

FLAIRE UNMANNED SYSTEMS PVT LIMITED

Balance Sheet as at 31st March 2020

		(Amount in `)
Particulars	Notes	As at 31st March, 2020
<u>ASSETS</u>		
(I) Non-Current Assets		
Capital - Work-in- Progress		30,790,874
		30,790,874
(II) Current Assets		
Financial Assets		
Cash & Cash Equivalents	3	4,461,530
Other Current Assets		
Balance Available with Govt Agencies		4,948,336
		9,409,866
Total Assets		40,200,740
<u>EQUITY AND LIABILITIES</u>		
EQUITY		
Equity Share Capital	4	40,000,000
Other Equity	5	(89,252)
		39,910,748
LIABILITIES		
(I) Non-Current Liabilities		
		-
(II) Current Liabilities		
Financial Liabilities		
i) Trade Payables	6	
Total Outstanding dues of:		
Micro and small enterprises		-
Creditors other than micro and small enterprises		282,394
ii) Other Financial Liabilities		
Statutory Liabilities		7,598
		289,992
Total Equity and Liabilities		40,200,740
Summary of Significant Accounting Policies	2	-

The accompanying notes are an integral part of the financial statements

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

For and on behalf of the Board
Flaire Unmanned Systems Private Limited

Harsh Parikh
Partner
Membership No. 194284
Place : Ahmedabad
Date : 30th April, 2020

Ashish Rajvanshi
Director
DIN : 07590913
Place : Ahmedabad
Date : 30th April, 2020

Shanker Jee
Director
DIN : 08620368
Place : Ahmedabad
Date : 30th April, 2020

FLAIRE UNMANNED SYSTEMS PVT LIMITED

Statement of Profit and Loss for the period ended on 31st March 2020

		(Amount in `)
		For the period from 18/Mar/2019 to 31/Mar/2020
	Notes	
a) Revenue		
Revenue from Operations		-
Total Revenue		-
b) Expenses		
Other Expenses	7	89,252
Total Expenses		89,252
c) (Loss) Before Tax		(89,252)
d) Tax Expense		
Current Tax		-
Deferred Tax		-
Total Tax Expenses		-
e) (Loss) For The Period		(89,252)
f) Other Comprehensive Income		
- Item that will be reclassified to Statement of Profit & Loss		-
- Item that will not be reclassified to Statement of Profit & Loss		-
Total Other Comprehensive Income		-
g) Total Comprehensive (Loss) for the Period		(89,252)
h) Earning per Equity Share of ` 10 each		
- Basic & Diluted	14	(0.02)
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the financial statements		
As per our attached report of even date For Dharmesh Parikh & Co. Chartered Accountants Firm Registration Number : 112054W		For and on behalf of the Board Flaire Unmanned Systems Private Limited
Harsh Parikh Partner Membership No. 194284 Place : Ahmedabad Date : 30th April, 2020	Ashish Rajvanshi Director DIN : 07590913 Place : Ahmedabad Date : 30th April, 2020	Shanker Jee Director DIN : 08620368 Place : Ahmedabad Date : 30th April, 2020

FLAIRE UNMANNED SYSTEMS PVT LIMITED
Cash Flow Statement for the period ended on 31st March 2020

	(Amount in `)
	For the period from 18/Mar/2019 to 31/Mar/2020
I. CASH FLOW FROM OPERATING ACTIVITIES	
(Loss) for the Period	(89,252)
Adjustment on account of :	
Share capital and share issue expenses	6,000
Operating (Loss) Before Working Capital Changes	(83,252)
Movements in Working Capital :	
Increase in Trade Payables & other financial liabilities	289,992
(Increase) in Other Current Asset	(4,948,336)
Cash Flow from Operations	(4,741,596)
Net Cash Flow (used in) Operating Activities	(4,741,596)
II. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Property, Plant & Equipment, including intangible assets, Capital Work in Progress and Capital advances	(30,790,874)
Net Cash Flow (used in) Investing Activities	(30,790,874)
III. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Equity Share Capital	40,000,000
Share capital and share issue expenses	(6,000)
Net Cash Flow From Financing Activities	39,994,000
Net Increase / (Decrease) in Cash & Cash Equivalents	4,461,530
Cash & Cash Equivalents at the beginning of the year	-
Cash & Cash Equivalents at the end of the year (Refer Note 3)	4,461,530
Component of Cash and Cash equivalents	
Balances with scheduled bank	
On current accounts	4,461,530
Cash and Cash Equivalents at the End of the Year	4,461,530

Summary of Significant Accounting Policies

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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.**
Chartered Accountants
Firm Registration Number : 112054W

For and on behalf of the Board
Flaire Unmanned Systems Private Limited

Harsh Parikh
Partner
Membership No. 194284

Place : Ahmedabad
Date : 30th April, 2020

Ashish Rajvanshi
Director
DIN : 07590913

Place : Ahmedabad
Date : 30th April, 2020

Shanker Jee
Director
DIN : 08620368

Place : Ahmedabad
Date : 30th April, 2020

FLAIRE UNMANNED SYSTEMS PVT LIMITED

Statement of Changes in Equity for the period ended on 31st March 2020

A. Equity Share Capital

Particulars	Numbers	(Amount in `)
Balance as at 18 th March 2019	-	-
Changes in the Equity Share Capital	4,000,000	40,000,000
Balance as at 31 st March 2020	4,000,000	40,000,000

B. Other Equity

(Amount in `)	
Particulars	Retained Earnings
Balance as at 18 th March 2019	-
(Loss) for the Period	(89,252)
Other Comprehensive Income	-
Balance as at 31 st March 2020	(89,252)

The accompanying notes are an integral part of the financial statements

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

For and on behalf of the Board
Flaire Unmanned Systems Private Limited

Harsh Parikh
Partner
Membership No. 194284
Place : Ahmedabad
Date : 30th April, 2020

Ashish Rajvanshi
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DIN : 07590913
Place : Ahmedabad
Date : 30th April, 2020

Shanker Jee
Director
DIN : 08620368
Place : Ahmedabad
Date : 30th April, 2020

1 Corporate Information

Flaire Unmanned Systems Pvt Limited was incorporated on 18th March, 2019 under the Companies Act, 2013 having its registered office at A-603, Garden Estate Apartment, Plot No. 5B, Sector-22, Dwarka, Delhi to carry on the business activities relating to designing, consulting, marketing, developing and manufacturing of robotics aerospace and software and hardware development for unmanned systems with artificial intelligence capabilities

2 Summary of Significant Accounting Policies**a) Statement of Compliance**

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 amended from time to time and other accounting principles generally accepted in India.

b) Basis of preparation and presentation of financial statements

The Financial Statements have been prepared on a going concern basis under the historical cost convention except for Investments in mutual funds and certain financial assets and liabilities that are measured at fair values whereas net defined benefit (asset)/ liability are valued at fair value of plan assets less defined benefit obligation at the end of each reporting period, as explained in the accounting policies below.

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

c) 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:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and future recoverability of deferred tax assets.

ii) Recognition and measurement of provision and contingencies:

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

iii) Fair value measurement of financial instruments:

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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.

d) Current & 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:

FLAIRE UNMANNED SYSTEMS PVT LIMITED

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

- 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 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.

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

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.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

e) Functional currency Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

f) Capital Work in Progress

Expenditure related to and incurred during implementation of capital projects to get the assets ready for intended use is included under "Capital Work in Progress". The same is allocated to the respective items of property plant and equipment on completion of construction/ erection of the capital project/ property plant and equipment.

g) 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.

h) 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.

i) 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. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

For purposes of subsequent measurement, financial assets and liabilities are classified in various categories as under.

- > at amortised cost
- > fair value through other comprehensive income
- > fair value through profit and loss account

Financial instruments are subsequently measured and accounted based on their category. All financial instruments of the Company are covered under Amortised Cost. After initial measurement, such financial assets and liabilities are subsequently measured 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.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- a) The rights to receive cash flows from the asset have expired, or

FLAIRE UNMANNED SYSTEMS PVT LIMITED

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

b) 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

Impairment of Financial Assets

The Company applies simplified approach model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

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

Derecognition of Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

j) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

k) 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.

l) Earnings Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with the IND AS 33 - "Earning per Share" as specified in the Companies (Indian Accounting Standards) Rules, 2015. 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.

m) Taxes on Income

Tax on Income comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

I) Current Taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the reporting period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

II) Deferred Taxation

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent it is probable that these assets can be realised in future.

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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax includes MAT tax credit. The Company reviews such tax credit asset at each reporting date to assess its recoverability.

n) 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

FLAIRE UNMANNED SYSTEMS PVT LIMITED

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

disclosed in the notes. 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.

3 Cash & Cash Equivalents

Balances with banks
- In Current Account

(Amount in `)	
As at 31st March, 2020	
	4,461,530
	4,461,530

4 Share Capital

Authorised shares
Equity Shares of Rs. 10/- each

Issued, subscribed fully paid-up shares
Equity Shares of Rs. 10/- each fully paid up

As at 31st March, 2020	
Numbers	(Amount in `)
4,000,000	40,000,000
4,000,000	40,000,000
4,000,000	40,000,000

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

Equity shares
At the beginning of the year
Issued during the year
Outstanding at the end of the year

As at 31st March, 2020	
Numbers	(Amount in `)
-	-
4,000,000	40,000,000
4,000,000	40,000,000

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 :

Equity Shares
Adani Defence Systems and Technologies
Limited
(Holding Company with its nominees)

As at 31st March, 2020	
Numbers	(Amount in `)
4,000,000	40,000,000
4,000,000	40,000,000

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

Equity Shares
Adani Defence Systems and Technologies
Limited
(Holding Company with its nominees)

As at 31st March, 2020	
Numbers	% holding
4,000,000	100%
4,000,000	100%

5 Other Equity

Retained Earnings
Surplus/ (Deficit) In Statement of Profit And Loss
Balance as per last financial statements
Add : (Loss) for the Period
Add : Other Comprehensive Income for the year

(Amount in `)	
As at 31st March, 2020	
	-
	(89,252)
	-
	(89,252)

Net Surplus/ (Deficit) at the end of the period

FLAIRE UNMANNED SYSTEMS PVT LIMITED

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

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.

6 Trade Payables

	(Amount in `)
	As at
	31st March, 2020
- Micro, small and medium enterprise	-
- Others	282,394
	282,394

7 Other Expenses

	(Amount in `)
	For the period
	from 18/Mar/2019
	to 31/Mar/2020
Legal & Professional Fees	15,750
Payment to Auditors	
Statutory Audit Fees	20,000
Other Attestation Services	3,000
Filing Fees	26,478
Bank Charges	-
Other Expenses	24,024
	89,252

8 Income Tax

	(Amount in `)
	For the period
	from 18/Mar/2019
	to 31/Mar/2020

The major components of income tax expense for the period ended 31st March, 2020 are:

Income Tax Expense :

Current Tax:

Current Income Tax Charge	-
Adjustment of tax relating to earlier periods	-
	-

Deferred Tax

In respect of current year origination and reversal of temporary differences	-
	-

The income tax expense for the period can be reconciled to the accounting profit as follows:

	(Amount in `)
	For the period
	from 18/Mar/2019
	to 31/Mar/2020
(Loss) before tax as per Statement of Profit and Loss	(89,252)
Income tax using the company's domestic tax rate @ 25.17%	(22,463)
Tax Effect of :	
i) Income and Expenses not allowed under Income Tax	22,463
Total Tax Expense for the year	-

9 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.

10 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.

Interest risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The Company'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.

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

FLAIRE UNMANNED SYSTEMS PVT LIMITED

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

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 and funds from promoters.

Maturity profile of financial liabilities :

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31st March, 2020	(Amount in `)		
	Less than 1 year	1 to 5 year	More than 5 Years
Trade Payables	282,394	-	-
Other Financial Liabilities	7,598	-	-
			282,394
			7,598

Capital Management

The Company's objectives for 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 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 a mixture of equity, internal fund generation, and other non current / current borrowings. The Company's policy is to use current and non current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

The Company believes that it will able to meet all its current liabilities and interest obligation on timely manner.

The Company's capital management ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	Note	(Amount in `)
		For the period from 18/Mar/2019 to 31/Mar/2020
Net Debt (A)		-
Total Capital (B)	4 & 5	39,910,748
Total capital and net debt C=(A+B)		39,910,748
Gearing Ratio (A/C)		-

11 Contingent Liabilities & Commitments

	(Amount in `)
	As at 31st March, 2020
Contingent Liabilities, to the extent not provided for Commitments	-
Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	-
	-

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:-

Name of Related Parties & Description of Relationship.

Ultimate Holding Company	: Adani Enterprises Limited
Holding Company	: Adani Defence Systems and Technologies Ltd
Subsidiary Company & Associates	: Nil
Fellow Subsidiary Company	: Nil
(with whom transactions done during the period)	
Key Management Personnel	: Mr. Ashish Rajvanshi, Director
	Mr. Jetendra Subhash Gavankar, Director
	Mr. Shanker Jee, Director
Related Party Transactions	:

Nature And Volume of transactions with Related Parties

FLAIRE UNMANNED SYSTEMS PVT LIMITED

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

Nature of Transaction	Name of the Related Party	For the period from 18/Mar/2019 to 31/Mar/2020
Equity Share Capital	Adani Defence Systems and Technologies Limited	40,000,000

14 Earning Per Share (EPS)

	(Amount in `)
	For the period from 18/Mar/2019 to 31/Mar/2020
Net (Loss) after tax available for Equity Shareholders	(89,252)
Weighted Average Number of shares used in computing Earnings Per Share	
Basic & Diluted	4,000,000
Earnings Per Share (Face Value of ` 10/- each)	
Basic & Diluted (in `)	(0.02)

15 Standards issued but not yet effective

The amendments to standards and new standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued new standards / certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board (IASB) into Ind AS and has amended / issued the following standards:

1. Ind AS 116 - Lease
2. Ind AS 12 - Income Taxes
3. Ind AS 19 - Plan Amendment, Curtailment or Settlement

These amendments/ new issued standards are effective for annual periods beginning on or after April 01, 2019. Application of these amendments/ new issued standards will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Company is assessing the potential effect of the amendments/ new issued standards on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

- 16 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.

17 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.

18 Approval of Financial Statements

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

- 19 These being the first financial year since the incorporation of the, are drawn for the period from 18th March 2019 to 31st March 2020 and hence, there are no comparative to present.

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

For and on behalf of the Board
Flaire Unmanned Systems Private Limited

Harsh Parikh
Partner
Membership No. 194284

Ashish Rajvanshi
Director
DIN : 07590913

Shanker Jee
Director
DIN : 08620368

Place : Ahmedabad
Date : 30th April, 2020

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