500,000</b>

**b. Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 /- per share and each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

**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 together with its nominees are as below :

	As at 31st March, 2020		As at 31st March, 2019	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Equity Shares</b> Adani Defence Systems and Technologies Limited  (Holding Company alongwith its nominees)	1,750,000	17,500,000	50,000	500,000
	<b>1,750,000</b>	<b>17,500,000</b>	<b>50,000</b>	<b>500,000</b>

**d. Details of shareholders holding more than 5% shares in the company**

	As at 31st March, 2020		As at 31st March, 2019	
	Numbers	% holding	Numbers	% holding
<b>Equity Shares</b> Adani Defence Systems and Technologies Limited  (Holding Company alongwith its nominees)	1,750,000	100%	50,000	100%
	<b>1,750,000</b>	<b>100%</b>	<b>50,000</b>	<b>100%</b>

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

**6 Other Equity**

(Amount in ₹)

**Retained Earnings**

**Surplus/ (Deficit) In Statement of Profit And Loss**

Balance as per last financial statements

Add : Profit / (Loss) for the Year

Add : Other Comprehensive Income for the year

**Net Surplus/ (Deficit) at the end of the year**

As at 31st March, 2020	As at 31st March, 2019
(170,278)	(121,280)
(1,689,059)	(48,998)
-	-
<b>(1,859,337)</b>	<b>(170,278)</b>

i) Retained earnings represents the amount that can be distributed by the company as dividends considering the requirement of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the company.

**7 Trade Payables**

(Amount in ₹)

Other Than Acceptances

- Total outstanding Due of Micro, small and medium enterprise (Refer Note 12)

- Total outstanding Due of Creditors other than Micro, small and medium enterprise

As at 31st March, 2020	As at 31st March, 2019
-	14,855
23,400	24,550
<b>23,400</b>	<b>39,405</b>

**8 Other Income**

(Amount in ₹)

Interest on Margin Money

Excess Provision written back

As at 31st March, 2020	As at 31st March, 2019
255,080	-
3,600	-
<b>258,680</b>	<b>-</b>

**9 Other Expenses**

(Amount in ₹)

Legal & Professional Fees

Filing Fees

Bank Charges

Payment to Auditors (Refer Note (a) below)

Misc. Expenses

Share Issue Expenses

For the year ended 31st March, 2020	For the year ended 31st March, 2019
1,500	3,835
3,408	400
1,613,556	178
52,000	44,585
275	-
277,000	-
<b>1,947,739</b>	<b>48,998</b>

**Note :**

**a) Payment To Auditor**

**As Auditor:**

Statutory Audit Fees

Other Attestation Services

For the year ended 31st March, 2020	For the year ended 31st March, 2019
20,000	28,355
32,000	16,230
<b>52,000</b>	<b>44,585</b>

**10 Fair Value Measurement and Hierarchy**

Since the Company does not have any financial asset or liability measured at fair value, disclosure of fair value hierarchy and disclosure of category-wise assets and liabilities is not relevant. All financial assets and liabilities of the Company have been valued at amortised cost and their values are not expected to be different than those presented in financial statements.

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

**11 Financial Instruments And Risk Review**

The Company's principal financial liabilities comprise borrowings, provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include cash and cash equivalents. In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk), liquidity risk and credit risk.

**Category-wise Classification of Financial Instruments:**

**a) The carrying value of financial instruments by categories as of March 31, 2020 is as follows :**

Particulars	Refer Note	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
<b>Financial Asset</b>				
Cash and Cash Equivalents	4	-	116,101	116,101
<b>Total</b>		-	-	<b>116,101</b>
<b>Financial Liabilities</b>				
Trade payables	7	-	23,400	23,400
Other financial liabilities		-	-	-
<b>Total</b>		-	<b>23,400</b>	<b>23,400</b>

**b) The carrying value of financial instruments by categories as of March 31, 2019 is as follows :**

Particulars	Refer Note	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
<b>Financial Asset</b>				
Cash and Cash Equivalents	4	-	372,502	372,502
<b>Total</b>		-	<b>372,502</b>	<b>372,502</b>
<b>Financial Liabilities</b>				
Trade payables	7	-	39,405	39,405
Other financial liabilities		-	-	-
<b>Total</b>		-	<b>39,405</b>	<b>39,405</b>

**Interest Risk**

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for interest rate risk. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the company. The company has adopted the policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial losses from default. The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. Cash are held with creditworthy financial institutions.

**Liquidity risk**

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

**Capital Management**

The Company's objectives when managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through equity and financial support from Holding Company. No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2020 and as at 31st March, 2019.

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

**12 Disclosures under MSMED Act**

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues beyond the prescribed period. Hence, disclosure of principal amount together with interest and accordingly additional disclosures have not been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**13 As per IND AS 24, Disclosure of transactions with Related Parties (As identified by the Management), As defined in IND AS are given below:-**

**I Name of Related Parties & Description of Relationship.**

A	Ultimate Holding Company	:	Adani Enterprises Limited
B	Holding Company	:	Adani Defence Systems and Technologies Ltd
C	Subsidiary Company	:	NIL
D	Fellow Subsidiary & Associates (Only transactions during the period)	:	NIL
E	Key Management Personnel	:	Mr. Ashish Rajvanshi Mr. Ameet H. Desai Mr. Jatin Jalundhwala

**II Nature And Volume of transactions with Related Parties:**

Nature of Transaction	Name of the Related Party	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Share Capital received	Adani Defence Systems and	17,000,000	-

**14 Earning Per Share (EPS)**

	(Amount in ₹)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit ( Loss) after tax available for Equity Shareholders	(1,689,059)	(48,998)
Weighted Average Number of shares used in computing Earnings Per Share		
Basic & Diluted		
Face value of equity shares	430,874	50,000
Earnings Per Share ( Face Value of ₹ 10/- each)	10	10
Basic & Diluted ( in ₹)	(3.92)	(0.98)

**15 Contingent Liabilities & Commitments**

Contingent Liabilities to the extent not provided for

**Commitments**

Estimated amount of contracts remaining to be executed on capital account ( net of advances)

As at 31st March, 2020	As at 31st March, 2019
Nil	Nil
Nil	Nil

**ADANI LAND DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2020**

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**14** Due to outbreak of Covid 19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of Covid 19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

**16 Events occurring after the Balance sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 30th April, 2020, there were no subsequent events to be recognized or reported that are not already disclosed.

**17 Approval of Financial Statements**

The financial statements were approved for issue by the board of directors on 30th April, 2020

**18** Previous year's figures have been recast, regrouped and rearranged, wherever necessary to conform to this year's classification/disclosure .

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As per our attached report of even date  
For **Dharmesh Parikh & Co.**  
Firm Registration Number : 112054W  
Chartered Accountants

For and on behalf of the Board  
**For Adani Land Defence Systems And Technologies Limited**

**Harsh Parikh**  
Partner  
Membership No. 194284

Place : Ahmedabad  
Date : 30th April, 2020

**Ashish Rajvanshi**  
Director  
DIN: 07590913

Place : Ahmedabad  
Date : 30th April, 2020

**Jatin Jalundhwala**  
Director  
DIN: 00137888