



Independent Auditor's Report

To the Members of Adani Aerospace and Defence Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Adani Aerospace and Defence Limited ("the Company"), which comprise the Balance Sheet as at 31st 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 31st March, 2021, the loss and total comprehensive loss, 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.





Independent Auditor's Report
To the Members of Adani Aerospace and Defence 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





Independent Auditor's Report

To the Members of Adani Aerospace and Defence Limited (Continue)

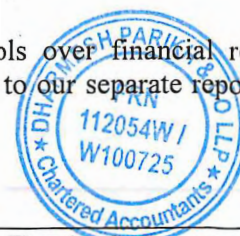
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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 of 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - 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';





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

303/304, "Milestone"
Nr. Drive-in-Cinema, Opp. T.V. Tower,
Thaltej, Ahmedabad-380054
Phone: 91-79-27474466
Email: info@dharmeshparikh.net
Website: www.dharmeshparikh.net

Independent Auditor's Report

To the Members of Adani Aerospace and Defence Limited (Continue)

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:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. 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: 30th April 2021

For, **DHARMESH PARIKH & CO LLP**
Chartered Accountants
Firm Reg. No. 112054W/W100725



H.S. Parikh

Harsh Parikh

Partner

Membership No. 194284

UDIN-21194284AAAA BU8825



Annexure - A to the Independent Auditor's Report

RE: Adani Aerospace and Defence Limited

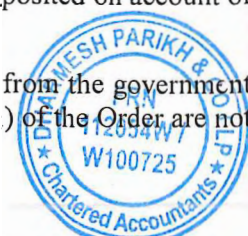
(Referred to in Paragraph 1 of our Report of even date)

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 31st March, 2021, we report that:

- (i) The company does not have any Property, Plant & Equipment. Accordingly, the provisions of paragraph 3 (i) (a) to (c) of the Order are not applicable.
- (ii) The Company has not carried out any commercial activities during the year under review and hence it 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) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (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) The company has not done any commercial activity during the year under review. Accordingly, 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 31st March, 2020 for a period of more than six months from the date they became payable.

- (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 (vii) 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.
- (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: 30th April 2021



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W/W100725

H.S. Parikh

Harsh Parikh
Partner

Membership No. 194284

UDIN-21194284 AAAA BU8825



Annexure – B to the Independent Auditor's Report

RE: Adani Aerospace and Defence Limited

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

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 31st March, 2020 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 31st March 2020, 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.

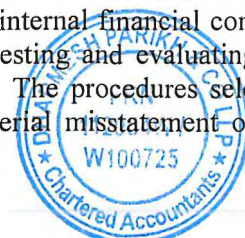
Management's Responsibilities for Internal Financial Controls

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.





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

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

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.

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: 30th April 2021



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

H.S. Parikh
Harsh Parikh

Partner
Membership No. 194284
UDIN - 21194284 AAAA BU 8825

ADANI AEROSPACE AND DEFENCE LIMITED

(Formerly known as ADANI AERO 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
ASSETS			
(I) Non-Current Assets		-	-
Total Non-Current Assets		-	-
(II) Current Assets			
a) Financial Assets			
i) Cash & Cash Equivalents	3	249,255	301,645
Total Current Assets		249,255	301,645
Total Assets		249,255	301,645
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	4	500,000	500,000
Other Equity	5	(274,646)	(223,955)
		225,354	276,045
LIABILITIES			
(I) Non-Current Liabilities		-	-
Total Non-Current Liabilities		-	-
(II) Current Liabilities			
a) Financial Liabilities			
i) Trade Payables	6		
Total Outstanding dues of:			
- Micro and small enterprises		-	-
- Creditors other than micro and small enterprises		22,100	21,600
b) Other Current Liabilities	7	1,801	4,000
		23,901	25,600
Total Equity and Liabilities		249,255	301,645
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

For and on behalf of the Board
For **Adani Aerospace and Defence Limited**

H.S. Parikh
H.S. Parikh

Partner
Membership No. 194284
Place : Ahmedabad
Date : 30th April, 2021

J. R. Jalundhwala

Jatin Jalundhwala
Director
DIN: 00137888
Place : Ahmedabad
Date : 30th April, 2021

Vipul Agarwal

Vipul Agarwal
Director
DIN: 08763133



ADANI AEROSPACE AND DEFENCE LIMITED

(Formerly known as ADANI AERO DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED)

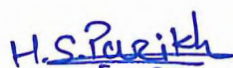
Statement of Profit and Loss for the year ended on 31st March, 2021

(Amount in ₹)			
Particulars	Notes	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Revenue			
Revenue from Operations		-	-
Total Revenue		-	-
b) Expenses			
Other Expenses	8	50,691	41,838
Total Expenses		50,691	41,838
c) (Loss) Before Tax		(50,691)	(41,838)
d) Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
e) (Loss) For The Year		(50,691)	(41,838)
f) Other Comprehensive Income			
- Item that will be reclassified to Statement of Profit & Loss		-	-
- Item that will not be reclassified to Statement of Profit & Loss		-	-
Total Other Comprehensive Income		-	-
g) Total Comprehensive Income for the Year		(50,691)	(41,838)
h) Earning per Equity Share of ₹ 10 each			
- Basic & Diluted	12	(1.01)	(0.84)
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

For and on behalf of the Board
For **Adani Aerospace and Defence Limited**



Harsh Parikh
Partner
Membership No. 194284
Place : Ahmedabad
Date : 30th April, 2021



Jatin Jalundhwala
Director
DIN: 00137888
Place : Ahmedabad
Date : 30th April, 2021



Vipul Agarwal
Director
DIN: 08763133



ADANI AEROSPACE AND DEFENCE LIMITED

(Formerly known as ADANI AERO DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED)

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

A. Share Capital

Particulars	Numbers	(Amount in ₹)
As at 31st March 2019	50,000	500,000
Changes in the Equity Share Capital	-	-
As at 31st March 2020	50,000	500,000
Changes in the Equity Share Capital	-	-
As at 31st March, 2021	50,000	500,000

B. Other Equity

Particulars	(Amount in ₹)
Retained Earnings	
As at 31 st March 2019	(182,117)
Adjustments	
(Loss) for the year	(41,838)
Other Comprehensive Income	-
As at 31 st March 2020	(223,955)
Balance at 1 st April 2020	(223,955)
Adjustments	
(Loss) for the year	(50,691)
Other Comprehensive Income	-
As at 31st March, 2021	(274,646)

The accompanying notes are an integral part of financial statements

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 Aerospace and Defence Limited**

H.S. Parikh

Harsh Parikh

Partner

Membership No. 194284

Place : Ahmedabad

Date : 30th April, 2021

J. R. Jalundhwala

Jatin Jalundhwala

Director

DIN: 00137888

Place : Ahmedabad

Date : 30th April, 2021

Vipul Agarwal

Vipul Agarwal

Director

DIN: 08763133



ADANI AEROSPACE AND DEFENCE LIMITED

(Formerly known as ADANI AERO 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
I. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) for the Year	(50,691)	(41,838)
Operating (Loss) Before Working Capital Changes	(50,691)	(41,838)
Movements in Working Capital :		
(Decrease) in Trade Payables & other financial liabilities	(1,699)	(21,014)
Cash Flow used In Operations	(52,390)	(62,852)
Net Cash Flow From Operating Activities	(52,390)	(62,852)
II. CASH FLOW FROM INVESTING ACTIVITIES	-	-
Net Cash Flow From Investing Activities	-	-
III. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Cash Flow From Financing Activities	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents	(52,390)	(62,852)
Cash & Cash Equivalents at the beginning of the year	301,645	364,497
Cash & Cash Equivalents at the end of the year (Refer Note 3)	249,255	301,645
Component of Cash and Cash equivalents		
Balances with scheduled bank		
On current accounts	249,255	301,645
Cash and Cash Equivalents at the End of the Year	249,255	301,645

Summary of Significant Accounting Policies**2****Notes:-**

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

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

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

For and on behalf of the Board
For Adani Aerospace and Defence Limited

H.S. Parikh
Harsh Parikh

Partner
Membership No. 194284
Place : Ahmedabad
Date :



J. R. Jalundhwale

Jatin Jalundhwale
Director
DIN: 00137888
Place : Ahmedabad
Date : 30th April, 2021

Vipul Agarwal

Vipul Agarwal
Director
DIN: 08763133



ADANI AEROSPACE AND DEFENCE LIMITED

(Formerly known as ADANI AERO DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED)

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

1 Corporate Information

Adani Aero Defence Systems and Technologies Limited was incorporated on 17th July, 2015 under the Companies Act, 2013 having its registered office at "Adani House", Near Mithakali Six Roads, Navrangpura, Ahmedabad- 380009, Gujarat, India to carry on the business activities relating to the Design, development, manufacture, maintenance, overhauling, repair & upgrade of fighter aircraft and unmanned aerial vehicles and parts & components thereof.

The Company's name has been changed from Adani Aero Defence Systems and Technologies Limited to Adani Aerospace and Defence Limited pursuant to fresh Certificate of Incorporation from the Registrar of Companies on 6th September 2017.

2 Summary of Significant Accounting Policies

a) Basis of preparation and presentation of financial statements

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

These financial statements have been prepared on a going concern basis 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.

Financial Instruments

Recognition and measurement

A financial asset and financial liability is 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 and 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 and loss are recognised immediately in the Statement of Profit and Loss.

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle

Reclassification of Financial Instruments

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminate a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in year ended March 31, 2021 and in period ended March 31, 2020.

Financial assets

Initial recognition and measurement

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

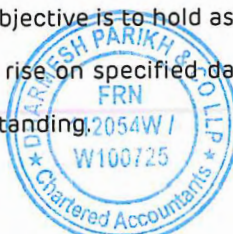
Subsequent measurement

For purposes of subsequent measurement, financial assets are classified based on assessment of business model in which they are held. This assessment is done for portfolio of the financial assets. The relevant categories are as below:

i) At amortised cost

A financial asset is measured at amortised cost 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 to hold assets to collect contractual cash flows; 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.



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

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 and loss (FVTPL)

Financial assets which are not measured at amortised cost and are held for trading 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.

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 the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

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.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

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 and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

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

Financial liabilities and equity instruments



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Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the Statement of Profit and Loss. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Fair value changes related to such financial liabilities including derivative contracts like forward currency contracts

and options to hedge the Company's foreign currency risks are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange 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 the Statement of Profit and Loss.

Current & Non-Current Classification

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



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A liability is treated as current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

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

Revenue recognition

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

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 obligations under the contract.

Taxation

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the reporting period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Further at the end of the year as there are no taxable profit hence no current tax provision is required.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is also recognised in respect of carried forward tax losses and tax credits subject to the assessment of reasonable certainty of recovery.

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

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

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the 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.

b) Use of Significant Judgements, Estimates and Assumptions

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

Estimates and assumptions are required in particular for:

i) Recognition of deferred tax assets:

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

ii) Recognition and measurement of other provisions:

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

iii) Fair value measurement of financial instruments

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

c) Cash And Cash Equivalents (for purposes of Cash Flow Statement)

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

d) Cash Flow Statement

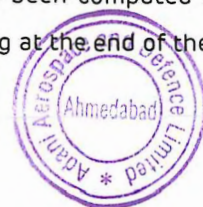
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) 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.

f) Earnings Per Share

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



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

g) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value Measurement of a Non financial assets

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value.

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

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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



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

h) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

3 Cash & cash equivalents

Cash and Cash Equivalent
Balance with Bank - in Current Account

(Amount in ₹)	
As at 31st March, 2021	As at 31st March, 2020
249,255	301,645
249,255	301,645

4 Equity Share Capital

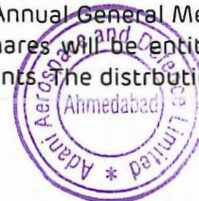
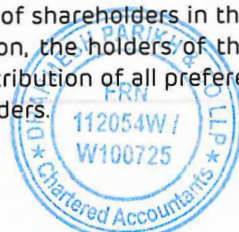
	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised shares Equity Shares of Rs. 10/- each	50,000	500,000	50,000	500,000
Issued, subscribed fully paid-up shares Equity shares of Rs. 10/- each fully paid up	50,000	500,000	50,000	500,000
	50,000	500,000	50,000	500,000

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

	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Equity shares At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000

b. Terms/ rights attached to equity shares

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



ADANI AEROSPACE AND DEFENCE LIMITED

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Notes to Financial Statements for the year ended 31st March, 2021**c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the company, shares held by its holding company together with its nominees are as below :

	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Equity Shares				
Adani Defence Systems and Technologies Limited	50,000	500,000	50,000	500,000
(Holding Company alongwith its nominees)				
	50,000	500,000	50,000	500,000

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

	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	% holding	Numbers	% holding
Equity Shares				
Adani Defence Systems and Technologies Limited	50,000	100%	50,000	100%
(Holding Company alongwith its nominees)				
	50,000	100%	50,000	100%

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

Other Equity

5

(Amount in ₹)

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

Balance as per last financial statements

Add : (Loss) for the Year

Add : Other Comprehensive Income for the year

Net (Deficit) at the end of the year

As at 31st March, 2021	As at 31st March, 2020
(223,955)	(182,117)
(50,691)	(41,838)
(274,646)	(223,955)

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

6 Trade Payables

(Amount in ₹)

Other Than Acceptances

- Total outstanding Due of Micro, small and medium enterprise (Refer Note 10)

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

As at 31st March, 2021	As at 31st March, 2020
-	-
22,100	21,600
22,100	21,600

7 Other Current Liability

(Amount in ₹)

Statutory Liability payable

As at 31st March, 2021	As at 31st March, 2020
1,801	4,000
1,801	4,000



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Notes to Financial Statements for the year ended 31st March, 2021**8 Other Expenses**

(Amount in ₹)

	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Legal & Professional Fees	24,263	-
Filing Fees	2,408	2,000
Bank Charges	-	-
Payment to Auditor (refer note (a) below)	23,600	37,062
Miscellaneous Expenses	420	2,776
	50,691	41,838

Note :**(a) Payment To Auditor****As Auditor:**

Statutory Audit Fees
Other Attestation Services

	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
	23,600	23,600
	-	13,462
	23,600	37,062

Income Tax**(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
Profit Before tax		(50,691)		(41,838)
Tax using the Company's domestic rate	26.00%	(13,180)	26.00%	(10,878)
Tax Effect of:				
Income and Expenses not allowed under Income Tax		13,180		10,878
Effective tax rate	0.00%	-	0.00%	-
Tax expenses as per Books		-		-

9 Financial Instruments And Risk Review

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

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

Particulars	Refer Note	Fair Value through Profit & Loss	Amortised Cost	Carrying Value
Financial Asset				
Cash and Cash Equivalents	3	-	249,255	249,255
Total		-	249,255	249,255
Financial Liabilities				
Trade payables	6	-	22,100	22,100
Total		-	22,100	22,100



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

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
Financial Asset				
Cash and Cash Equivalents	3	-	301,645	301,645
Total		-	301,645	301,645
Financial Liabilities				
Trade payables	6	-	21,600	21,600
Other financial liabilities		-	-	-
Total		-	21,600	21,600

Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities:

a) The carrying value of financial instruments by categories is as follows :

As at March 31, 2021

Particulars	Refer Note	Level 1	Level 2	Level 3
Financial Asset				
Cash and Cash Equivalents	3	-	-	249,255
Total		-	-	249,255
Financial Liabilities				
Trade payables	6	-	-	22,100
Total		-	-	22,100

As at March 31, 2020

Particulars	Refer Note	Level 1	Level 2	Level 3
Financial Asset				
Cash and Cash Equivalents	3	-	-	301,645
Total		-	-	301,645
Financial Liabilities				
Trade payables	6	-	-	21,600
Total		-	-	21,600

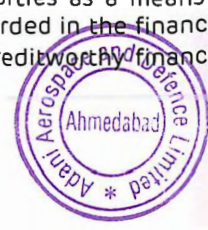
Interest Risk

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

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

Credit risk

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



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

The tables below provide details regarding contractual maturities of significant liabilities as at the end of each year end presented.

Contractual maturities of financial liabilities as at March 31, 2021	Refer Note	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 years
Trade Payables			22,100	-	-	-
Total		-	22,100	-	-	-

Contractual maturities of financial liabilities as at March 31, 2020	Total Book Value	On demand or within 1 year	Over 1 year Within 3 years	Over 3 year Within 5 years	Over 5 years
Trade Payables		21,600	-	-	-
Total	-	21,600	-	-	-

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.

Since the Company is yet to initiate any project and no external borrowings have been obtained, Capital gearing ratio is not presented for the period ended 31st March, 2021.

10 Disclosures under MSMED Act

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

11 As per Indian Accounting Standard (Ind AS) 24, disclosure of transactions with related parties (As identified by the Management), as defined in Indian Accounting Standard are given below:-**Name of Related Parties & Description of Relationship.**

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

Related Party Transactions : NIL



ADANI AEROSPACE AND DEFENCE LIMITED

(Formerly known as ADANI AERO DEFENCE SYSTEMS AND TECHNOLOGIES LIMITED)

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

12 Earning Per Share (EPS)

(Amount in ₹)

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Net(Loss) after tax available for Equity Shareholders	(50,691)	(41,838)
Weighted Average Number of shares used in computing Earnings Per Share	50,000	50,000
Basic & Diluted	50,000	50,000
Earnings Per Share (Face Value of ₹ 10/- each)		
Basic & Diluted (in ₹)	(1.01)	(0.84)

13 Contingent Liabilities & Commitments

Contingent Liabilities to the extent not provided for Commitments
Estimated amount of contracts remaining to be executed on capital account (net of advances)

As At 31st March, 2021	As At 31st March, 2020
Nil	Nil
Nil	Nil

14 Events occurring after the Balance sheet Date

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

15 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on 30th April, 2021

16 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

For and on behalf of the Board
For Adani Aerospace and Defence Limited

H.S. Parikh
Harsh Parikh

Partner
Membership No. 194284
Place : Ahmedabad
Date : 30th April, 2021

J. R. Jalundhwala

Jatin Jalundhwala
Director
DIN: 00137888
Place : Ahmedabad
Date : 30th April, 2021

Vipul Agarwal

Vipul Agarwal
Director
DIN: 08763133

