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## Independent Auditor's Report

To the Members of Adani Defence Systems and Technologies Limited

### Report on the audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of Adani Defence Systems and Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





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**Independent Auditor's Report**  
**To the Members of Adani Defence Systems and Technologies Limited (Continue)**

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.





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**Independent Auditor's Report**  
**To the Members of Adani Defence Systems and Technologies Limited (Continue)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;





**Independent Auditor's Report**  
**To the Members of Adani Defence Systems and Technologies Limited (Continue)**

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has adequately disclosed the pending litigations in its Standalone Financial Statements which may impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. **With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided. Accordingly, reporting under section 197(16) of the Act is not applicable.

Place: Ahmedabad  
Date: 3<sup>rd</sup> May, 2021

For, **DHARMESH PARIKH & CO LLP.**  
Chartered Accountants  
FRN:112054W/W100725



H.s. Parikh

**Harsh Parikh**

Partner

Membership No. 194284

UDIN-21194284 BT2850.



**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Defence Systems and Technologies Limited**  
(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by the management in a phased periodic manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The title deeds of immovable properties, as disclosed in under Property, Plant and Equipment, in the financial statements, are held in the name of the Company.
- (ii) The Company does not carry any Inventory. Accordingly the provisions of paragraph 3 (ii) (a) & (b) of the Order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us and representations made by the Management, the Company has complied with provisions of Section 185 and 186 of the Act in respect of investments made by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanations given to us and representations made by the Management, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, Goods and Service Tax and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of customs, provident fund and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.



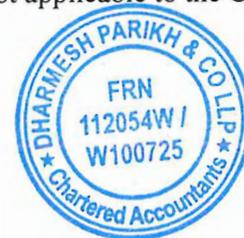


**Annexure - A to the Independent Auditor's Report**

**RE: Adani Defence Systems and Technologies Limited (Continue)**

(Referred to in Paragraph 1 of our Report of even date)

- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3 (viii) of the Order are not applicable.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.





**DHARMESH PARIKH & CO LLP**  
CHARTERED ACCOUNTANTS  
[LLPIN: AAW-6517]

303/304, "Milestone"  
Nr. Drive-in-Cinema, Opp.T.V.Tower.  
Thaltej, Ahmedabad-380054  
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Website: [www.dharmeshparikh.net](http://www.dharmeshparikh.net)

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**Annexure - A to the Independent Auditor's Report**  
**RE: Adani Defence Systems and Technologies Limited (Continue)**  
(Referred to in Paragraph 1 of our Report of even date)

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(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place: Ahmedabad  
Date: 3<sup>rd</sup> May, 2021



For, **DHARMESH PARIKH & CO LLP.**  
Chartered Accountants  
FRN:112054W/W100725

*H.s. Parikh*  
**Harsh Parikh**  
Partner  
Membership No. 194284  
UDIN - 21194284AAAABT2850



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**Annexure – B to the Independent Auditor's Report**  
**RE: Adani Defence Systems and Technologies Limited**  
(Referred to in Paragraph 2(f) of our Report of even date)

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**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (the act).**

**Opinion**

We have audited the internal financial controls over financial reporting of the company as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibilities for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**Annexure – B to the Independent Auditor's Report**  
**RE: Adani Defence Systems and Technologies Limited (continue)**

(Referred to in Paragraph 2(f) of our Report of even date)

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Ahmedabad  
Date: 3<sup>rd</sup> May, 2021



For, **DHARMESH PARIKH & CO LLP.**  
Chartered Accountants  
FRN:112054W/W100725

*H.S. Parikh*  
**Harsh Parikh**

Partner

Membership No. 194284

UDIN - 21194284AAABT2850

# ADANI DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED

Balance Sheet as at 31st March, 2021

(Amount in ₹)

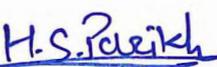
Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>(I) Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	165,049,589	84,789,507
(b) Capital Work-in- Progress	4	-	86,043,020
(c) Financial Assets			
(i) Investments	5	4,672,559,926	3,760,559,926
(ii) Other Financial Assets	6	1,106,000	1,106,000
(d) Other Non Current Assets	7	56,132,100	1,310,300
(e) Income Tax Assets (Net)		1,771,344	2,376,315
<b>Total Non-Current Assets</b>		<b>4,896,618,959</b>	<b>3,936,185,068</b>
<b>(II) Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	8	9,771,988	19,995,625
(ii) Cash & Cash Equivalents	9	57,812,567	367,412,617
(iii) Loans & Advances	10	101,311,849	12,000,000
(iv) Other Financial Assets	11	-	110,066
(b) Other Current Assets	12	5,868,623	5,567,923
<b>Total Current Assets</b>		<b>174,765,027</b>	<b>405,086,231</b>
<b>Total Assets</b>		<b>5,071,383,986</b>	<b>4,341,271,299</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	13	5,008,500,000	3,864,500,000
(b) Other Equity	14	(44,470,265)	(37,452,184)
(c) Share Application Money Pending Allotment	15	-	500,000,000
<b>Total Equity</b>		<b>4,964,029,735</b>	<b>4,327,047,816</b>
<b>LIABILITIES</b>			
<b>(I) Non-Current Liabilities</b>			
<b>(II) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	101,407,778	-
(ii) Trade Payables	17		
- Total outstanding dues of Micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		3,773,669	11,586,581
(iii) Other Financial Liabilities	18	1,860,300	2,384,459
(b) Other Current Liabilities	19	312,504	252,443
<b>Total Current Liabilities</b>		<b>107,354,251</b>	<b>14,223,483</b>
<b>Total Equity and Liabilities</b>		<b>5,071,383,986</b>	<b>4,341,271,299</b>

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 LLP**  
Firm Registration Number : 112054W/W100725  
Chartered Accountants

  
**Harsh Parikh**

Partner  
Membership No. 194284

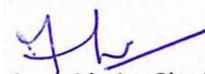


Place : Ahmedabad  
Date : 3rd May, 2021

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



**Ashish Rajvanshi**  
Managing Director  
DIN:07590913

  
**Jugeshinder Singh**  
Chief Financial Officer



**Jatinder Jalundhwala**  
Director & Company Secretary  
DIN: 00137888



Place : Ahmedabad  
Date : 3rd May, 2021

# ADANI DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED

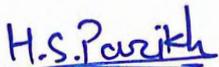
Statement of Profit and Loss for the year ended on 31st March, 2021

(Amount in ₹)

Particulars	Notes	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>a) Revenue</b>			
Revenue from Operations	20	19,894,674	27,359,346
Other income	21	9,219,531	241,795
<b>Total Revenue</b>		<b>29,114,205</b>	<b>27,601,141</b>
<b>b) Expenses</b>			
Finance Costs	22	1,521,918	-
Depreciation and Amortisation Expense	3	3,712,015	-
Other Expenses	23	30,898,353	45,333,985
<b>Total Expenses</b>		<b>36,132,286</b>	<b>45,333,985</b>
<b>c) (Loss) Before Tax</b>		<b>(7,018,081)</b>	<b>(17,732,844)</b>
<b>d) Tax Expense</b>			
Current Tax		-	-
Adjustment of earlier years		-	(10,596)
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>(10,596)</b>
<b>e) (Loss) For The Year</b>		<b>(7,018,081)</b>	<b>(17,722,248)</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 (Loss) for the Year</b>		<b>(7,018,081)</b>	<b>(17,722,248)</b>
<b>h) Earning per Equity Share of ₹ 10 each</b>			
- Basic & Diluted	26	<b>(0.02)</b>	<b>(0.32)</b>
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 LLP**  
Firm Registration Number : 112054W/W100725  
Chartered Accountants

  
**H.S. Parikh**  
Partner  
Membership No. 194284



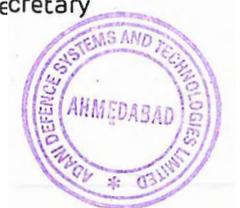
Place : Ahmedabad  
Date : 3rd Mar. 2021

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

  
**Ashish Rajvanshi**  
Managing Director  
DIN:07590913

  
**Jugeshinder Singh**  
Chief Financial Officer

  
**Jatin Jaiundhwaia**  
Director & Company Secretary  
DIN: 00137888



Place : Ahmedabad  
Date : 3rd Mar. 2021

# ADANI DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED

Cash Flow Statement for the year ended on 31st March, 2021

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) for the year	(7,018,081)	(17,732,844)
<b>Adjustment on account of :</b>		
Interest Expense	1,521,918	-
Depreciation Expenses	3,712,015	-
Interest Income	(2,212,458)	(241,795)
Gain on sale of Investments	(7,000,000)	-
Share capital and share issue expenses	1,396,521	8,441,462
Operating (Loss) Before Working Capital Changes	<b>(9,600,085)</b>	<b>(9,533,177)</b>
<b>Movements in Working Capital :</b>		
Increase / (Decrease) in Trade Payables	(7,812,912)	5,022,197
(Decrease) in Other Current Liabilities	(464,098)	(4,768,950)
Decrease / (Increase) in Receivables	10,223,637	(16,253,282)
(Increase) in Other Current Assets	(300,700)	(772,274)
Decrease in Other Non Current Assets	88,200	-
<b>Cash Flow Used In Operations</b>	<b>(7,865,958)</b>	<b>(26,305,486)</b>
Less: Net Tax Paid (Including TDS)	(604,971)	1,593,682
<b>Net Cash Flow Used In Operating Activities</b>	<b>(7,260,988)</b>	<b>(27,899,168)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Decrease/ (Increase) in Capital Expenditure after realisation of Capital Work in Progress	2,070,923	(700,743)
Purchase of investment in Subsidiary Companies	(1,031,000,000)	(2,557,300,000)
Sale of investment in subsidiary company	41,000,000	-
	85,000,000	45,000
Sales of investment in Associate Companies	-	-
Loan given to Associate Company	(88,000,000)	(12,000,000)
Increase in Other non current Assets	(54,910,000)	748,689,700
Interest Received	1,010,675	131,729
<b>Net Cash (Used in) Investing Activities</b>	<b>(1,044,828,402)</b>	<b>(1,821,134,314)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Share Capital	644,000,000	1,981,000,000
Loan taken from holding company (including accrued interest)	101,407,778	-
	-	235,000,000
Share Application Money Pending Allotment	-	-
Proceeds from Borrowings (net)	-	-
Share Capital and Issue Expenses	(1,396,521)	(8,441,462)
Interest paid	(1,521,918)	-
<b>Net Cash Flow From Financing Activities</b>	<b>742,489,339</b>	<b>2,207,558,538</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(309,600,052)</b>	<b>358,525,056</b>
Cash & Cash Equivalents at the beginning of the year	367,412,617	8,887,561
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>57,812,565</b>	<b>367,412,617</b>
<b>Component of Cash and Cash equivalents</b>		
Balances with scheduled bank	-	-
On current accounts	57,812,567	367,412,617
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>57,812,567</b>	<b>367,412,617</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 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 provided as below.



Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are included below.

Particulars	As at 1st April, 2020	Cash Flows	Changes in fair values due to adoption of Ind AS 116	Changes in fair values (Including ERD)	As at 31st March, 2021
Non - Current Borrowings	-	-	-	-	-
Current Borrowings (refer note 16)	-	101,407,778	-	-	101,407,778

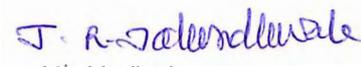
Particulars	As at 1st April, 2019	Cash Flows	Changes in fair values due to adoption of Ind AS 116	Changes in fair values (Including ERD)	As at 31st March, 2020
Non - Current Borrowings	-	-	-	-	-
Current Borrowings (refer note 16 )	-	-	-	-	-

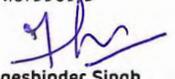
As per our attached report of even date  
For Dharmesh Parikh & Co LLP  
Firm Registration Number : 112054W/W100725  
Chartered Accountants

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

  
Harsh Parikh  
Partner  
Membership No. 194284

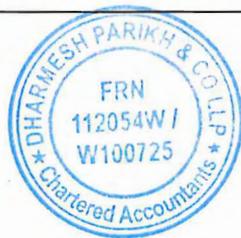
  
Ashish Rajvanshi  
Managing Director  
DIN:07590913

  
Jatin Jalundhwala  
Director & Company Secretary  
DIN: 00137888

  
Jugeshinder Singh  
Chief Financial Officer

Place : Ahmedabad  
Date : 3rd May, 2021

Place : Ahmedabad  
Date : 3rd May, 2021



# ADANI DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED

Statement of Changes in Equity for the year ended on 31st March, 2021

## A. Equity Share Capital

Particulars	Numbers	(Amount in ₹)
As at 1 <sup>st</sup> April 2019	188,350,000	1,883,500,000
Changes in the Equity Share Capital	198,100,000	1,981,000,000
As at 31 <sup>st</sup> March 2020	386,450,000	3,864,500,000
As at 1 <sup>st</sup> April 2020	386,450,000	3,864,500,000
Changes in the Equity Share Capital	114,400,000	1,144,000,000
As at 31 <sup>st</sup> March, 2021	500,850,000	5,008,500,000

## B. Other Equity

Particulars	(Amount in ₹)	
	Retained Earnings	Total
Balance as at 1 <sup>st</sup> April 2019	(19,729,936)	(19,729,936)
Adjustments		
( Loss) for the year	(17,722,248)	(17,722,248)
Other Comprehensive Income	-	-
As at 31 <sup>st</sup> March 2020	(37,452,184)	(37,452,184)
Balance at 1 <sup>st</sup> April 2020	(37,452,184)	(37,452,184)
Adjustments		
( Loss) for the year	(7,018,081)	(7,018,081)
Other Comprehensive Income	-	-
As at 31 <sup>st</sup> March, 2021	(44,470,265)	(44,470,265)

The accompanying notes are an integral part of the financial statements

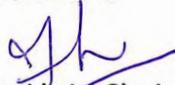
As per our attached report of even date  
For **Dharmesh Parikh & Co LLP**  
Chartered Accountants  
Firm Registration Number : 112054W/W100725

  
Harsh Parikh

Partner  
Membership No. 194284

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

  
Ashish Rajvanshi  
Managing Director  
DIN: 07590913

  
Jugeshinder Singh  
Chief Financial Officer



Jaatin Jainundhwaia  
Director & Company Secretary  
DIN: 00137888

Place : Ahmedabad  
Date : 3rd May, 2021



Place : Ahmedabad  
Date : 3rd May, 2021



## ADANI DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

### 1 Corporate Information

Adani Defence Systems and Technologies Limited was incorporated on 25th March, 2015 under the Companies Act, 2013 having its registered office at Adani Corporate House, Shantigram Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad Gujarat 382421, India to carry on the business activities relating to Manufacture of Fighter Aircraft, Helicopters, Unmanned Aerial Vehicles and other business activities relating to defence.

### 2 Summary of Significant Accounting Policies

#### a) Basis of Preparation 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) Cash And Cash Equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and cash equivalents for the purpose of Statement of Cash Flow comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

#### c) 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.

#### d) Financial Instruments

- i) Trade receivables and debt securities issued are initially recognised when they originated. All other financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
- ii) 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.
- iii) For purposes of subsequent measurement, financial assets and liabilities are classified in various categories as under.

##### i) At amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses. These include trade receivables, finance receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments. These assets are held for the purpose of collecting contractual cash flows which represent solely payment of principal and interest.

##### ii) At fair value through Other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### iii) At fair value through profit or loss (FVTPL)

Financial assets which are not measured at amortised cost are measured at FVTPL.

Fair value changes related to such financial assets including derivative contracts are recognised in the statement of profit and loss.

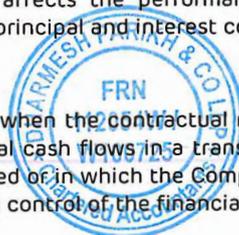
##### Business Model Assessment

The Company makes an assessment of the objectives of the business model in which a financial asset is held because it best reflects the way business is managed and information is provided to management.

The assessment of business model comprises the stated policies and objectives of the financial assets, management strategy for holding the financial assets, the risk that affects the performance etc. Further management also evaluates whether the contractual cash flows are solely payment of principal and interest considering the contractual terms of the instrument.

##### iv) Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.



On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**v) Impairment of Financial Assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. Expected credit loss allowance on trade receivables is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**vi) Derecognition of Financial Liability**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**e) Fair value measurement**

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 financial asset or settle the financial liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

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.

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

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

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 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.

**f) Revenue recognition**

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. Revenue also excludes taxes collected from customers in its capacity as an agent. The accounting policy for the specific revenue streams of the company are summarised below:

- 1) Rendering of services: Revenue from services rendered is recognised when the work is performed and as per the terms of agreement.
- 2) Interest income is recognised on a time proportionate basis taking into account the amount invested and the rate applicable.

### **Contract Balances**

#### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

#### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

### **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.

### **h) Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

### **i) Taxes on Income**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

### **j) 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. Further in the absence of taxable profit current tax provision is not required.

### **k) 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.

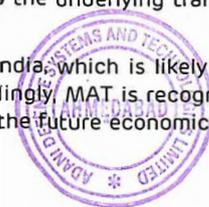
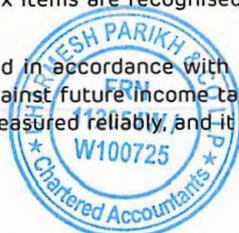
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.



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

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. 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.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

#### **m) 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.

#### **n) Property, plant and equipment**

##### **i. Recognition and measurement**

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

##### **ii. Subsequent measurement**

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss for the period during which such expenses are incurred.

Expenditure incurred during the period of construction including, all direct and indirect overheads, incidental and related to construction is carried forward and on completion, the costs are allocated to the respective assets.

##### **iii. Depreciation**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the Written Down Value method. The useful life of property, plant and equipment is considered based on life prescribed in Schedule II to the Companies Act, 2013, except otherwise stated.

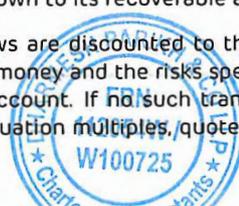
##### **iv. Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

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

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.



The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

**p) 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. Borrowing Cost related to a acquisition/construction of Propert, Plant and Equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. The cost of asset not put to use before the year and capital inventory are disclosed under Capiatal work in progress.

**q) Investments in subsidiaries, associates and joint**

Investments in subsidiaries, associates and joint ventures are accounted for at cost.

**Use of estimates and judgements**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Key Sources of Estimation uncertainty:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**i) Fair value measurement of financial**

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.

**ii) Taxes**

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.

**iii) Useful lives and residual value of property, plant and equipment**

In case of the plant and machinery, in whose case the life of the assets has been estimated at 30 years based on technical assessment, taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support, except for major components identified during the year, depreciation on the same is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

**iv) Impairment of Non Financial Assets**

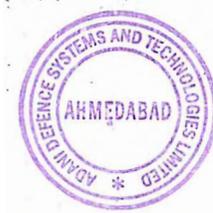
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used.



3 **Property, Plant and Equipment**

(Amount in ₹)

<b>Tangible assets</b>	<b>Land</b>	<b>Building</b>	<b>P&amp;M</b>	<b>Office Equipments</b>	<b>Furniture &amp; Fixtures</b>	<b>Total</b>
As on 1st April 2019	84,789,507	-	-	-	-	84,789,507
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>84,789,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,789,507</b>
As on 1st April 2020	84,789,507	-	-	-	-	84,789,507
Additions	-	60,771,805	15,987,240	984,792	6,228,259	83,972,095
Disposals	-	-	-	-	-	-
<b>At 31st March, 2021</b>	<b>84,789,507</b>	<b>60,771,805</b>	<b>15,987,240</b>	<b>984,792</b>	<b>6,228,259</b>	<b>168,761,603</b>
<b>Depreciation</b>	<b>Land</b>	<b>Building</b>	<b>P&amp;M</b>	<b>IT/ Security</b>	<b>Furniture &amp; Fixtures</b>	<b>Total</b>
As on 1st April 2019	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
As on 1st April 2020	-	-	-	-	-	-
Charge for the year	-	1,924,440	1,012,525	187,110	587,939	3,712,015
Disposals	-	-	-	-	-	-
<b>At 31st March, 2021</b>	<b>-</b>	<b>1,924,440</b>	<b>1,012,525</b>	<b>187,110</b>	<b>587,939</b>	<b>3,712,015</b>
<b>Net Block</b>	<b>Land</b>	<b>Building</b>	<b>P&amp;M</b>	<b>IT/ Security</b>	<b>Furniture &amp; Fixtures</b>	<b>Total</b>
At 31 March 2020	84,789,507	-	-	-	-	84,789,507
<b>At 31st March, 2021</b>	<b>84,789,507</b>	<b>58,847,364</b>	<b>14,974,715</b>	<b>797,681</b>	<b>5,640,320</b>	<b>165,049,589</b>



## ADANI DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED

Notes to Financial Statements for the year ended 31st March, 2021

### 4 Capital Work - in- Progress

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
Capital Work- in - Progress (Net of recovery of Rs. 21,60,925 PY Rs. NIL)	-	86,043,020
<b>Total</b>	<b>-</b>	<b>86,043,020</b>

(For CWIP break-up refer note 29)

### 5 Non Current Investments

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
<b>UNQUOTED INVESTMENTS (measured at cost)</b>		
<b>(a) Investment in Equity Instruments of Subsidiary Companies-Unquoted ( all fully paid up)</b>		
1) 5,47,50,000 ( 31st March 2020 : 17,50,000) Equity Shares of Adani Land Defence and Technologies Ltd of Rs 10 each	547,500,000	17,500,000
2) 45,500 ( 31st March 2020: 45,500)Equity Shares of Adani Naval Defence and Technologies Ltd of Rs 10 each	455,000	455,000
3) 50,000( 31st March 2020: 50,000) Equity Shares of Adani Aero Defence and Technologies Ltd of Rs 10 each	500,000	500,000
4) 10,000( 31st March 2020: 10,000) Equity Shares of Adani Rave Gears India Ltd of Rs 10 each	100,000	100,000
5) 10,000( 31st March 2020: 10,000) Equity Shares of Agneya Systems Ltd of Rs 10 each	100,000	100,000
6) 10,000( 31st March 2020: 10,000) Equity Shares of Carroballista Ltd of Rs 10 each	100,000	100,000
7) Zero ( 31st March 2020: 40,00,000) Equity Shares of Flaire Unmanned Systems Pvt Ltd of Rs 10 each	-	40,000,000
<b>(b) Investment in Equity Instruments of Associate Companies-Unquoted</b>		
1) 137,339( 31st March 2020 : 137339) Equity Shares of Comprotech Engineering Private Limited of Rs 100 each	123,804,926	123,804,926
2) Zero ( 31st March 2020: 721277) Equity Shares of AutoTEC Systems Private Limited of Rs 10 each	-	78,000,000
3) 9971304 ( 31st March 2020 : 9971304) Equity Shares of Alpha Design Technologies Pvt Ltd of Rs 10 each -fully paid up	970,000,000	970,000,000
3379165 ( 31st March 2020 : 3379165) Equity Shares of Alpha Design Technologies Pvt Ltd of Rs 10 each -fully paid	1,015,000,000	1,015,000,000
3362519 ( 31st March 2020 : 3262519 ) Equity Shares of Alpha Design Technologies Pvt Ltd of Rs 10 each -fully paid	1,010,000,000	1,010,000,000
3345875 (31st March 2020 : 3345875) Equity Shares of Alpha Design Technologies Pvt Ltd of Rs 10 each -fully paid up (31st March 2020-partly paid up of Rs. 5.13 each)	1,005,000,000	505,000,000
	<b>4,672,559,926</b>	<b>3,760,559,926</b>
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	4,672,559,926	3,760,559,926

### 6 Other Non Current Financial Assets

(Unsecured, Considered Good)

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
Security Deposits	1,106,000	1,106,000
<b>Total</b>	<b>1,106,000</b>	<b>1,106,000</b>

### 7 Other Non Current Assets

(Unsecured, Considered Good)

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
Advance call money for investment	54,910,000	-
Pre paid Expenses	264,600	352,800
Capital Advances	957,500	957,500
<b>Total</b>	<b>56,132,100</b>	<b>1,310,300</b>



8 Trade Receivables (Amount in ₹)		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivable Unsecured, Considered Good	9,771,988	19,995,625
	<b>9,771,988</b>	<b>19,995,625</b>

9 Cash & cash equivalents (Amount in ₹)		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and Cash Equivalent Balance with Bank	57,812,567	367,412,617
	<b>57,812,567</b>	<b>367,412,617</b>

10 Current Loans (Unsecured, Considered Good) (Amount in ₹)		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Loan to Associate company	-	12,000,000
Loan to Related party (Refer Note :27)	101,311,849	-
<b>Total</b>	<b>101,311,849</b>	<b>12,000,000</b>

11 Other Current Financial Assets (Unsecured, Considered Good) (Amount in ₹)		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest Accrued and due on Loans and Advances	-	110,066
<b>Total</b>	<b>-</b>	<b>110,066</b>

12 Other Current Assets (Unsecured, Considered Good) (Amount in ₹)		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with Government Authorities	4,598,271	1,449,407
Advance to Suppliers	1,182,152	3,934,741
Pre paid Expenses	88,200	183,775
<b>Total</b>	<b>5,868,623</b>	<b>5,567,923</b>

13 Equity Share Capital	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Authorised</b> Equity Shares of Rs. 10/- each	600,000,000	6,000,000,000	600,000,000	6,000,000,000
<b>Issued, subscribed and fully paid-up</b> Equity shares of Rs.10/- each	500,850,000	5,008,500,000	386,450,000	3,864,500,000
	<b>500,850,000</b>	<b>5,008,500,000</b>	<b>386,450,000</b>	<b>3,864,500,000</b>

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

Equity shares	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	386,450,000	3,864,500,000	188,350,000	1,883,500,000
Issued during the period	114,400,000	1,144,000,000	198,100,000	1,981,000,000
Outstanding at the end of the year	<b>500,850,000</b>	<b>5,008,500,000</b>	<b>386,450,000</b>	<b>3,864,500,000</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 :

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Adani Enterprises Limited (Holding Company with its nominees)	500,850,000	5,008,500,000	386,450,000	3,864,500,000
	<b>500,850,000</b>	<b>5,008,500,000</b>	<b>386,450,000</b>	<b>3,864,500,000</b>



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

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	% holding	Numbers	% holding
Adani Enterprises Limited (Holding Company with its nominees)	500,850,000	100%	386,450,000	100%
	<b>500,850,000</b>	<b>100%</b>	<b>386,450,000</b>	<b>100%</b>

As per records of the Company, including it's register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

14 Other Equity

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
Retained Earnings Surplus/ (Deficit) In Statement of Profit And Loss		
Balance as per last financial statements	(37,452,184)	(19,729,936)
Add : (Loss) for the Year	(7,018,081)	(17,722,248)
Add : Other Comprehensive (Loss) for the year	-	-
<b>Net (Deficit) at the end of the year</b>	<b>(44,470,265)</b>	<b>(37,452,184)</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.

15 Share Application Money Pending Allotment

Particulars	As at 31st March, 2021	As at 31st March, 2020
Share Application Money Pending Allotment	-	500,000,000
<b>Total</b>	<b>-</b>	<b>500,000,000</b>

16 Borrowings

	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
From related party	101,407,778	-
Borrowed for a period less than 1 year from Holding company	101,407,778	-
Rate of interest @ 10.10% per year		

17 Trade Payables

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
Trade payables		
i. Total outstanding dues of Micro, small and medium enterprises (Refer note no 26)	-	-
ii Total outstanding dues of creditors other than micro and small enterprise	3,773,669	11,586,581
<b>Total</b>	<b>3,773,669</b>	<b>11,586,581</b>

18 Other Current Financial Liabilities

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
Retention Money Payable	1,860,300	2,384,459
Interest Accrued but not due	-	-
<b>Total</b>	<b>1,860,300</b>	<b>2,384,459</b>

19 Other Current Liabilities

Particulars	(Amount in ₹)	
	As at 31st March, 2021	As at 31st March, 2020
Statutory Dues Payable ( Tax Deduction At Source)	312,504	252,443
<b>Total</b>	<b>312,504</b>	<b>252,443</b>

20 Revenue from Operations

Particulars	(Amount in ₹)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Other Support Services/ Facilitation Charges	19,894,674	27,359,346
<b>Total</b>	<b>19,894,674</b>	<b>27,359,346</b>



**21 Other Income**

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income	2,212,458	241,795
Gain on Sale of Investment	7,000,000	-
Other Misc Income	7,073	-
<b>Total</b>	<b>9,219,531</b>	<b>241,795</b>

**22 Finance Costs**

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Borrowings	1,521,918	-
<b>Total</b>	<b>1,521,918</b>	<b>-</b>

**23 Other Expenses**

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Legal & Professional Fees	12,809,029	7,771,523
Electricity Expenses	6,104,683	7,797,231
Business Development Expenses	6,553,319	19,720,275
Repairs & Maintenance	143,931	-
Stamp Duty	1,396,521	1,792,500
Rental Charges	980,000	-
Filing Fees	22,712	6,648,962
Software Expenses	-	10,800
Interest/ Penalty on TDS	-	23,547
Travelling Expenses	248,501	84,701
Insurance	95,575	477,880
Professional Tax	-	6,250
Seminar Expenses	-	212,000
Transportation Charges	538,250	-
Payment to Auditors (Refer Note (a) below)	46,000	92,060
Other Expenses	1,826,801	447,493
Vehicle Hire Charges	133,032	248,764
<b>Total</b>	<b>30,898,353</b>	<b>45,333,985</b>

**Note :**

(a) Payment to Auditor	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>As Auditor:</b>		
Statutory Audit Fees	35,000	35,000
Other Services	11,000	25,060
Certification	-	32,000
<b>Total</b>	<b>46,000</b>	<b>92,060</b>

**(a) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2021**

	March 31, 2021		March 31, 2020	
	%	Rs	%	Rs
Loss Before tax		(7,018,081)		(17,732,844)
Tax using the Company's domestic rate	27.82%	(1,952,430)	27.82%	(4,933,277)
<b>Tax Effect of:</b>				
Income and Expenses not allowed under Income Tax		1,952,430		4,933,277
<b>Effective tax rate</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>
<b>Tax expenses as per Books</b>		<b>-</b>		<b>-</b>

**24 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.

**Fair Value Measurement :**
**Category-wise Classification of Financial Instruments:**
**a) The carrying value of financial instruments by categories as of 31st March, 2021 is as follows :**

Particulars	Refer Note	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
<b>Financial Asset</b>				
Investments	5		4,672,559,926	
Trade receivables	8		9,771,988	
Cash and Cash Equivalents	9		57,812,567	
Loans	10		101,311,849	
Others financial assets	6,11		1,106,000	
<b>Total</b>			<b>4,842,562,330</b>	
<b>Financial Liabilities</b>				
Borrowings (including Current Maturities)	16		101,407,778	
Trade payables	17		3,773,669	
Other financial liabilities	18		1,860,300	
<b>Total</b>			<b>107,041,747</b>	

b) 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>				
Investments	5		3,760,559,926	
Trade receivables	8		19,995,625	
Cash and Cash Equivalents	9		367,412,617	
Loans	10		12,000,000	
Others financial assets	6.11		1,216,066	
<b>Total</b>		-	<b>4,161,184,234</b>	-
<b>Financial Liabilities</b>				
Borrowings (including Current Maturities)	16		-	
Trade payables	17		11,586,581	
Other financial liabilities	18		2,384,459	
<b>Total</b>		-	<b>13,971,040</b>	-

## 25 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

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has no long term borrowing outstanding as at 31st March, 2021 and hence, there is no impact on the Company's profit for the period.

### 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.

### Other Financial Assets:

This comprises mainly of deposits with government and security deposit against rent agreement. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are government and security deposit for rent is going to be adjusted against rent at the end of agreement. Hence, there is no credit risk.

### 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.

### 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.

(Amount in ₹)

As at 31st March, 2021	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	101,407,778			
Trade Payables	3,773,669	-	-	3,773,669
Other Financial Liabilities	1,860,300	-	-	1,860,300
<b>As at 31st March, 2020</b>				
Borrowings	-	-	-	-
Trade Payables	11,586,581	-	-	11,586,581
Other Financial Liabilities	2,384,459	-	-	2,384,459

### 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, 2021 and as at 31st March, 2020.

(Amount in ₹)

Particulars	Note	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net debt (total debt less cash and cash equivalents) (A)		43,595,211	(367,412,617)
Total capital (B)		4,964,029,735	4,327,047,816
Total capital and net debt C=(A+B)		5,007,624,946	3,959,635,199
Gearing ratio (A/C)		0.01	(0.09)

## 26 Disclosures under MSMED Act

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below.

Particulars	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Principal amount remaining unpaid to any supplier as at the year end.	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the	-	-
Amount of interest due and payable for the period of delay in making	-	-
Amount of interest accrued and remaining unpaid at the end of the	-	-
Amount of further interest remaining due and payable even in	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31st March, 2021 based on the information received and available with the entities of company. On the basis of such information, no interest is payable to any micro, small and medium enterprises.

27 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 Holding Company	Adani Enterprises Limited
B Subsidiary Company	Adani Land Defence Systems and Technologies Ltd Adani Naval Defence Systems and Technologies Ltd Adani Aerospace and Defence Ltd Alpha Design Technologies Pvt Ltd PLR Systems Pvt Ltd (w.e.f. 10th September, 2020) Flaire Unmanned Systems Pvt Limited (upto 2nd September, 2020) Adani Rave Gears India Limited Agneya Systems Limited Carroballista Systems Limited
C Associates	Comprotech Engineering Private Limited AutoTEC Systems Private Limited (upto 2nd September, 2020)
D Key Management Personnel	Mr. Ashish Rajvanshi, Managing Director Mr. Ameet H. Desai, Director Mr. Jatin Jalundhwala, Director & Company Secretary Mrs. Sushma Ashvin Oza, Director Mr. Jugeshinder Singh, Chief Financial Officer

### II Nature And Volume of transactions with Related Parties

(Amount in ₹)

Nature of Transaction	Name of the Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Share Capital Received		1,144,000,000	198,100,000
Borrowings ( Loan taken)	Adani Enterprises Ltd	100,000,000	-
Interest Expense		1,521,918	-
Loans Given	Ordefence Systems Ltd (Formerly known as Adani Land Defence Systems & Technologies Limited)	100,000,000	-
Interest Income		1,418,219	-
Reimbursement of Expenses	Adani Elbit Advanced Systems India Ltd	-	8,793,596
Professional Fees		-	10,172,250
Capital Receipts on transfer of CWIP		-	-
Reimbursement of Expenses	Comprotech Engineering Pvt Ltd	3,156,741	4,585,894
Professional Fees		3,698,800	3,628,800
Reimbursement of Expenses		-	1,252,294
Loans Given	AutoTEC Systems Private Limited	-	12,000,000
Loans Repaid		12,000,000	-
Interest Income		635,848	198,832
Reimbursement of Expenses	Alpha Design Limited	-	145,000
Subscription of Investment (including Advance	Alpha Design Limited	554,910,000	1,750,000,000

### III Closing Balances as on 31st March, 2021

(Amount in ₹)

Nature of Transaction	Name of Related Party	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	Adani Elbit Advanced Systems India	2,799,103	14,058,250
Trade Receivables	Alpha Design Limited	-	145,000
Trade Receivables	Comprotech Engineering Pvt Ltd	6,965,146	3,048,975
Borrowings	Adani Enterprises Limited	101,407,778	-
Trade Receivables	AutoTEC Systems Private Limited	-	440,294
Loans given (including interest receivable)	AutoTEC Systems Private Limited	-	12,110,066
Loans given (including interest receivable)	Ordefence Systems Limited	101,311,849	-

**28 Earning Per Share (EPS)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit ( Loss) after tax available for Equity Shareholders ( In ₹) Weighted Average	(7,018,081)	(17,722,248)
Basic & Diluted Earnings Per Share ( Face Value of ₹ 10/- each) Basic & Diluted ( in ₹)	404,211,749 (0.02)	55,595,370 (0.32)

**29 Details of Capital Work -in Progress including certain expenses of revenue nature allocable to the New Project as detailed below**

(Amount in ₹ )		
Particulars	As at 31st March, 2021	As at 31st March, 2020
A B Project Cost (Net of recovery of Re. 21,60,925) <b>Cost attributable to Construction Period</b>		82,203,268
General Administrative Overheads		502,418
Power		1,873,015
Professional Fees		1,380,750
Security Expenses		83,569
<b>Sub- Total</b>		3,839,752
<b>Total Capital Work -in - Progress ( A+ B+ C)</b>	-	<b>86,043,020</b>

**30 Contingent Liabilities & Commitments**

(Amount in ₹ )		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Contingent Liabilities to the extent not provided for - Share Call money towards Partly Paid up Shares	-	500,000,000
Commitments Estimated amount of contracts remaining to be executed on capital account ( net of advances)	Nil	Nil

**31** As per Indian Accounting Standard 19 "Employee Benefits", there are no employee benefit cost as the company is engaging employees of holding company.

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

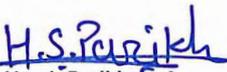
The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of subsequent events and transactions in the financial statements. There were no subsequent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

**33 Approval of Financial Statements**

The financial statements were approved for issue by the board of directors on 3rd May, 2021

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

As per our attached report of even date  
For Dharmesh Parikh & Co LLP  
Firm Registration Number : 112054W/W100725  
Chartered Accountants

  
**Harsh Parikh**  
Partner  
Membership No. 194284



Place : Ahmedabad  
Date : 3rd May, 2021

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

  
**Ashish Rajvanshi**  
Managing Director  
DIN:07590913

  
**Jugeshinder Singh**  
Chief Financial Officer

Place : Ahmedabad  
Date : 3rd May, 2021

  
**Jatin Jalundhwala**  
Director & Company Secretary  
DIN: 00137888

