

AMIT RAY & CO.

Chartered Accountants

'MERU', Plot No. 102/103, Silver Oak Gardens, 3rd Cross, J.P. Nagar 7th Phase, Bangalore – 560078

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INDEPENDENT AUDITOR'S REPORT

To the Members of

**M/s Alpha Design Technologies Private Limited
Bangalore**

Report on the Audit of the Consolidated Financial Statements

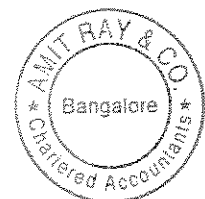
Opinion

We have audited the accompanying consolidated financial statements of **M/S ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED** (hereinafter referred to as the 'Holding Company') and its subsidiaries (together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, consolidated changes in equity and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical



requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance 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 opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

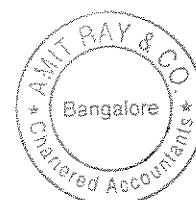
The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the consolidated, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the IND AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

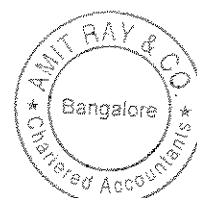
The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

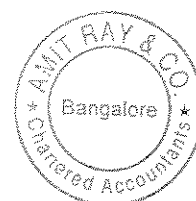
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- 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 ability of the Group and its associates and jointly controlled entities 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.



Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

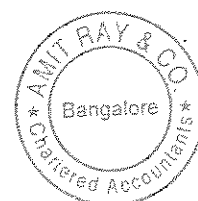
We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including 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.

Other Matters

We did not audit the financial statements of seven subsidiaries whose financial statements reflect total assets of Rs. 102.65 Crores as at 31st March, 2021, total revenues of Rs. 31.58 Crores, Net profit after Tax of Rs.(6.43) Cr. and net cash out flows amounting to Rs0.91 Crores for the year ended 31st march 2021, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Further we draw your attention to note no. of the notes to accounts, which states that the accompanying Consolidated Financial Statements include the Group's share of total assets of Rs. 53.73 Crores as at 31st March, 2021, total revenues



of Rs.76.96 Crores, Net profit after Tax of Rs. 7.72Cr. and net cash out flows amounting to Rs3.45 crores. in respect of 2 subsidiaries whose Financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such Management certified financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

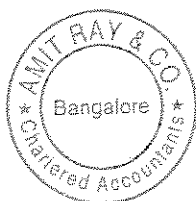
As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (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 of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the statement of Consolidated Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and based on the reports of the statutory auditors of its subsidiary companies in India, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies and jointly controlled entities incorporated in India, refer to our separate report in "Annexure 1" to this report, which is based on the auditor's reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of these companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and based on the report of statutory auditors of the subsidiaries, the said provision is not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the group – refer Note No.44 to the consolidated financial statements.
 - ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

Place: Bengaluru
Date: 29-Apr-2021



For Amit Ray & CO
Chartered Accountants
Firm Regn No. 483-C

A handwritten signature in black ink, appearing to read "C V Savit Kumar Rao".

C V Savit Kumar Rao
Partner
Membership No. 70009
UDIN no. 21070009AAAACI6815

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Alpha Design Technologies Private Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Alpha Design Technologies Private Limited (hereinafter referred to as the ("Company")) and its subsidiary companies, as of that date.

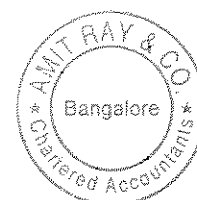
MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the of the - Company and its subsidiary companies, are 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. 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 the respective 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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") issued by Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial



reporting with reference to these consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

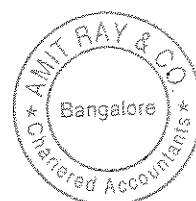
We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become



inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

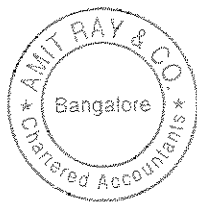
OPINION

In our opinion, the - Company and its subsidiary companies, have, maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 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.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the - Company, insofar as it relates to seven subsidiary companies not audited by us, and three subsidiaries whose unaudited financial statements are included in these consolidated financial statements, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India and averments of the management, in this behalf.

Place: Bengaluru
Date: 29-Apr-2021



For Amit Ray & CO
Chartered Accountants
Firm Regn No. 483-C

A handwritten signature in black ink, appearing to read "C V Savit Kumar Rao".

C V Savit Kumar Rao
Partner
Membership No. 70009
UDIN no. 21070009AAAACI6815

Consolidated Balance Sheet as at 31st March 2021
 All amounts in Indian Rupees, unless otherwise stated


Particulars	Notes	As at 31 March 2021	As at 31 March 2020
I ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	1,520,828,865	1,293,856,083
(b) Capital Work-in-progress	3	1,296,838,134	1,166,610,231
(c) Goodwill		332,581,380	119,974,817
(d) Other Intangible Assets	3	386,629,393	250,054,663
(e) Intangible assets under development	3	1,391,930,542	1,170,757,898
(f) Right to use Assets	3	151,033,164	214,794,193
(g) Financial Assets			
i. Investments	4	85,474,028	-
ii. Loans	5	35,551,349	33,944,050
iii. Others	6	619,352,887	203,916,898
(h) Income Tax Assets (net)	7	31,532,654	32,679,836
(i) Other Non-Current Assets	8	25,102,307	31,015,812
Total Non-Current Assets		5,876,854,702	4,517,604,481
2 Current Assets			
(a) Inventories	9	2,591,131,479	1,673,991,559
(b) Financial Assets			
i. Investments			
ii. Trade Receivables	10	3,468,790,467	1,983,676,197
iii. Cash and cash equivalents	11	71,648,386	67,420,059
iv. Bank balances other than (iii) above	12	204,443,009	319,496,909
v. Loans	13	2,465,479	2,270,569
vi. Other financial assets	14	326,299,882	1,498,386,100
(c) Current Tax Assets (Net)	15	9,982,266	12,554,971
(d) Other current assets	16	2,225,762,713	1,430,797,439
Total Current Assets		8,900,523,682	6,988,593,803
Total Assets		14,777,378,383	11,506,198,283
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	512,186,710	495,892,299
(b) Other equity	18	5,967,840,228	5,383,135,688
Equity attributable to Owners of the Company		6,480,026,938	5,879,027,987
(c) Non-controlling interest		248,599,577	83,618,499
Total Equity		6,728,626,515	5,962,646,487
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	19	686,140,209	498,122,919
ii. Lease Liabilities		89,113,035	147,738,087
iii. Other financial liabilities	20	663,214,128	397,368,050
(b) Provisions	21	8,156,902	2,190,724
(c) Deferred Tax Liabilities (Net)	22	114,076,506	78,851,291
Total Non-Current Liabilities		1,560,700,780	1,124,271,070
2 Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	23	916,054,062	1,143,631,705
ii. Lease Liabilities		82,214,227	83,361,899
iii. Trade payables	24		
(a) Total outstanding dues of MSME		21,980,835	46,838,117
(b) Total outstanding dues of other creditors		2,042,676,618	1,243,131,617
iv. Other financial liabilities	25	517,989,811	760,809,763
(b) Other current liabilities	26	2,811,484,782	1,091,609,202
(c) Provisions	27	57,135,679	42,638,588
(d) Current tax liabilities (Net)	28	38,515,075	7,259,835
Total Current Liabilities		6,488,051,089	4,419,280,726
Total Liabilities		8,048,751,869	5,543,551,797
Total Equity and Liabilities		14,777,378,384	11,506,198,283

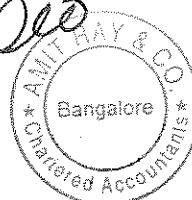
Summary of Significant Accounting Policies

The accompanying notes are an integral part of these financial statements

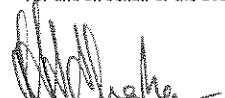
This is the Balance Sheet referred to in our report of even date

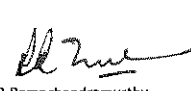
For Amit Ray & CO., Chartered Accountants
 Firm Registration No: 483-C

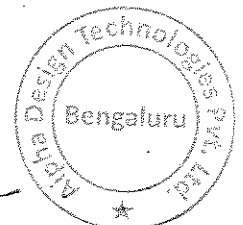

 C V Savit Kumar Rao
 Partner
 Membership No: 70009



For and on behalf of the Board of Directors


 Col. H S Shankar, VSM (Retd.)
 Managing Director
 DIN: 00279285


 R Ramachandramurthy
 Director
 DIN: 08160629



Gurumurthy G Hegde
 Company Secretary
 Membership No: A24285

Place: Bengaluru
 Date: 29-Apr-2021

Place: Bengaluru
 Date: 29-Apr-2021

UDIN No: 21070009AAAA CI 6815

Consolidated Statement of Profit and Loss for the year ended 31st March 2021
All amounts in Indian Rupees, unless otherwise stated

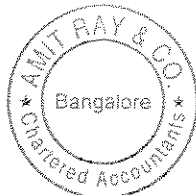
Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from operations	29	4,500,329,845	3,999,901,850
II Other income	30	146,673,348	99,017,314
III Total income		4,647,003,192	4,098,919,164
IV Expenses			
Cost of materials consumed		3,927,920,385	3,794,935,994
Purchases of stock-in-trade			
Changes in inventories of work-in-progress, stock-in-trade and finished goods	31	-1,041,640,424	-981,950,748
Employee benefit expense	32	508,712,337	454,873,743
Finance costs	33	203,226,798	160,591,360
Depreciation and amortisation expense	34	398,225,320	327,992,169
Other expenses	35	477,621,683	405,574,719
V Total expenses (V)		4,474,066,097	4,162,017,237
VI Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		172,937,095	-63,098,073
VII Exceptional items			
VIII Share of net profits of investments accounted for using equity method		423,028	-
IX Profit before tax from continuing operations		173,360,123	-63,098,073
X Income tax expense			
- Current tax		55,314,725	15,870,615
- Deferred tax		22,494,221	-89,352,950
- Income tax of earlier years		-1,931,178	22,816
- MAT Credit recognized		-	-
Total tax expense		75,877,768	-73,459,519
XI Profit from continuing operations		97,482,355	10,361,446
XII Discontinued operations			
Profit from discontinued operation before tax		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operation		-	-
XIII Profit for the year		97,482,355	10,361,446
XIV Other comprehensive income			
Items that may be reclassified to profit or loss			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		1,888,702	-5,263,310
Income tax relating to these items		-1,074	1,344,279
		1,887,628	-3,919,031
Other comprehensive income for the year, net of tax		1,887,628	-3,919,031
XV Total comprehensive income for the year		99,369,983	6,442,415
Net Profit Attributable to			
Owners of the Company		58,129,852	-18,011,560
Non-Controlling Interests		39,352,503	28,373,006
Other Comprehensive Income Attributable to			
Owners of the Company		1,922,891	-3,622,784
Non-Controlling Interests		-35,263	-296,247
Total Comprehensive Income Attributable to			
Owners of the Company		60,052,743	-21,634,343
Non-Controlling Interests		39,317,240	28,076,758
XVI Earnings per equity share for profit from continuing operation			
: Basic earnings per share		1.93	0.22
Diluted earnings per share		1.90	0.20
XVII Earnings per equity share for profit from discontinued operation			
: Basic earnings per share		-	-
Diluted earnings per share		-	-
XVIII Earnings per equity share for profit from continuing and discontinued operation			
: Basic earnings per share		1.93	0.22
Diluted earnings per share		1.90	0.20
Weighted Average Equity Shares used in computing earnings per equity share			
Basic		50,531,181	46,130,940
Diluted		51,218,671	51,218,671

Summary of Significant Accounting Policies
The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Amit Ray & CO., Chartered Accountants
Firm Registration No: 483-C

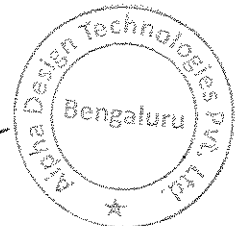
C V Sankar Kumar Rao
Partner
Membership No: 70009



For and on behalf of the Board of Directors

Col. H S Shankar, VSM (Retd.)
Managing Director
DIN: 00279285

R Ramachandramurthy
Director
DIN: 08160629



Gurumurthy G Hegde
Company Secretary
Membership No: A24285

Place: Bengaluru
Date: 29-Apr-2021

Place: Bengaluru
Date: 29-Apr-2021

UDIN NO:- 21070009AAAACI6815

ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Regd. Office: NO. 9, SERVICE ROAD, HAL II STAGE, INDIRANAGAR, BENGALURU - 560 008
CIN: U74140KA2003PTC032191

Consolidated Statement of changes in equity for the year ended 31st March 2021
All amounts in Indian Rupees, unless otherwise stated

A. Equity share capital

Particulars	Notes	In Rs
As at 31 March 2020	16	437,259,778
Additions during the year		74,926,932
As at 31 March 2021	16	512,186,710

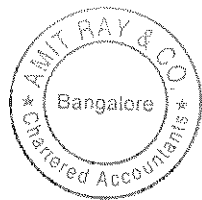
B. Other equity

Particulars	Notes	Share Application Money pending	Reserves and surplus			Total other equity	Non Controlling Interest
			Securities Premium	Capital Reserve	Retained earnings		
As at 31st March, 2019		-	3,266,534,854	202,289	432,601,618	3,699,338,761	31,830,380
Profit for the year		-	-	-	-18,011,560	-18,011,560	28,373,006
Other comprehensive income		-	-	-	-3,622,784	-3,622,784	-296,247
Total comprehensive income for the year		-	-	-	-21,634,343	-21,634,343	28,076,758
Change in NCI		-	-	-	-	-	23,711,361
Addition During the year		-	1,691,367,478	14,063,791	-	1,705,431,269	-
Transactions with owners in their capacity as owners:		-	-	-	-	-	-
Dividends paid		-	1,691,367,478	14,063,791	-	1,705,431,269	23,711,361
As at 31st March, 2020	17	-	4,957,902,332	14,266,080	410,967,274	5,383,135,686	83,618,499
As at 31 March 2020		-	4,957,902,332	14,266,080	410,967,274	5,383,135,686	83,618,499
Profit for the year		-	-	-	58,129,852	58,129,852	39,352,503
Other comprehensive income		-	-	-	1,922,891	1,922,891	-35,263
Total comprehensive income for the year		-	-	-	60,052,743	60,052,743	39,317,240
Change in NCI		-	-	-	-	-	125,663,838
Addition During the year	17	54,910,000	483,705,589	-14,063,791	-	538,615,589	-
Deletions		-	-	-	-	-14,063,791	-
Adjustments		-	-	-	-	-	-
Provision for impairment loss of Investment		-	-	-	100,000	100,000	-
Transactions with owners in their capacity as owners:		-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-
As at 31 March 2021		54,910,000	5,441,607,921	202,289	471,120,018	5,967,840,228	248,599,577

The accompanying notes are an integral part of these financial statements
This is the Statement of Changes in Equity referred to in our report of even date

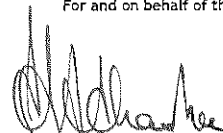
For Amit Ray & CO., Chartered Accountants
Firm Registration No: 483-C



C V Savit Kumar Rao
Partner
Membership No: 70009



Place: Bengaluru
Date: 29-Apr-2021

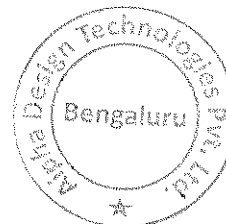
For and on behalf of the Board of Directors


Col. H S Shankar, VSM (Retd.)
Managing Director
DIN: 00279285


R Ramachandramurthy
Director
DIN: 08160629

Gurumurthy G Hegde
Company Secretary
Membership No: A24285

Place: Bengaluru
Date: 29-Apr-2021



UDIN NO:- 21070009AAAACT6815

Consolidated Cash Flow Statement for the year ended 31st March 2021
All amounts in Indian Rupees, unless otherwise stated

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	172,937,095	-63,098,073
Discontinued operations	-	-
Profit before income tax including discontinued operations	172,937,095	-63,098,073
Adjustments for:		
Depreciation and amortisation expense	421,688,565	338,254,577
Adjustment to finance cost	203,226,798	160,591,360
Exchange (Gain)/ Loss restatement	-34,385,662	63,502,134
Bad debts written off	5,229,529	6,574,477
Impairment Loss on investment	100,000	-
Share of Profit/Loss from investments accounted for using equity method	423,028	-
Adjustment for Other Comprehensive Income	1,888,702	-5,263,310
Loss (Profit) on sale of assets	-259,602	11,303
Interest income classified as investing cash flows	-21,798,449	-26,071,458
Operating profit before working capital changes	749,050,005	474,501,009
Change in operating assets and liabilities		
(Increase) in inventories	-917,139,920	-1,012,566,828
(Increase)/Decrease in trade receivables	-1,490,343,800	16,402,547
(Increase)/decrease in other Bank Balances	115,053,900	-154,020,146
(Increase)/decrease in current financial assets-loans	-194,910	2,681,211
(Increase)/decrease in other current financial assets	1,172,086,218	-1,446,862,456
(Increase)/Decrease in current tax assets (Net)	2,572,705	-12,554,971
(Increase)/Decrease in other current assets	-794,965,274	-263,343,205
(Increase)/decrease in non-current financial assets-loans	-1,607,299	-1,106,257
(Increase)/decrease in other non-current financial assets	-415,435,989	-4,031,203
(Increase)/Decrease in non-current tax assets (Net)	1,147,182	-11,261,020
(Increase)/decrease in other non current assets	5,913,505	1,055,112
Increase/(Decrease) in long term provisions	5,966,178	1,899,890
Increase/(Decrease) in trade payables	774,687,719	306,336,070
Increase/(Decrease) in other non current financial liabilities	300,231,740	-432,746,845
Increase/(Decrease) in other financial current liabilities	-341,529,250	626,963,148
Increase/(Decrease) in other current liabilities	1,719,875,580	221,232,892
Increase/(Decrease) in Short term provisions	14,497,092	17,606,738
Increase/(Decrease) in current tax liabilities	31,255,239	-13,402,170
Cash generated from operations	931,120,621	-1,683,216,486
Income taxes paid	45,609,908	8,825,158
Net cash inflow from operating activities	885,510,713	-1,692,041,644
Cash flows from investing activities		
Payments for property, plant and equipment	-1,038,722,067	-1,030,985,054
Proceeds from sale of property, plant and equipment	1,756,151	40,856
Business Acquisition of Kortas Industries Firm	-	-82,245,735
Investments in Subsidiary CO's	-96,050,230	-
Investment in Associate CO	-85,474,028	-
Interest received	21,798,449	26,071,458
Net cash outflow from investing activities	-1,196,691,725	-1,087,118,474
Cash flows from financing activities		
Towards Equity Share and Premium	500,000,000	1,750,000,000
Towards Share application money pending allotment	54,910,000	-
Loans received or repaid during the year	59,148,945	1,077,284,095
Interest paid	-203,226,798	-160,591,360
Payment towards lease liability	-95,422,808	-80,853,014
Net cash inflow (outflow) from financing activities	315,409,339	2,585,839,721
Net increase (decrease) in cash and cash equivalents	4,228,327	-193,320,400
Cash and cash equivalents at the beginning of the financial year	67,420,059	260,740,458
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	71,648,386	67,420,059
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
	Year ended 31 March 2021	Year ended 31 March 2020
Balance with banks :		
Bank	68,013,981	65,898,763
Cash on hand	3,634,404	1,521,296
Balances per statement of cash flows	71,648,386	67,420,059

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statement of Cash Flows" and presents cash flows by operating, investing and financing activities.
- The above cash flow statement has been compiled from and is based on the Balance sheet as at 31st March 2021 and the related Statement of Profit and Loss for the year ended 31st March 2021.
- Previous year's figures have been regrouped/reclassified wherever necessary to confirm to the current year's classification.
- Figures in brackets are outflows/deductions.

For Amit Ray & CO., Chartered Accountants
Firm Registration No: 483-C

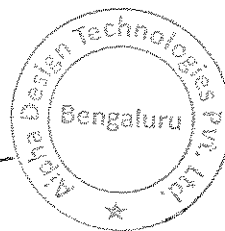
C V Savit Kumar Rao
Partner
Membership No: 70009



For and on behalf of the Board of Directors

Col. H S Shankar, VSM (Retd.)
Managing Director
DIN: 00279285

R Ramachandramurthy
Director
DIN: 08160629



Gurumurthy G Hegde
Company Secretary
Membership No: A24285

Place: Bengaluru
Date: 29-Apr-2021

Place: Bengaluru
Date: 29-Apr-2021

UDIN No:- 21070009AAAACI6815

ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Note 1: General information

1.1. Corporate information

Alpha Design Technologies Private Limited ("ADTPL" or "Company") is a Private Limited company incorporated under the provisions of Companies act 1956, having its registered office at No 9, Service Road, HAL 2nd Stage, Indiranagar, Bangalore - 560008. The Company along with its Subsidiaries ("Group") is involved in design, development, manufacture, assembly, testing and integration of various defence, aerospace and space products. The Company is domiciled in India.

The Company is a subsidiary company of Vasaka Promoters & Developers Pvt Ltd by virtue of shareholding.

The company is a subsidiary of Adani Defence Systems and Technologies Limited by virtue of control over the composition of the Board of Directors.

1.2. Basis of preparation of Financial Statements

These Consolidated financial statements ('financial statements') of the Group for the year ended 31st March 2021 have been prepared in accordance with Indian Accounting Standards ("Ind AS") issued under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

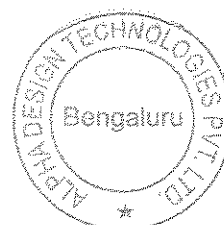
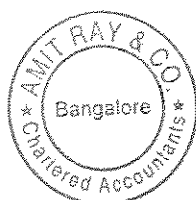
The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit and other long-term employee benefits obligations.

1.3. Principles of Consolidation:

The Consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements appropriate adjustments are made to that group member's financial statements in preparing consolidated



financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements are prepared on following basis:

a. Subsidiaries:

Subsidiaries are the entities over which the group has control

Specifically, the Group controls an investee if and only if the Group has:

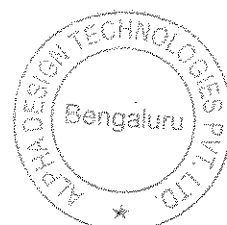
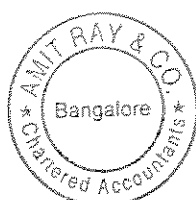
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

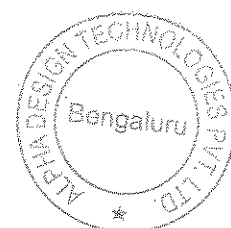
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:



- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The list of Companies included in the consolidation. Relationship with the parent company and shareholding therein are as under -

Sl. No	Name of the entity	% of Ownership of Parent Company			Subsidiary/ Joint Venture	Method of Consolidation
		As at 31-12-2020	As at 31-03-2020	As at 31-03-2019		
1	Alpha Tocol Engineering Services Private Limited	100%	100%	81%	Subsidiary	Line by Line
2	Alpha Reline Software Technologies Private Limited	100%	100%	95%	Subsidiary	Line by Line
3	Alpha Microwave Systems Private Limited	100%	100%	81%	Subsidiary	Line by Line
4	Alpha Electronica Defence Systems Private Limited	80%	80%	80%	Subsidiary	Line by Line
5	Alpha Elsec Defence and Aerospace Private Limited	51%	51%	74%	Subsidiary	Line by Line
6	Alpha Kortas Space Systems Private Limited	100%	100%	-	Subsidiary	Line by Line
7	Kortas Industries Private Limited	85%	85%	-	Subsidiary	Line by Line
8	Flaire Unmanned Systems Pvt Ltd	100%	-	-	Subsidiary	Line by Line
9	Adani Elbit Advanced Systems India Limited	54%	-	-	Joint Venture	Line by Line
10	AutoTEC Systems Pvt Ltd	26%	-	-	Associate	Equity Method



1.4. Functional and presentation currency

The Group's financial statements are reported in Indian rupees, which is the Group's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

1.5. Current and Non-Current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

1.6. Key estimates, judgments and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates, judgments and assumptions by Management for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

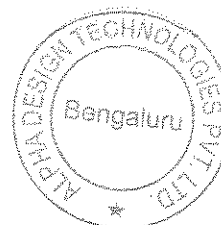
Estimates and assumptions are required in particular for:

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

ii. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.



iii. Determination of economic and technical feasibility of Developmental Projects grouped under Intangible Assets and Intangible Assets under Development

The economic and technical feasibility of the Developmental projects is assessed based on the information available about the products and their market potential and the company's resource for completing the same.

iv. 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, including the reversal of timing differences of earlier years. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments

v. 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.

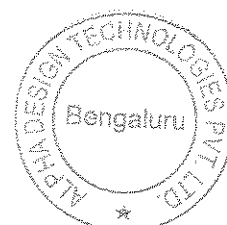
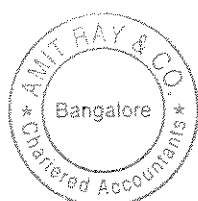
vi. Discounting of long-term financial liabilities

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

vii. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable



alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

viii. Impairment of Financial and Non-Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using 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.

Note 2: Significant Accounting Policies

2.1. Inventories

Raw Materials, Loose Tools, Stores, Spares, etc. are valued at lower of weighted average cost and estimated net realisable value.

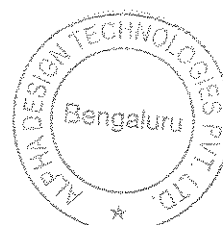
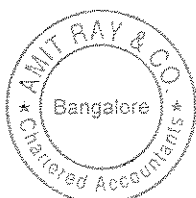
Work-in-Process is valued at lower of cost (consisting of direct material and direct labour costs plus appropriate factory overheads) and estimated net realisable value.

Finished Goods are valued at lower of cost and estimated net realisable value. Cost includes purchase, conversion cost, appropriate factory overheads, any taxes or duties and other costs incurred for bringing the inventories to their present location and condition. Spares and Components for after-sales service are valued at lower of cost and estimated net realisable value.

2.2. Property, Plant and Equipment (PPE)

i. Recognition and measurement

Items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses.



The cost of an item of PPE comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

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

Any gain or loss on disposal of an item of PPE is recognised in profit or loss.

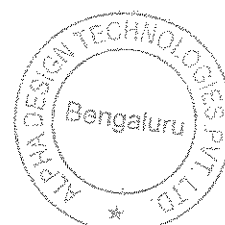
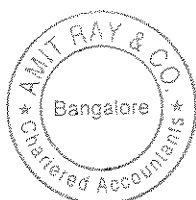
All PPE received in exchange for non-monetary assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. Measurement of an exchange at fair value will result in the recognition of a gain or loss based on the carrying amount of the asset surrendered. If a fair value can be determined reliably for either the asset received or the asset given up, then the fair value of the asset given up should be used unless the fair value of the asset received is more clearly evident.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

The Group has generally followed the Written down Value method for charging depreciation on the useful life specified in Schedule II to the Companies Act, 2013. The Parent Company follows Straight line method of depreciation in the case of Plant & Machinery and one of the subsidiary Alpha Tocol Engineering Services Pvt Ltd follows Straight line method of depreciation. If management's estimate of the useful life of the fixed asset is shorter than that envisaged in Schedule II, depreciation is



provided at a higher rate based on management's estimate of the useful life.

The Company has charged depreciation based on the useful life specified in Schedule II of the Companies Act, 2013 for all the PPE.

2.3. Revenue

i. Sale of goods

The Group recognizes revenues on the sale of products upon transfer of control to the customer. The revenue is recognized net of discounts, sales incentives and rebates granted.

ii. Revenue from rendering of services

The Group recognizes revenue from rendering of services as per the guidance provide din Ind AS 115 viz., by applying the revenue recognition criteria for each performance obligation in the service contract. The total revenue of a contract is applied to each performance obligation based on the stand-alone selling price of such performance obligation, if available, otherwise the Group uses the expected cost plus margin method to allocate revenue to each performance obligation.

Revenue in excess of invoicing are classified as contract assets (Unbilled Revenue), while invoicing in excess of the revenue are classified as contract liabilities (unearned revenue).

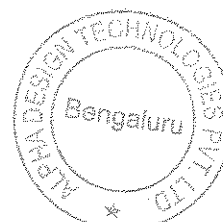
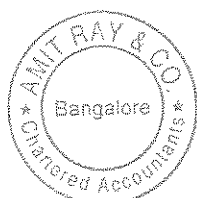
Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The contract modification is accounted as a separate contract if the modification involves distinct products or service and the price increase is attributable to the distinct product or service. If the contract modification is not priced based on the stand alone selling prices of the increased scope, it is accounted as the termination of the existing contract and new contract created. If the modification does not involve distinct product or service, the same is treated as the part of the existing contract.

iii. Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the non-cancellable lease term unless increases in rentals are in line with expected inflation.

iv. Interest Income

Interest Income is recognised using the effective interest rate (EIR).



v. Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established.

2.4. Foreign Currency

Transactions in foreign currencies are initially recorded by the Group at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

2.5. Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income (OCI).

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividend distribution.

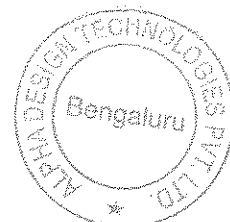
Current tax assets and liabilities are offset only if, the Group:

- i. has a legally enforceable right to set off the recognised amounts; and
- ii. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- i. temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;



- ii. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

Unrecognised Deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternate Tax (MAT) Credit Entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period in which such credit can be carried forward for set-off. The carrying amount of MAT Credit Entitlement is reviewed at each balance sheet date.

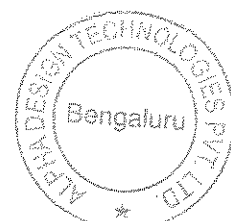
2.6. Impairment of Assets

Financial Assets:

The Group recognises loss allowances for expected credit losses on:

- i. financial assets measured at amortised cost; and
- ii. financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A



financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- i. debt securities that are determined to have low credit risk at the reporting date; and
- ii. other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

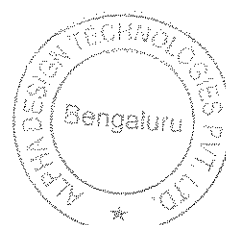
12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Non-Financial Assets:

The Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (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 groups 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.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset or Cash Generating Unit (CGU), either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

2.7. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

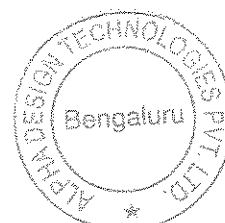
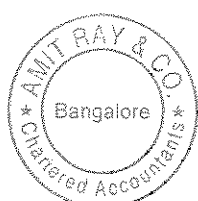
ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group's contributions paid/payable to Managerial Superannuation Fund, Employees' State Insurance Scheme, Employees' Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes, and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

iii. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.



Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise. Other employee benefits include leave encashment/long-term compensated absences schemes.

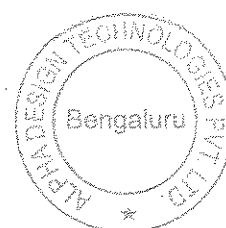
2.8. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. When a qualifying asset is funded from pool of general borrowing the borrowing cost is capitalized using weighted average rate of borrowings being the effective interest rate.

2.9. Lease

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes



the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

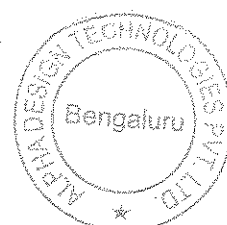
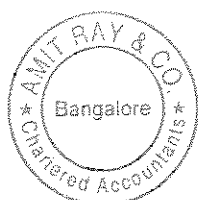
2.10. Earnings Per Share

The Group presents basic and diluted earnings per share data for its equity shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity shareholders of the Group by the weighted average number of ordinary equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary equity shareholders and the weighted average number of ordinary equity shares outstanding, for the effects of all dilutive potential ordinary shares.

2.11. Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised when the Group 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. Provisions are determined based on the best estimate required to settle the obligations at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted.



Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A Contingent asset is not recognised in the financial statements. The details of contingent asset are disclosed in the Notes when the inflow of economic benefit is probable.

Contingent Liabilities and Contingent Assets are assessed continuously to appropriately disclose/recognise in the Financial Statements.

2.12. Onerous contracts

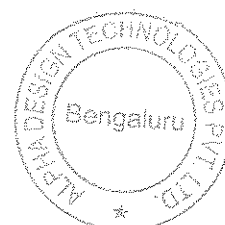
A provision for onerous contracts other than construction contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

2.13. Intangible Assets and Intangible Assets under development

Intangible Assets are recognised at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets acquired separately are measured on initial recognition at cost.

Expenditure incurred towards other developmental activity (including joint developmental activity in collaboration with external agencies) where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the Group has sufficient resources to complete development and



subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

Cost of Developmental work which is completed and meeting the recognition criteria, is recognised as an Intangible Asset.

Cost of Developmental work under progress and meeting the recognition criteria, is classified as “Intangible Assets under Development”.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

2.14. Financial Assets

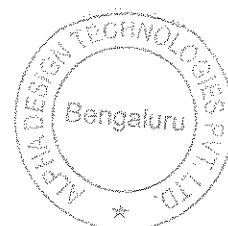
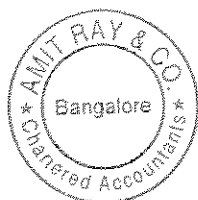
i. Initial Recognition and Measurement

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

ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories based on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

- Debt instruments measured at amortised cost
- Debt instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments measured at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)



iii. Derecognition

A financial asset or part of a financial asset is derecognised when the rights to receive cash flows from the asset have expired.

iv. Trade and Other Receivables

Receivables are initially recognised at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

2.15. Forward Contracts

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.16. Financial Liabilities

i. Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, at fair value through profit or loss as loans, borrowings, payables, or derivatives, as appropriate. Loans, borrowings and payables are stated net of transaction costs that are directly attributable to them.

ii. Subsequent Measurement

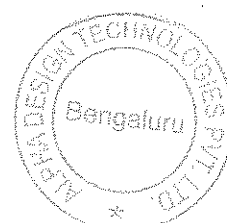
The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined in Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Amortised Cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the



liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.17. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.18. Reclassification of Financial Instruments

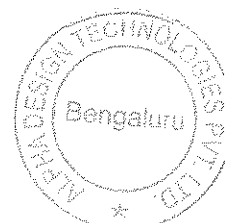
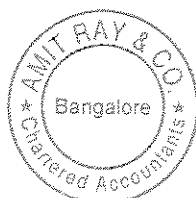
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively.

2.19. Cash and Cash Equivalent

Cash and cash equivalent 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.

2.20. Cash Dividend and Non-Cash distribution to Equity Holders

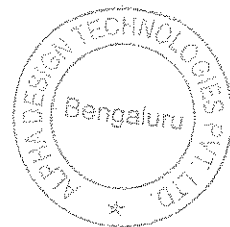
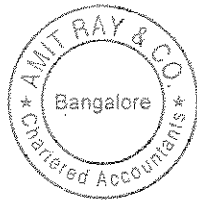
The Group recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.



2.21. Investment Property

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost of the investment property can be measured reliably.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The fair value of the Investment property is disclosed in the Notes to Accounts.



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the financial statements
All amounts in Indian Rupees, unless otherwise stated

Note 3: Property, plant and equipment

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	Opening Balance	Additions / Adjustments during the year	Deletions / Adjustments during the year	Closing Balance	Opening Balance	Depreciation for the year	Deletions / Adjustments during the year	Closing Balance	
As at 31st March 2020									
Free held Land	31,884,339	15,983,841	-	47,868,180	-	-	-	-	47,868,180
Leasehold Land	126,690,200	-	-	126,690,200	-	-	-	-	126,690,200
Building & Leasehold improvements	-	1,341,563	-	1,341,563	-	18,425	-	18,425	1,323,138
Plant & Machinery	392,737,419	537,074,183	-	929,811,602	39,818,371	100,979,260	-	140,797,631	789,013,972
R&D Lab Equipment	336,356,016	-	67,840,336	268,515,679	42,061,885	15,290,644	7,499,356	49,853,173	218,662,506
Computer Equipment & Software	6,899,338	2,730,252	-	9,629,589	3,081,619	1,951,990	-	5,033,609	4,595,981
Office Equipment	36,374,938	69,876,261	876,865	105,374,334	19,468,972	31,981,695	829,873	50,620,794	54,753,540
Furniture & Fixtures	6,874,608	9,263,501	-	16,138,109	2,704,648	1,799,427	-	4,504,075	11,634,034
Electrical Installation	7,222,762	4,491,711	-	11,714,473	2,854,606	1,651,273	-	4,505,878	7,208,595
Interiors & Partitions	34,640,714	12,323,624	-	46,964,338	11,634,065	7,222,041	-	18,856,107	28,108,232
Motor Two Wheeler	9,880	3,754	-	13,634	4,479	1,087	-	5,566	8,068
Motor Car	3,742,295	3,394,548	-	7,136,843	1,713,656	1,433,551	-	3,147,207	3,989,637
Total	983,432,509	656,483,238	68,717,201	1,571,198,546	123,342,301	162,329,392	8,329,229	277,342,464	1,293,856,082
As at 31 March, 2021									
Free held Land	47,868,180	133,473	-	48,001,653	-	-	-	-	48,001,653
Leasehold Land	126,690,200	25,000	-	126,715,200	-	-	-	-	126,715,200
Factory Building	1,341,563	94,536,462	-	95,878,026	18,425	593,388	-	611,813	95,266,212
Plant & Machinery	929,811,602	204,074,126	2,097,203	1,131,788,526	140,797,631	75,510,495	687,633	215,620,492	916,168,033
R&D Lab Equipment	268,515,679	40,137,566	-	308,653,245	49,853,173	21,420,088	-	71,273,262	237,379,984
Computer Equipment & Software	9,629,589	6,583,522	-	16,213,111	5,033,609	3,793,312	-	8,826,920	7,386,191
Office Equipment	105,374,334	25,876,594	997,966	130,252,962	50,620,794	39,833,106	948,068	89,505,832	40,747,130
Furniture & Fixtures	16,138,109	4,046,737	-	20,184,846	4,504,075	3,232,608	-	7,736,683	12,448,163
Electrical Installation	11,714,473	573,492	-	12,287,965	4,505,878	1,884,258	-	6,390,136	5,897,829
Interiors & Partitions	46,964,338	5,634,052	-	52,598,390	18,856,107	7,895,188	-	26,751,295	25,847,095
Motor Two Wheeler	13,634	-	-	13,634	5,566	2,526	-	8,092	5,542
Motor Car	7,136,843	2,185,971	150,000	9,172,814	3,147,207	1,176,195	116,419	4,206,982	4,965,832
Total	1,571,198,546	383,806,996	3,245,169	1,951,760,373	277,342,464	155,341,164	1,752,120	430,931,508	1,520,828,865

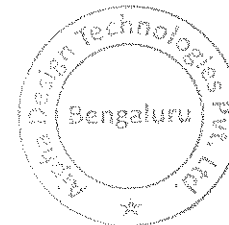
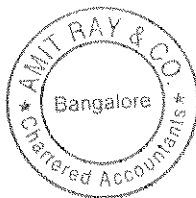
Note :

a) The company had purchased a leasehold land from Karnataka Industrial Development Board (KIADB) for setting up an industrial project at Defence & Aerospace Park, Devanahalli vide lease agreement dated 4 December 2017. As per the said agreement, the lease is for a term of 99 Years and the Company would pay yearly rent and maintenance charge of Rs. 5,000 and Rs. 1,25,000 respectively on 3rd October of every year.

b) The company has capitalized borrowing cost of Rs. 3,82,62,998 for the year ended 31.03.2021 against assets under Capital Work In progress.

b) Please refer note no. 18 & 22 for charge on fixed assets

d) Due to increased requirement of production P&M during the year, R&D Lab equipments were used.

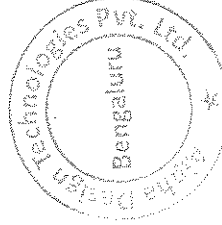
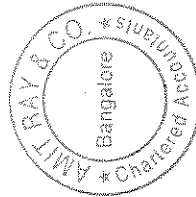


ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED

Notes to the financial statements
All amounts in Indian Rupees, unless otherwise stated

Note 3: Property, plant and equipment

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	Opening Balance	Additions / Adjustments during the year	Deletions / Adjustments during the year	Closing Balance	Opening Balance	Deletions / Adjustments during the year	
As at 31 March 2020							
Other Intangibles Assets - Project Development Know - How	511,484,128	-	-	511,484,128	176,961,235	84,468,230	250,054,663
Intangibles under development - Project Development Know - How	798,784,684	373,767,297	-	1,172,551,981	-	1,794,083	1,170,757,898
Total	1,310,268,812	373,767,297	-	1,684,036,109	176,961,235	84,468,230	1,420,812,351
As at 31 March 2021							
Other Intangibles Assets - Project Development Know - How	511,484,128	223,323,380	-	734,807,508	261,429,463	-	386,629,393
Intangibles under development - Project Development Know - How	1,172,551,981	488,738,067	187,377,780	1,473,912,268	1,794,083	80,187,643	1,391,930,542
Total	1,684,036,109	712,061,447	187,377,780	2,208,719,776	263,223,548	86,748,650	1,778,559,935

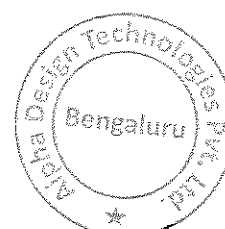


ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

Note 3: Property, plant and equipment

	Capital Work in Progress
As at	
31 March 2020	
Gross carrying amount	
Opening gross carrying amount	1,041,251,629
Exchange differences	
Additions	125,358,602
Disposals	
Capitalised during the year	
Closing gross carrying amount	1,166,610,231
Net carrying amount	1,166,610,231
As at	
31 March 2021	
Gross carrying amount	
Opening gross carrying amount	1,166,610,231
Exchange differences	
Additions	130,231,403
Flaire - CWIP	
Disposals	-3,500
Transfers	-
Capitalised during the year	
Closing gross carrying amount	1,296,838,134
Net carrying amount	1,296,838,134

	Right to use Assets
As at 31 March, 2020	
Gross carrying amount	
Opening gross carrying amount	-
Impact on Adoption of Ind AS 116	300,690,434
Additions	11,262,566
Disposals	-
Closing gross carrying amount	311,953,000
Accumulated depreciation	
Opening accumulated depreciation	-
Depreciation charge during the year	97,158,806
Disposals	-
Closing accumulated depreciation	97,158,806
Net carrying amount	214,794,194
As at 31 March, 2021	
Gross carrying amount	
Opening gross carrying amount	311,953,000
Additions	35,650,090
Disposals	-
Closing gross carrying amount	347,603,090
Accumulated depreciation	
Opening accumulated depreciation	97,158,806
Depreciation charge during the year	99,411,120
Disposals	-
Closing accumulated depreciation	196,569,926
Net carrying amount	151,033,164



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
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All amounts in Indian Rupees, unless otherwise stated

4 Investments

	As at 31 March 2021	As at 31 March 2020
Investment in Alpha-NT Labs Integrated Solutions Pvt Ltd	51,000	-
Investment in Associate-Autotec Systems Pvt Ltd	85,000,000	-
Add: Share of profit/ (loss) from the associate	423,028	-
TOTAL	85,474,028	-

5 Financial assets - Other Non-Current loans

	As at 31 March 2021	As at 31 March 2020
Unsecured, Considered good		
(a) Rental Deposits	35,551,349	33,944,050
(b) Loans to Related Parties	-	-
TOTAL	35,551,349	33,944,050

6 Financial assets - Other Non-Current financial assets

	As at 31 March 2021	As at 31 March 2020
Index R&D Contribution	3,640,500	-
Bank deposits with more than 12 months maturity	615,712,387	203,916,898
TOTAL	619,352,887	203,916,898

7 Income Tax Assets (Net)

	As at 31 March 2021	As at 31 March 2020
Income Tax Refund Due	21,875,695	23,022,877
Income Tax Paid Under Protest	9,656,959	9,656,959
Total Income Tax Assets (Net)	31,532,654	32,679,836

8 Other Non Current Assets

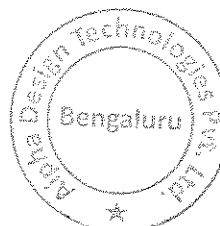
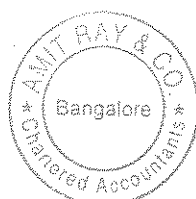
	As at 31 March 2021	As at 31 March 2020
(a) Capital Advances	3,287,018	2,982,895
(b) Advance other than Capital Advance		
- Security Deposits	9,529,427	5,362,462
- Others	6,487,985	2,057,907
(c) Prepaid Expense	5,256,164	6,767,639
(d) Balance with Government Authorities	541,712	13,844,909
Total other Non Current assets	25,102,307	31,015,812

9 Inventories

	As at 31 March 2021	As at 31 March 2020
Raw materials	243,500,495	368,000,999
Work-in-progress	2,347,630,984	1,305,990,560
Total inventories	2,591,131,479	1,673,991,559

10 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Trade receivables Considered Good - Unsecured	3,468,790,467	1,983,676,197
Trade Receivables which have significant increase credit risk	13,069,771	8,035,490
Less: Allowance for doubtful debts	-13,069,771	-8,035,490
Total receivables	3,468,790,467	1,983,676,197



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

11 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks	68,013,981	65,898,763
Cash on hand	3,634,404	1,521,296
Total cash and cash equivalents	71,648,386	67,420,059

12 Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
(i) Balances with bank held for iDex R&D project	5,856,571	-
(ii) Balances with banks to the extent held as margin money	184,890,814	178,520,048
(iii) Deposits with maturity more than 3 months but less than 12 months	13,695,624	140,976,861
Total Bank balances other than cash and cash equivalents	204,443,009	319,496,909

13 Loans

	As at 31 March 2021	As at 31 March 2020
<u>Unsecured, considered good -</u>		
(a) Others		
- Advances to Employees	2,465,479	2,270,569
(b) Loans to related parties	-	-
Total	2,465,479	2,270,569

14 Other Financial Assets

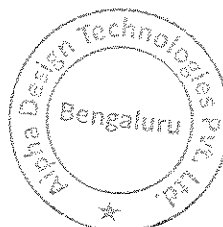
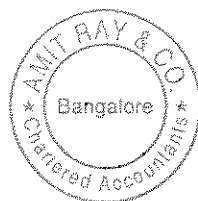
	As at 31 March 2021	As at 31 March 2020
- Unbilled Revenue	298,449,077	1,459,120,095
Interest Accrued on Fixed Deposits	14,706,469	12,985,636
Contract Acquisition cost	13,144,337	26,280,370
Total other current assets	326,299,882	1,498,386,100

15 Current Tax Assets

	As at 31 March 2021	As at 31 March 2020
Advance income tax	-	10,000,000
Income Tax Refund Due	9,519,398	-
TDS receivable	462,868	2,554,971
	9,982,266	12,554,971

16 Other current assets

	As at 31 March 2021	As at 31 March 2020
(a) Advances other than Capital Advances		
- Advance to suppliers	1,518,716,965	675,707,496
Less: Provision for doubtful debts	-	-
- Advance towards expenses	4,713,356	6,283,875
- Balances with statutory authorities	651,209,395	668,058,255
(b) Others		
- Duty Drawback Scrips	3,461,038	37,487,218
- Employee Benefit Fund Balance	6,466,963	3,981,893
- Prepaid expenses	36,960,259	39,109,941
- Other Assets	4,234,739	168,761
Total other current assets	2,225,762,713	1,430,797,439



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

17 Equity share capital

A. Authorized - Equity share capital

	Number of shares (Rs)	Par value per share (Rs.)	(Rs)
As at 31 March 2020	60,000,000	10	600,000,000
Increase during the year			
As at 31 March 2021	60,000,000	10	600,000,000

B. Issued share capital

	Number of shares (Rs)	Par value per share (Rs.)	Equity share capital (par value)
As at 31 March 2020	51,218,671	10	512,186,710
Additions	-	-	-
As at 31 March 2021	51,218,671	10	512,186,710

C. (i) Subscribed & fully paid share capital

	Number of shares (Rs)	Par value per share (Rs.)	Equity share capital (par value)
As at 31 March 2020	51,218,671	10	495,892,299
Additions	3,345,875	4.87	16,294,411
Less: Calls in arrears	-	-	-
As at 31 March 2021	51,218,671	10	512,186,710

C. (ii) Subscribed & but not fully paid share capital

	Number of shares (in lakhs)	Paid up value per share (Par value Rs.10)	Equity share capital
As at 31 March 2020	-	-	-
As at 31 March 2021	-	-	-

D. Total Subscribed share capital

	Number of shares (in lakhs)	Par value per share (Rs.)	Equity share capital
As at 31 March 2020	51,218,671	10	512,186,710
As at 31 March 2021	51,218,671	10	512,186,710

E. Terms and rights attached to equity shares

Terms / Rights attached to Equity Shares : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

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

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Vasaka Promoters and Developers Pvt Ltd	29,077,067	56.77%	29,077,067	56.77%
M/s. One Earth Capital Limited	5,293,316	10.33%	5,293,316	10.33%
Alpha Design ESOP Trust	2,989,599	5.84%	2,989,599	5.84%
M/s. Adani Defence Systems and Technologies Limited	13,316,909	26.00%	13,316,909	26.00%

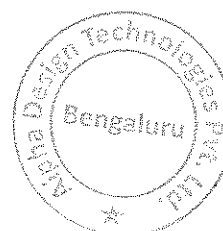
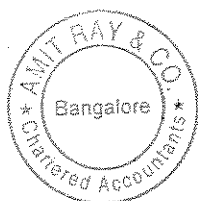
G. During the last 5 years -

(a) 5,31,780 equity shares of Rs. 10/- each has been allotted at a premium of Rs.290.37 as fully paid up pursuant to a contract without payment being received in cash (FY 2018-19)

(b) No shares has been allotted as fully paid by way of bonus shares

(c) No shares has been bought back

H. Pursuant to the Share Subscription Agreement dated 13.12.2018, M/s. Adani Defence Systems and Technologies Limited has agreed to subscribe 26% of the Companies Equity Share (1,33,16,909 equity shares of Rs.10 each at a premium of Rs.290.37). During the period ended 31.12.2020 the no. of shares allotted and the paid up value is presented under C(i) and C(ii) above (1,33,16,909 shares are fully paid up and Nil shares partly paid up).



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

18 Other Equity

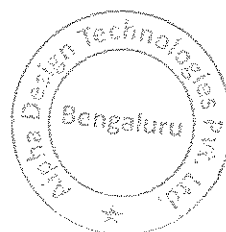
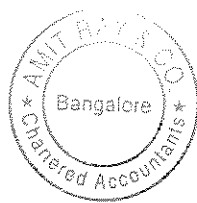
	As at 31 March 2021	As at 31 March 2020
Capital Reserve	202,289	14,266,080
Securities Premium Reserve	5,441,607,921	4,957,902,332
Retained earnings	471,120,018	410,967,274
Share application money pending allotment	54,910,000	
Other Equity	5,967,840,228	5,383,135,686

Securities Premium

Securities premium refers to the premium received on issue of shares. This reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.



19 Borrowings

	As at 31 March 2021		As at 31 March 2020	
	Non-Current	Current	Non-Current	Current
Secured Borrowings				
Term Loan				
a) From banks	407,715,934	152,400,578	399,487,191	64,137,119
b) From other parties	104,723,690	36,952,118	97,579,788	25,360,000
Unsecured Borrowings				
Term Loan				
a) From other parties	-	1,000,000	1,930,236	1,273,076
b) From Related Parties	173,945,377	-	-	-
Less: Unamortized portion of Processing Fee	-244,792	-968,899	-874,296	-95,696
Total	686,140,209	189,383,797	498,122,919	90,674,499

ALPHA DESIGN TECHNOLOGIES PVT LTD

A) Security provided and Terms of repayment

i) HDFC Bank Rs. 31.81 Cr (31.03.2020 - Rs. 35Cr)

ii) SBI Rs. 5.20 Cr. (31.03.2020 - Rs. 7.59 Cr.)

iii) SBI Rs. 4.30 Cr. (31.03.2020 - Nil.)

Pari passu charge by way of charge of all the fixed assets pertaining to the simulator project and Industrial land situated at Whitefield, Bangalore.

iv) SIDBI Rs. 13.91 Cr (31.03.2020 - Rs. 12.29 Cr)

First charge by way of mortgage of leasehold rights of immovable properties of Alpha Design Technologies Pvt Ltd situated at Plot No.20, Aerospace SEZ Area, Devanahalli Taluk, and Bangalore Rural District

v) Kotak Mahindra - Vehicle Loan Rs. 0.09 Cr (31.03.2020 - Rs. 0.12Cr)

Company has obtained a Vehicle loan of Rs. 0.15Cr towards purchase of Car and is secured by hypothecation of the vehicle. The loan is repayable in monthly EMI's over a 5year period ending in Jan 2024.

v) HDFC - Vehicle Loan Rs. 0.16 Cr (31.03.2020 - Rs. Nil)

Company has obtained a Vehicle loan of Rs. 0.17Cr towards purchase of Car and is secured by hypothecation of the vehicle. The loan is repayable in monthly EMI's over a 5year period ending in Nov 2025

B) Repayment terms

Name of the Bank/ Financial Institution	Effective interest	Repayment terms
i) HDFC Bank Ltd [balance as at 31 March 2021 - Rs. 31.81 Cr , including current maturities of long term debt: Rs.3.63Cr (as at 31 March 2020- Rs. Nil)]	10.00%	The tenor of the loan is for 6 years, with a moratorium of 9 months. The loan is payable in 22 quarterly instalments with the first instalment due in October 2020
ii) SBI Bank Ltd [balance as at 31 March 2021 - Rs. 5.2 Cr, including current maturities of long term debt: Rs. 2.4Cr (as at 31 March 2020- Rs. 7.59 Cr.)]	10.6%	The loan is payable in 10 half yearly instalments with the first instalment due in August 2019
iii) SBI Bank Ltd [balance as at 31 March 2021 - Rs. 4.3 Cr, including current maturities of long term debt: Rs. 3.6Cr (as at 31 March 2020- Nil)]	7.4%	The loan is repayable in 18 monthly instalments with the first instalment due in Jan 2021
iv) SIDBI [balance as at 31 March 2021 - Rs. 13.91cr, including current maturities of long term debt: Rs.3.63 Cr (as at 31 March 2020- Rs. 12.29 Cr)]	9.7%	The loan is payable in 66 monthly instalments after moratorium of 18 months from the date of first disbursement of the term loan i.e. repayment starting from October 2018.

C) Defaults - There were no defaults in meeting the repayment terms or interest payment terms of the aforesaid loans
(Also refer to Note 22 (A) & (B))

ALPHA TOCOL ENGINEERING SERVICES PVT LTD

A) Security provided and Terms of repayment

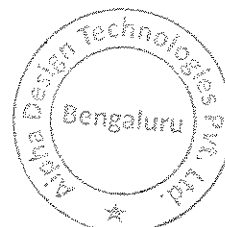
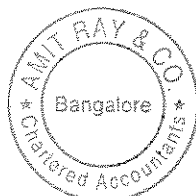
Term Loan 1: (O/s as on 31.03.21 - Rs. 0.64cr) The term loan is secured by hypothecation of Machineries

Term Loan 2: (O/s as on 31.03.21 - Rs. 1.88cr) Secured by the hypothecation of Book Debts and Inventory of the Company.

B) Repayment terms

Name of the Bank/ Financial Institution	Effective interest	Repayment terms
Bank A/c IOB Term Loan 1	10.35%	Repayable in 60 equated monthly EMI starting from Feb 2017 and to be settled by Apr 2022
Bank A/c IOB Term Loan 2	8.25%	The loan is repayable in 36 equal monthly instalments with the 1st instalment due in Sep 2021.

C) Defaults - There were no defaults in meeting the repayment terms or interest payment terms of the aforesaid loans



ALPHA-ELSEC DEFENCE & AEROSPACE SYSTEMS PVT. LTD

A) Security provided and Terms of repayment

(i) HDFC Bank Rs. 10.65 Cr (31.03.2020 - Rs. 2.8Cr)

The loan is secured by exclusive charge on all current assets of the Company both present and future and all fixed assets.

The loan is repayable in 72 monthly instalments with moratorium of 12 months, with the first installment due in February 2021 and bears a interest rate of 11.5%

(ii) HDFC Bank Rs. 1.53 Cr (31.03.2020 - Nil)

Extension of charge on primary/ collateral security

B) Defaults - There were no defaults in meeting the repayment terms or interest payment terms of the aforesaid loans

20 Other Non- Current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Capital Expense Payable	656,718,628	397,368,050
iDex R&D Project Fund	6,495,500	-
Total	663,214,128	397,368,050

21 Non-Current Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits	8,156,902	2,190,724
Total	8,156,902	2,190,724

22 Deferred Tax Liabilities (Net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Liability		
- on Fixed Assets due to depreciation allowability	536,810,223	430,064,283
Deferred Tax Asset		
- on Provision	-	4,140,329
- Attributable to Property, Plant & Equipment	6,644,823	70,636
- Expenses Deductible in future years	10,248,711	944,056
- Carry Forward of Unused Tax Losses	267,606,118	189,934,430
- on Provision for employee benefits	2,972,801	1,434,886
- Lease Assets & Liabilities	5,267,444	4,635,178
- MAT credit	129,993,820	150,053,478
TOTAL	114,076,506	78,851,291

23 Current Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured Borrowings		
Loans repayable on demand		
a) From banks	916,054,062	1,143,631,705
Total	916,054,062	1,143,631,705

ALPHA DESIGN TECHNOLOGIES PVT LTD

A) Security offered

i) HDFC Bank - Rs. 68.89 Cr. (31.03.2020 Rs.42.87 Cr)

ii) SBI - Rs. 10.19 Cr. (31.03.2020 Rs.52.63 Cr)

Pari passu charge by way of hypothecation on all the current assets of the company and Industrial land situated at Whitefield, Bangalore.

B) Repayment terms : The said loans are repayable on demand

C) Defaults - There were no defaults in meeting the repayment terms or interest payment terms of the aforesaid loans

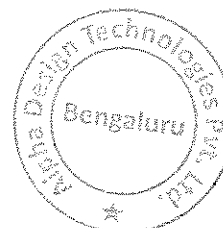
ALPHA TOCOL ENGINEERING SERVICES PVT LTD

A) Security provided and Terms of repayment

Indian Overseas Bank Rs. 9.84 Cr. (31.3.2020 Rs. 12.08 Cr.)

The loan repayable on demand represents Cash Credit availed, payable on demand. The same is secured by hypothecation of Machineries, book debts and inventory of the company. Further the parent Company has provided guarantee towards the loans. The interest is charged at 10.35% p.a.

B) Defaults - There were no defaults in meeting the repayment terms or interest payment terms of the aforesaid loans



ALPHA-ELSEC DEFENCE & AEROSPACE SYSTEMS PVT. LTD

A) Security provided and Terms of repayment

HDFC Bank Rs. 2.69 Cr. (31.3.2020 - Rs. 6.77Cr)

The loan repayable on demand represents Cash Credit availed, payable on demand. The same is secured by exclusive charge on all current assets of the Company both present and future and all fixed assets. Further the parent Company has provided guarantee towards the loans. The Interest is charged at 10.50% p.a.

B) Defaults - There were no defaults in meeting the repayment terms or interest payment terms of the aforesaid loans

24 Current Trade Payables

	As at 31 March 2021	As at 31 March 2020
Due to MSME	21,980,835	46,838,117
Due to others	2,042,676,618	1,243,131,617
Total	2,064,657,453	1,289,969,734

A) There are no interest amounts paid / payable to Micro, Small and Medium Enterprises.

B) Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Principal amount due and remaining unpaid	21,980,835	46,838,117
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining and payable in succeeding years	-	-

25 Other current financial liabilities

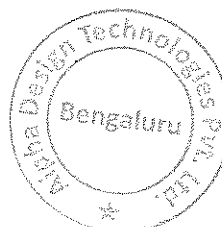
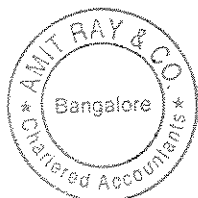
	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt	189,383,797	90,674,499
Bank Overdraft (TOD)	543,792	-
Expense Payable	30,319,549	43,308,464
Capital Expense Payable	297,742,673	626,826,800
Total	517,989,811	760,809,763

26 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advance from Customers	2,781,336,301	1,073,861,481
Employee Deduction Payable	6,106,942	6,170,098
Duties & Taxes Payable	24,041,539	11,577,623
Total other current financial liabilities	2,811,484,782	1,091,609,202

27 Current Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits	12,192,149	3,015,160
Provision for warranties	10,200,000	10,200,000
Provision for Liquidated Damages	14,210,380	3,706,527
Provision for purchase cost	20,533,150	25,716,900
Total	57,135,679	42,638,588

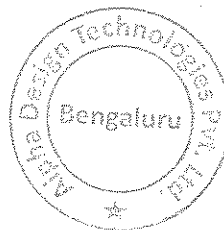
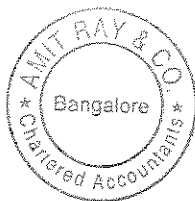


(a) Movement in Provisions

Provision for employee benefits		
Opening Balance	3,015,160	5,323,000
Additions	15,739,122	11,977,440
Utilisation	6,562,133	14,285,280
Closing Balance	12,192,149	3,015,160
Provision for employee benefits represents cost associated with employees vested long service (i.e. gratuity & LE) expense accrued and are expected to be utilized within one year.		
Warranty		
Opening Balance	10,200,000	10,200,000
Additions	-	-
Utilisation	-	-
Closing Balance	10,200,000	10,200,000
Provision for Warranty represents cost associated with providing post sales support which accrued at the time of recognition of revenues and are expected to be utilized over a period of three years.		
The factors that could affect the estimated claim include the success of the companies production and quality initiatives. The management has estimated the amount of provision based on historical warranty claim and recent trends.		
The actual claims may differ from historical amounts.		
Liquidated Damaged		
Opening Balance	3,706,527	-
Additions	15,225,539	4,999,290
Utilisation	4,721,686	1,292,763
Closing Balance	14,210,380	3,706,527
Provision for Liquidated Damages represents cost associated with revenue contracts towards delay in performance obligation and are expected to be utilized over a period of one year		

28 Current Tax Liabilities (Net)

	As at 31 March 2021	As at 31 March 2020
Income tax	38,515,075	7,259,835
Total Current tax liabilities	38,515,075	7,259,835



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

29 Revenue from Operations

The company derives the following types of revenue:

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	4,114,354,781	3,798,357,367
Sale of services	383,923,632	189,440,699
Other operating revenue		
-Construction Contracts	-	9,732,862
-Sale of scrap	2,051,432	2,370,923
Total revenue from continuing operations	4,500,329,845	3,999,901,850

30 Other income

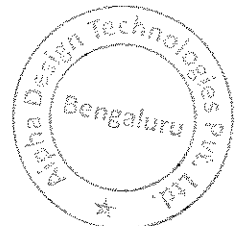
	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on bank deposits	21,798,449	26,071,458
Interest Income on loans (amortized costs)	159,160	1,020,839
Exchange gain (net)	69,741,493	-
Liabilities no longer required written back	25,709,209	13,167,459
Export incentives including duty drawback	20,866,965	49,647,053
Rent from Sub Lease of Premises	430,048	405,614
Share of profit from investment in partnership firm	-	-
Rent Waived off	2,767,297	-
Miscellaneous Income	5,200,727	8,704,891
Total other income	146,673,348	99,017,314

31 (a) Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Opening stock	368,000,999	337,384,919
(ii) Add : Purchases	3,800,530,015	3,825,552,075
	4,168,531,015	4,162,936,993
(ii) Less : Closing stock	240,610,630	368,000,999
Total	3,927,920,385	3,794,935,994

(b) Changes in inventories of work-in-progress, stock-in-trade and finished goods

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Work in Progress		
Opening stock	1,305,990,560	324,039,812
Less : Closing stock	2,347,630,984	1,305,990,560
	-1,041,640,424	-981,950,748
Total	-1,041,640,424	-981,950,748



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

32 Employee benefit expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and Wages	622,642,205	584,133,955
Contribution to Provident fund	32,476,926	28,506,023
Contribution to ESI	3,479,145	3,457,979
Gratuity Expenses	15,311,461	9,870,919
Leave Encashment Expenses	6,247,179	5,613,377
Staff welfare expense	10,249,725	10,953,478
	690,406,641	642,535,731
Less: Transferred to Projects (Know-how) Intangible Assets	181,694,304	187,661,988
Total employee benefit expense	508,712,337	454,873,743

33 Finance costs

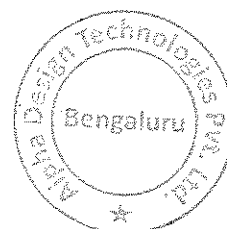
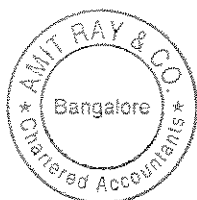
	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Loans	124,672,617	97,253,675
Other Interest	2,222,132	4,675,349
Interest Expense - Ind AS	242,119	27,182,217
Interest Expense on Lease Liabilities	20,804,520	
Bank Charges	55,285,409	31,480,120
Finance costs expensed in profit or loss	203,226,798	160,591,360

Note:

For the year ended 31.03.2021 borrowing cost of Rs. 38,262,998 attributable to qualifying assets has been capitalised as per the requirements of IndAS 23: Borrowing Cost.

34 Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	155,341,162	154,833,457
Amortization of intangible assets	86,748,650	84,468,230
Impairment loss	80,187,643	1,794,083
Amortisation on Right to use assets	99,411,120	97,158,807
	421,688,575	338,254,577
Less: Transferred to Capital Work-In progress	2,424,375	964,924
Less: Transferred to Projects (Know-how) Intangible Assets	21,038,881	9,297,483
Total depreciation and amortisation expense	398,225,320	327,992,169



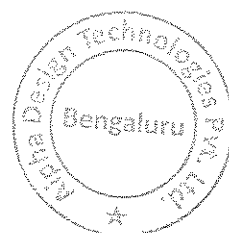
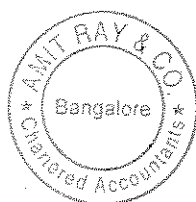
ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED

Notes to the Financial Statements

All amounts in Indian Rupees, unless otherwise stated

35 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Operating Expense		
Consumables and Tools	7,393,123	3,702,227
Fabrication charges	2,495,152	-
Labor Charges	136,003,830	93,700,896
Rework Charges	928,292	1,237,899
Crane Charges	455,800	590,000
Power and Fuel	7,629,379	6,312,925
Calibration Charges	1,829,530	1,159,869
Packing Charges	114,863	192,309
Transportation Charges	10,404,363	7,251,558
Clearing & Forwarding Charges	643,344	823,869
Freight Charges	5,756,905	11,140,827
Storage Charges	-	439,655
Testing Charges	8,437,964	4,684,569
Total	182,092,546	131,236,603
<u>Administrative, Selling and Other expenses</u>		
Remuneration to Auditors		
- for Statutory Auditors	5,684,906	2,835,000
- for Other Matters	820,000	1,065,000
Business Promotion Expenses	34,007,376	27,686,439
Conveyance Expense	9,887,479	12,521,360
Donations	362,760	539,400
Electricity charges	20,458,831	20,587,756
Remuneration to tax auditors	700,000	875,000
Exchange loss (net)	879,307	58,008,571
Loss on sale of assets	2,900	17,276
Insurance	14,974,712	14,326,765
Liquidated Damages	18,887,739	11,358,850
Postage and Courier charges	2,385,348	735,590
Printing & Stationery	3,837,401	3,959,797
Professional Charges	49,581,464	85,460,770
Provision for Bad Debts	5,229,529	6,574,477
Duty Drawback scrips written off	3,172,094	-
Rates and Taxes	23,855,187	8,552,319
Registrations and Renewals	5,979,847	4,423,977
Repairs and Maintenance		
- Building	1,076,196	1,190,518
- Machinery	14,114,065	14,350,351
- Electrical	873,648	1,155,775
- Vehicles	1,741,800	1,573,205
- Office	19,012,718	16,008,123
- Others	1,605,561	999,997
Rent	3,107,752	1,378,007
Membership & Subscription	743,987	624,065
Security charges	14,208,461	11,185,252
Telephone Charges	11,368,875	10,306,837
Travelling expenses	23,772,597	69,398,978
Water Charges	727,800	534,674
Miscellaneous expenses	5,080,965	3,628,520
Corporate Social Responsibility	2,070,000	2,552,000
Research and Development	-	5,374,908
Total	300,211,305	399,789,555
Less: Transferred to Projects (Know-how) Intangible Assets	4,682,168	125,451,439
Total other expenses	477,621,683	405,574,719



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED

Notes to the Financial Statements

All amounts in Indian Rupees, unless otherwise stated

36 Related Party Disclosures

(i) Names of related parties where control exists irrespective of whether transactions have occurred or not:

Holding Company by virtue of shares:

Vasaka Promoters and Developers Pvt. Ltd.

Controls the composition of BOD:

M/s. Adani Defence Systems and Technologies Limited

Subsidiaries:

Alpha Elsec Defence & Aerospace Systems Pvt Ltd

Microwave and Optronics Systems Pvt. Ltd.

Alpha Elettronica Defence Systems Pvt. Ltd.

Reline Thermal Imaging and Software Pvt. Ltd

Alpha Tocol Engineering Services Pvt. Ltd.

Alpha Kortas Space System Pvt. Ltd.

Kortas Industries

Kortas Industries Private Limited.

Flaire Unmanned Systems Pvt Ltd.

Adani Elbit Advanced Systems India Limited.

Alpha NT Labs Integrated Solutions Pvt Ltd.

Associate:

AutoTEC Systems Pvt Ltd.

Key Management Personnel (KMP):

Managing Director

Col. H S Shankar, VSM (Retd.)

Whole Time Director

R Ramachandra Murthy

Director

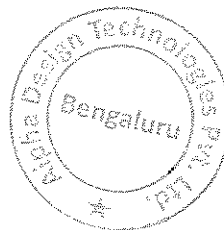
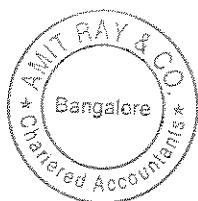
K S Ranga

Director

Sudipta Bhattacharya

Director

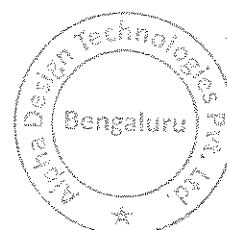
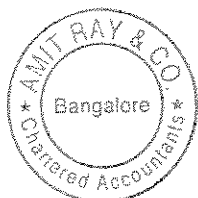
Ashish Rajvanshi



36 Related Party Disclosures

(ii) Transaction with related parties during the year

	Particulars	Relationship	As at 31 March 2021	As at 31 March 2020
1	Finance Arrangements			
	Equity Share Capital			
	Adani Defence Systems and Technologies Limited	Holding	16,294,411	58,632,522
	Share Premium			
	Adani Defence Systems and Technologies Limited	Holding	483,705,589	1,691,367,478
	Share Application Money			
	Adani Defence Systems and Technologies Limited	Holding	54,910,000	
			<u>554,910,000</u>	<u>1,750,000,000</u>
2	Sale of goods			
	Alpha Elsec Defence & Aerospace Systems Pvt Ltd	Subsidiary	21,084,751	9,249,055
			<u>21,084,751</u>	<u>9,249,055</u>
3	Service Rendered			
	Alpha Elsec Defence & Aerospace Systems Pvt Ltd	Subsidiary	735,064	8,003,773
			<u>735,064</u>	<u>8,003,773</u>
4	Purchase of goods			
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	65,015,580	47,768,922
	Alpha Elsec Defence & Aerospace Systems Pvt Ltd	Subsidiary	-	120,842,345
			<u>65,015,580</u>	<u>168,611,267</u>
5	Receiving of services			
	Microwave and Optronics Systems Pvt. Ltd.	Subsidiary	-	40,770,000
	Reline Thermal Imaging and Software Pvt. Ltd	Subsidiary	-	45,420,000
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	15,286,105	11,652,767
			<u>15,286,105</u>	<u>97,842,767</u>
6	Lease rentals received			
	Microwave and Optronics Systems Pvt. Ltd.	Subsidiary	-	1,803,100
	Reline Thermal Imaging and Software Pvt. Ltd	Subsidiary	-	362,400
	Vasaka Promoters and Developers Pvt. Ltd.	Holding	423,798	403,614
			<u>423,798</u>	<u>2,569,114</u>
7	Lease rentals paid			
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	361,500	90,000
			<u>361,500</u>	<u>90,000</u>
8	Interest income-Ind AS			
	Alpha Elettronica Defence Systems Pvt. Ltd.	Subsidiary	1,558,661	679,030
			<u>1,558,661</u>	<u>679,030</u>
9	Modification Loss-Ind AS			
	Alpha Elettronica Defence Systems Pvt. Ltd.	Subsidiary	1,558,661	832,099
			<u>1,558,661</u>	<u>832,099</u>
10	Reimbursement of Expense Paid			
	Adani Defence Systems and Technologies Limited	Holding	-	125,000
			<u>-</u>	<u>125,000</u>
11	Sale of Fixed Assets			
	Alpha Elsec Defence & Aerospace Systems Pvt Ltd	Subsidiary	1,550,527	-
			<u>1,550,527</u>	<u>-</u>
12	Loans Advanced			
	Flaire Unmanned Systems Pvt Ltd	Subsidiary	4,713,322	-
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	4,000,000	-
			<u>8,713,322</u>	<u>-</u>
13	Loans Repayment Received			
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	4,000,000	-
			<u>4,000,000</u>	<u>-</u>
14	Loans Received			
	Vasaka Promoters and Developers Pvt. Ltd.	Holding	245,500,000	-
	Microwave and Optronics Systems Pvt. Ltd.	Subsidiary	140,500,000	-
			<u>386,000,000</u>	<u>-</u>
15	Loans Repaid			
	Vasaka Promoters and Developers Pvt. Ltd.	Holding	80,000,000	-
			<u>80,000,000</u>	<u>-</u>
16	Interest Expense on Loans Received			
	Vasaka Promoters and Developers Pvt. Ltd.	Holding	9,130,137	-
	Microwave and Optronics Systems Pvt. Ltd.	Subsidiary	4,244,863	-
			<u>13,375,000</u>	<u>-</u>
17	Interest Income on Loans Advanced			
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	70,795	-
			<u>70,795</u>	<u>-</u>



18	Share of Profit Kortas Industries	Subsidiary	6,796,591	-58,875
			<u>6,796,591</u>	<u>-58,875</u>
19	Reimbursement of Expense Received Vasaka Promoters and Developers Pvt. Ltd.	Holding	-	568,704
	Alpha Elsec Defence & Aerospace Systems Pvt Ltd	Subsidiary	-	367,925
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	-	11,861
	Microwave and Optronics Systems Pvt. Ltd.	Subsidiary	-	2,634,303
	Reline Thermal Imaging and Software Pvt. Ltd	Subsidiary	-	533,032
			-	<u>4,115,825</u>
20	Remuneration Paid Col. H S Shankar (Retd.)	KMP	2,805,000	5,100,000
	R Ramachandra Murthy	KMP	3,449,500	3,720,000
			<u>6,254,500</u>	<u>8,820,000</u>
21	Corporate Guarantee Provided Alpha Elsec Defence & Aerospace Systems Pvt Ltd	Subsidiary	220,000,000	220,000,000
	Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	188,200,000	169,400,000
			<u>408,200,000</u>	<u>389,400,000</u>
22	Corporate Guarantee Received Vasaka Promoters and Developers Pvt. Ltd.	Holding	3,074,900,000	1,415,000,000
			<u>3,074,900,000</u>	<u>1,415,000,000</u>

ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED

Notes to the financial statements

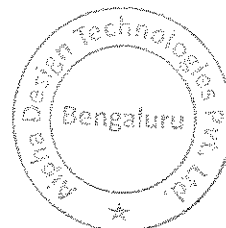
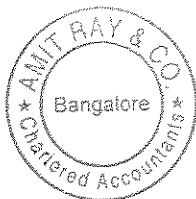
All amounts in Indian Rupees, unless otherwise stated

36 Related Party Disclosures

(iii) Balances with Related Parties as at year end

Particulars	Relationship	As at 31 March 2021	As at 31 March 2020
1 Investment in Equity			
Kortas Industries	Subsidiary	-	134,300,000
Kortas Industries Pvt. Ltd.	Subsidiary	134,300,000	-
Alpha Kortas Space System Pvt. Ltd.	Subsidiary	-	100,000
Flaire Unmanned Systems Pvt Ltd	Subsidiary	41,000,000	-
Adani Elbit Advanced Systems India Ltd.	Subsidiary	428,910,000	-
Alpha-NT Labs Integrated Solutions Pvt. Ltd	Subsidiary	51,000	-
Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	80,000,000	-
AutoTEC Systems Pvt Ltd	Associate	85,000,000	-
		<u>769,261,000</u>	<u>134,400,000</u>
2 Loans and advances			
Alpha Elettronica Defence Systems Pvt. Ltd.	Subsidiary	22,266,587	22,266,587
Flaire Unmanned Systems Pvt Ltd	Subsidiary	4,713,322	-
		<u>26,979,909</u>	<u>22,266,587</u>
3 Borrowings			
Vasaka Promoters and Developers Pvt. Ltd.	Holding	173,945,377	-
Microwave and Optronics Systems Pvt. Ltd.	Subsidiary	144,426,498	-
		<u>318,371,875</u>	<u>-</u>
4 Trade Payables			
Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	30,123,101	1,077,521
		<u>30,123,101</u>	<u>1,077,521</u>
5 Trade Receivables			
Alpha Elsec Defence & Aerospace Systems Pvt Ltd	Subsidiary	-	140,066
		-	<u>140,066</u>
6 Advance to suppliers			
Alpha Tocol Engineering Services Pvt. Ltd.	Subsidiary	22,741,948	46,416,591
		<u>22,741,948</u>	<u>46,416,591</u>

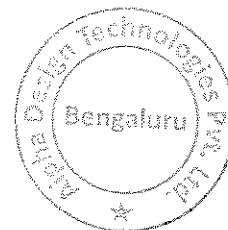
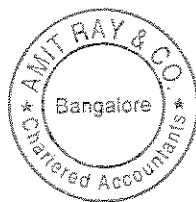
(a) The loan provided to Alpha Elettronica Defence Systems Pvt Ltd of Rs. 2.54 crores is due to be received by the company. The loan has been provided for the working capital requirement of the subsidiary company. As per the agreed terms, the tenure of the loan is 12 years and the same is expected to be settled on 31.03.2023.



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
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All amounts in Indian Rupees, unless otherwise stated

37 Fair value measurements
Financial instruments by category

	As at 31 March 2021			As at 31 March 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments (other than in subsidiaries)				-	-	-
Trade receivables			3,468,790,467			1,983,676,197
Loans			38,016,828			36,214,619
Cash and cash equivalents			71,648,386			67,420,059
Other bank balances			204,443,009			519,382,604
Interest accrued on FD			326,299,882			1,498,386,100
Other Financial Assets			619,352,887			4,031,203
Total financial assets	-	-	4,728,551,459	-	-	4,109,110,781
Financial liabilities						
Borrowings			1,791,578,068			1,732,429,123
Trade payables			2,064,657,453			1,289,969,734
Lease liabilities			171,327,262			231,099,986
Bank Overdraft (TOD)			543,792			-
Capital creditors			954,461,301			1,024,194,850
Deferred Government Grant			6,495,500			-
Expense Payable			30,319,549			43,308,464
Total financial liabilities	-	-	5,019,382,925	-	-	4,321,002,157



38 Financial risk management

The company's activities expose it to Liquidity risk, Credit risk & Market risk

(i) Market Risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of the financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivable and payables and loans and borrowings.

(a) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rate relates to the floating rate debt obligations. The exposure of the Company's borrowings at the end of the reporting period are as follows:

Particulars	31.Mär.21	31.Mär.20
Borrowings	1,791,578,068	1,732,429,123

Sensitivity Analysis of 1% change in interest rate

Particulars	31.Mär.21	31.Mär.20
Impact on Profit and Loss due to 1% increase in interest rate	-13,469,691	-9,032,721
Impact on Profit and Loss due to 1% decrease in interest	13,469,691	9,032,721

(b) Foreign Currency risk

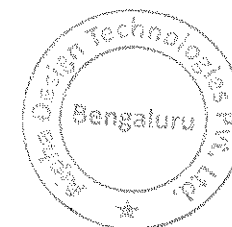
The Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies.

The following table provides the information of exposure in foreign currency

Foreign currency exposure	31.Mär.21				31.Mär.20			
	in USD	in Euro	in GBP	Total	in USD	in Euro	in GBP	Total
Trade Receivable	1,636,749,945	-	1,534,454	1,638,284,399	914,721,765	-	32,919,120	947,640,885
Trade Payable	1,698,071,678	185,502,919	908,558	1,884,483,156	964,342,521	597,812	2,513,052	967,453,385
Payable towards Capital Goods	771,379,418	-	-	771,379,418	853,400,125	-	1,863,615	855,263,741

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have an effect of Rs. 1,12,94,882 on profit before tax. (31-Mar-2020 Rs. 1,09,71,497)



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
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(ii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

(a) The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

- (i) Actual or expected significant adverse change in business
- (ii) Actual or expected significant change in the operating results of the counterparty
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty

(b) Financial assets are written off when there is no reasonable expectation of recovery. Where loans or receivables have been written off, the Company may engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

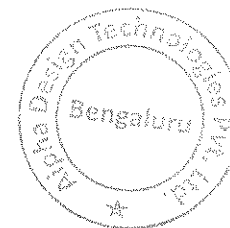
(c) The carrying amounts of financial assets represent the maximum credit risk exposure

Exposure to credit risk	31.Mär.21	31.Mär.20
Financial risk for which loss allowance is measured using 12 months		
Cash & cash equivalent	71,648,386	67,420,059
Other Bank balance	204,443,009	319,496,909
Loans	38,016,828	36,214,619
Other Financial Assets	945,652,769	1,702,302,998
Financial risk for which loss allowance is measured using Lifetime expected		
Trade Receivables	3,468,790,467	1,983,676,197
TOTAL	4,728,551,459	4,109,110,781

(d) The Group is making provision on trade receivables balance based on Life time Expected Credit Loss method.

(e) Cash and Cash equivalents, and bank deposits are placed with banks having good reputation, goods past track record and high quality credit rating.

(f) The loans primarily includes Security deposits for rented premises and loan to a subsidiary. Based on the past record and the assessment made of the counter party, no loss is expected.



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

(iii) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

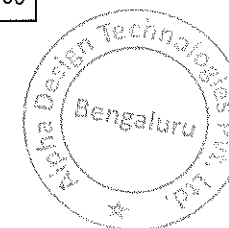
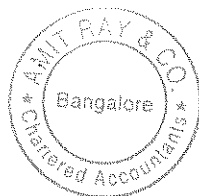
The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
As on 31.03.2021					
Borrowings	1,150,133,621	801,617,125	67,428,778	-	2,019,179,524
Trade payables	2,064,657,453				2,064,657,453
Lease Liabilities	95,156,522	102,792,349			
Other financial liabilities	328,606,014	663,214,128			991,820,142
As on 31.03.2020					
Borrowings	1,292,892,312	475,067,501	151,921,529	4,500,959	1,924,382,301
Trade payables	1,289,969,734				1,289,969,734
Lease Liabilities	98,240,023	153,182,570	6,124,284	5,719,219	263,266,095
Other financial liabilities	670,135,264	397,368,050			1,067,503,314

Maturity profile of financial assets

The table below provides details regarding the contractual maturities of financial assets at the reporting date

	Less than 1 year	1 to 5 years	3 to 5 years	More than 5 years	Total
As on 31.03.2020					
Non current Loans		35,551,349			35,551,349
Trade receivables	3,468,790,467				3,468,790,467
Current Loans	2,465,479				2,465,479
Cash & Bank Balance	276,091,395				276,091,395
Deposits with maturity > 12months		619,352,887			619,352,887
Other current financial assets	326,299,882				326,299,882
As on 31.03.2020					
Non current Loans		33,944,050			33,944,050
Trade receivables	1,983,676,197				1,983,676,197
Current Loans	2,270,569				2,270,569
Cash & Bank Balance	386,916,967				386,916,967
Deposits with maturity > 12months		203,612,824		304,074	203,916,898
Other current financial assets	1,498,386,100				1,498,386,100



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

39 Capital management

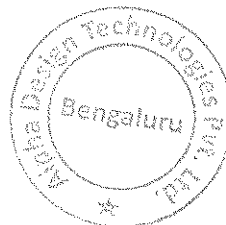
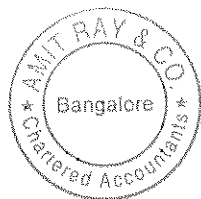
For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial statements

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

	31 März 2021	31 März 2020
Net debt	1,791,578,068	1,732,429,123
Total equity	6,480,026,938	5,879,027,987
Net debt to equity ratio	28%	29%

(i) Loan covenants

The Group has complied with the major financial covenants as stipulated under the borrowings.



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED**Notes to the Financial Statements****All amounts in Indian Rupees, unless otherwise stated****41 Segment information**

An operating segment is a component of the entity that engages in business activities from which it may earn revenue and incur expenses, including revenue & expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements & are reviewed regularly by the entity's Board to make decisions about resources to be allocated to the segments and access their performance.

The Group has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services. Secondary segment reporting is on the basis of geographical location of customers - within India and outside India.

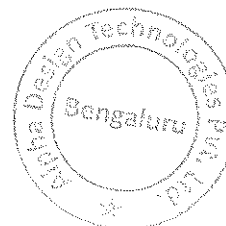
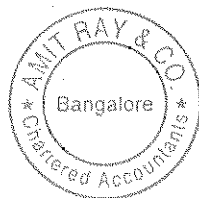
A. The company does not have more than one reportable geographic segment.

B. Secondary Segment Information - Geographical Segment

Geographical Segment	As at March 31, 2021			As at March 31, 2020		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from location of customers	2,409,290,581	2,091,039,264	4,500,329,845	1,486,512,671	2,513,389,180	3,999,901,851

C. Customers amounting to 10% or more of entity's revenue is as follows

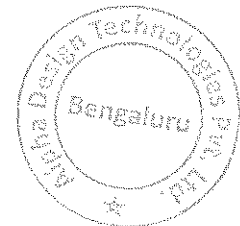
Particulars	No. of Parties	Amount of Revenue
Year 31-Mar-2021	3	2,616,821,076
Year 31-Mar-2020	4	2,586,079,246



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

42 Interest in Other Entities

Sl.No	Name of the entity	Country of Incorporation	Percentage of Ownership		Subsidiary/ Joint Venture	Method of Consolidation	Status of Subsidiary
			As at 31-03-2021	As at 31-03-2020			
1	Alpha Tocol Engineering Services Private Limited	India	100%	100%	Subsidiary	Line by Line	Pvt. Ltd Co
2	Reline Thermal Imaging and Software Private Limited	India	100%	100%	Subsidiary	Line by Line	Pvt. Ltd Co
3	Microwave and Optronics Systems Private Limited	India	100%	100%	Subsidiary	Line by Line	Pvt. Ltd Co
4	Alpha Electronica Defence Systems Private Limited	India	80%	80%	Subsidiary	Line by Line	Pvt. Ltd Co
5	Alpha Elsec Defence and Aerospace Private Limited	India	51%	51%	Subsidiary	Line by Line	Pvt. Ltd Co
6	Kortas Industries (till 13-08-2020)	India	85%	85%	Subsidiary	Line by Line	Partnership Firm
7	Alpha Kortas Space System Pvt. Ltd.	India	100%	100%	Subsidiary	Line by Line	Pvt. Ltd Co
8	Kortas Industries Private Limited.	India	85%	0%	Subsidiary	Line by Line	Pvt. Ltd Co
9	Flaire Unmanned Systems Pvt Ltd.	India	100%	0%	Subsidiary	Line by Line	Pvt. Ltd Co
10	Adani Elbit Advanced Systems India Limited.	India	54%	0%	Subsidiary	Line by Line	Pvt. Ltd Co



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

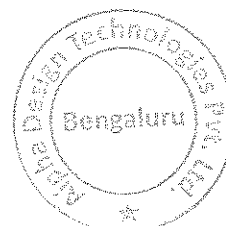
(B) Non Controlling Interest

(i) Subsidiaries

Set out below is the summarised financial information for each subsidiaries that has non controlling interests that are material to the group. The amount disclosed for each subsidiary is before intra- group eliminations:

Summarised Balance Sheet		
Particulars	Alpha Tocol Engineering Services Private Limited	
	31-Mar-21	31-Mar-20
Current Assets	378,451,304	321,511,080
Current Liabilities	188,090,862	221,281,285
Net Current Assets	190,360,442	100,229,794
Non Current Assets	222,413,495	244,954,814
Non Current Liabilities	29,937,434	29,854,357
Net Non Current Assets	192,476,061	215,100,457
Net Assets	382,836,503	315,330,252
Accumulated NCI		
Summarised statement of Profit and Loss		
Revenue	249,719,533	166,968,561
Profit/(Loss)	(12,993,609)	(48,695,717)
Other Comprehensive Income	499,860	(583,413)
Total Comprehensive Income	(12,493,749)	(49,279,130)
Profit / (Loss) to Non Controlling Interest		
Summarised statement of Cash flows		
Cash flow from Operating activities	(42,636,406)	(5,946,169)
Cash flow from Investing activities	(4,509,094)	(11,066,003)
Cash flow from Financing activities	50,025,674	14,653,617

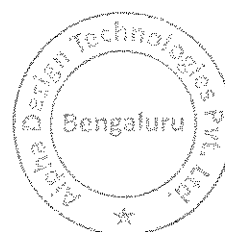
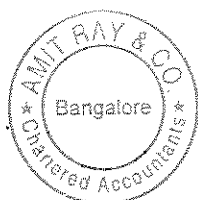
Summarised Balance Sheet		
Particulars	Reline Thermal Imaging and Software Private	
	31-Mar-21	31-Mar-20
Current Assets	17,696,274	12,190,766
Current Liabilities	514,075	914,878
Net Current Assets	17,182,199	11,275,888
Non Current Assets	103,981,406	126,498,331
Non Current Liabilities	1,327,574	1,009,790
Net Non Current Assets	102,653,832	125,488,541
Net Assets	119,836,031	136,764,430
Accumulated NCI		
Summarised statement of Profit and Loss		
Revenue	144,486	45,513,689
Profit/(Loss)	(16,928,398)	2,952,262
Other Comprehensive Income	-	-
Total Comprehensive Income	(16,928,398)	2,952,262
Profit / (Loss) to Non Controlling Interest		
Summarised statement of Cash flows		
Cash flow from Operating activities	3,773,602	935,997
Cash flow from Investing activities	76,986	93,689
Cash flow from Financing activities	-	-



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

Summarised Balance Sheet		
Particulars	Microwave and Optronics Systems Private Limited	
	31-Mar-21	31-Mar-20
Current Assets	179,239,620	168,416,431
Current Liabilities	147,129,704	151,481,446
Net Current Assets	32,109,916	16,934,985
Non Current Assets	293,605,629	359,844,936
Non Current Liabilities		
Net Non Current Assets	293,605,629	359,844,936
Net Assets	325,715,545	376,779,921
Accumulated NCI		
Summarised statement of Profit and Loss		
Revenue	10,785,871	43,911,965
Profit/(Loss)	(52,518,541)	(61,264,118)
Other Comprehensive Income	1,454,165	(26,161)
Total Comprehensive Income	(51,064,376)	(61,290,279)
Profit / (Loss) to Non Controlling Interest		
Summarised statement of Cash flows		
Cash flow from Operating activities	139,045,027	(116,110,350)
Cash flow from Investing activities	(138,225,016)	(34,651,487)
Cash flow from Financing activities	-	-

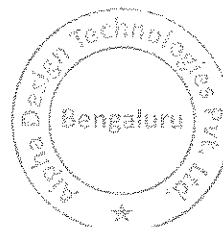
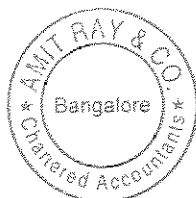
Summarised Balance Sheet		
Particulars	Alpha Electronica Defence Systems Private Limited	
	31-Mar-21	31-Mar-20
Current Assets	3,165,489	3,377,528
Current Liabilities	130,000	167,150
Net Current Assets	3,035,489	3,210,378
Non Current Assets	157,773	184,924
Non Current Liabilities	22,266,587	22,266,587
Net Non Current Assets	(22,108,814)	(22,081,663)
Net Assets	(19,073,325)	(18,871,285)
Accumulated NCI	(4,747,378)	(4,706,970)
Summarised statement of Profit and Loss		
Revenue	1,558,661	832,099
Profit/(Loss)	(202,040)	(1,044,386)
Other Comprehensive Income	-	-
Total Comprehensive Income	(202,040)	(1,044,386)
Profit / (Loss) to Non Controlling Interest	(40,408)	(208,877)
Summarised statement of Cash flows		
Cash flow from Operating activities	(247,769)	(380,862)
Cash flow from Investing activities	-	-
Cash flow from Financing activities	-	-



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

Summarised Balance Sheet		
Particulars	Alpha Elsec Defence and Aerospace Private Limited	
	31-Mar-21	31-Mar-20
Current Assets	632,166,663	661,374,162
Current Liabilities	462,086,451	563,287,342
Net Current Assets	170,080,213	98,086,820
Non Current Assets	111,742,826	78,210,895
Non Current Liabilities	115,216,026	44,410,991
Net Non Current Assets	-	33,799,904
Net Assets	166,607,013	131,886,724
Accumulated NCI	81,602,175	64,624,498
Summarised statement of Profit and Loss		
Revenue	676,843,972	653,902,743
Profit/(Loss)	34,792,252	58,351,570
Other Comprehensive Income	(71,965)	(604,586)
Total Comprehensive Income	34,720,286	57,746,984
Profit / (Loss) to Non Controlling Interest	17,012,940	28,296,025
Summarised statement of Cash flows		
Cash flow from Operating activities	39,556,266	(126,014,115)
Cash flow from Investing activities	(83,681,472)	15,647,263
Cash flow from Financing activities	37,357,866	90,370,334

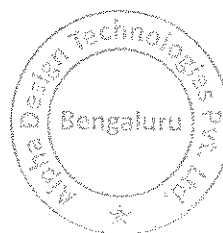
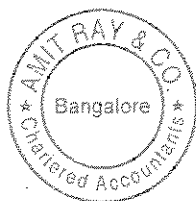
Summarised Balance Sheet		
Particulars	Kortas Industries (till 13-08-2020)	
	31-Mar-20	31-Mar-20
Current Assets	50,975,342	31,976,994
Current Liabilities	18,131,516	7,319,262
Net Current Assets	32,843,826	24,657,732
Non Current Assets	147,158,051	147,348,155
Non Current Liabilities	-	-
Net Non Current Assets	147,158,051	147,348,155
Net Assets	180,001,876	172,005,887
Accumulated NCI		23,700,971
Summarised statement of Profit and Loss		
Revenue	24,992,363	6,986,914
Profit/(Loss)	7,995,989	(69,265)
Other Comprehensive Income	-	-
Total Comprehensive Income	7,995,989	(69,265)
Profit / (Loss) to Non Controlling Interest	1,199,398	(10,390)
Summarised statement of Cash flows		
Cash flow from Operating activities	2,038,275	(60,372)
Cash flow from Investing activities	(491,699)	(173,547)
Cash flow from Financing activities	(39,888)	-



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

Summarised Balance Sheet		
Particulars	Alpha Kortas Space System Pvt. Ltd.	
	31-Mar-21	31-Mar-20
Current Assets		25,977
Current Liabilities		16,500
Net Current Assets	-	9,477
Non Current Assets	-	-
Non Current Liabilities	-	-
Net Non Current Assets	-	-
Net Assets	-	9,477
Accumulated NCI	-	-
Summarised statement of Profit and Loss		
Revenue		-
Profit/(Loss)	(9,477)	(90,523)
Other Comprehensive Income		-
Total Comprehensive Income	(9,477)	(90,523)
Profit / (Loss) to Non Controlling Interest		
Summarised statement of Cash flows		
Cash flow from Operating activities	(13,300)	(85,456)
Cash flow from Investing activities		
Cash flow from Financing activities	(977)	99,733

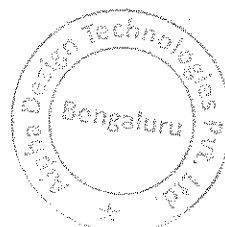
Summarised Balance Sheet		
Particulars	Kortas Industries Private Limited.	
	31-Mar-21	31-Mar-20
Current Assets	52,592,909	-
Current Liabilities	8,950,580	-
Net Current Assets	43,642,329	-
Non Current Assets	135,421,284	-
Non Current Liabilities	2,469,940	-
Net Non Current Assets	132,951,344	-
Net Assets	176,593,673	-
Accumulated NCI	26,498,708	-
Summarised statement of Profit and Loss		
Revenue	49,726,499	-
Profit/(Loss)	10,655,587	-
Other Comprehensive Income	-	-
Total Comprehensive Income	10,655,587	-
Profit / (Loss) to Non Controlling Interest	1,598,338	-
Summarised statement of Cash flows		
Cash flow from Operating activities	6,320,691	-
Cash flow from Investing activities	(1,011,090)	-
Cash flow from Financing activities	(315,858)	-



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED
Notes to the Financial Statements
All amounts in Indian Rupees, unless otherwise stated

Summarised Balance Sheet		
Particulars	Flaire Unmanned Systems Pvt Ltd.	
	31-Mar-21	31-Mar-20
Current Assets	8,321,781	-
Current Liabilities	5,876,854	-
Net Current Assets	2,444,927	-
Non Current Assets	38,163,321	-
Non Current Liabilities	-	-
Net Non Current Assets	38,163,321	-
Net Assets	40,608,248	-
Accumulated NCI	-	-
Summarised statement of Profit and Loss		
Revenue	-	-
Profit/(Loss)	(302,500)	-
Other Comprehensive Income	-	-
Total Comprehensive Income	(302,500)	-
Profit / (Loss) to Non Controlling Interest	-	-
Summarised statement of Cash flows		
Cash flow from Operating activities	(1,497,438)	-
Cash flow from Investing activities	(7,372,446)	-
Cash flow from Financing activities	5,713,322	-

Summarised Balance Sheet		
Particulars	Adani Elbit Advanced Systems India Limited.	
	31-Mar-21	31-Mar-20
Current Assets	190,499,609	-
Current Liabilities	25,744,112	-
Net Current Assets	164,755,496	-
Non Current Assets	207,610,968	-
Non Current Liabilities	1,704,155	-
Net Non Current Assets	205,906,813	-
Net Assets	370,662,310	-
Accumulated NCI	145,246,072	-
Summarised statement of Profit and Loss		
Revenue	95,979,772	-
Profit/(Loss)	42,375,137	-
Other Comprehensive Income	194,937	-
Total Comprehensive Income	42,570,074	-
Profit / (Loss) to Non Controlling Interest	19,582,234	-
Summarised statement of Cash flows		
Cash flow from Operating activities	(71,811,430)	-
Cash flow from Investing activities	(2,160,925)	-
Cash flow from Financing activities	115,274,570	-



ALPHA DESIGN TECHNOLOGIES PRIVATE LIMITED

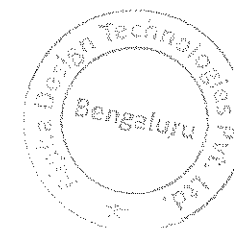
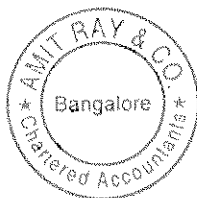
Notes to the Financial Statements

All amounts in Indian Rupees, unless otherwise stated

43 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements.

43. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements.

Sl.no	Name of the entity	Net Assets		Share in total	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent					
1	Alpha Technologies Private Limited	73.06%	4,916,240,941	45.40%	45,111,347
Subsidiaries					
1	Alpha Tocol Engineering Services Private Limited	5.69%	382,836,503	-12.57%	(12,493,749)
2	Reline Thermal Imaging and Software Private Limited	1.78%	119,836,031	-17.04%	(16,928,398)
3	Microwave and Optronics Systems Private Limited	4.84%	325,715,545	-51.39%	(51,064,376)
4	Alpha Electronica Defence Systems Private Limited	-0.28%	(19,073,325)	-0.20%	(202,040)
5	Alpha Elsec Defence and Aerospace Private Limited	2.48%	166,607,013	34.94%	34,720,286
6	Kortas Industries (till 13-08-2020)	0.00%	-	8.05%	7,995,989
7	Alpha Kortas Space System Pvt. Ltd.	0.00%	-	-0.01%	(9,477)
8	Kortas Industries Private Limited.	2.62%	176,593,673	10.72%	10,655,587
9	Flaire Unmanned Systems Pvt Ltd.	0.60%	40,608,248	-0.30%	(302,500)
10	Adani Elbit Advanced Systems India Limited.	5.51%	370,662,310	42.84%	42,570,074
Non-Controlling Interest		3.69%	248,599,577	39.57%	39,317,240
TOTAL		100.00%	6,728,626,515	100.00%	99,369,983



44 Contingent liabilities and contingent assets

a) Contingent Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the company not acknowledged as debt		
- Income Tax Demand (Refer note below)	52,632,973	52,625,253
TOTAL	52,632,973	52,625,253

Management is of the view that above matters are not likely to have any impact on financial position of the company

Alpha Design Technologies Pvt Ltd.

(i) The Company's claim of the amount incurred for the developmental projects as revenue expenditure was allowed by the Hon'ble Income Tax Appellate Tribunal for AY 2007-08 and AY 2008-09. However the CIT(A) has disallowed the expenditure during the course of regular assessment for AY 2009-10, 2011-12, to 2017-18. Aggrieved by the same, the Company has filed an appeal with the Hon'ble ITAT. The Tribunal vide order dt. 27.01.2021 has directed the CIT(A) to examine the expenditure and allow as per the provisions of IT. Consequently, the demand had been raised which is disclosed as Contingent Liability.

(ii) AY 2018-19, the assessment is ongoing with the AO.

(iii) AY 2019-20, intimation u/s 143(1) of the IT Act is received disallowing certain TDS credit, against which the Company has replied to CPC to reprocess the return.

Alpha Elsec Defence Aerospace Systems Pvt Ltd.

The department has contested the transfer pricing methodology adopted relating to the assessment year 2010-11 and have raised a demand of ₹ 41,40,160. The Company has filed an appeal against the Hon'ble ITAT against the demand. Considering the facts and nature of adjustments, the Company believes that the position will likely be accepted by ITAT and will not have any material adverse effect on the financial position and results of operations.

b) Contingent Assets -

NIL

NIL

c) Capital Commitments

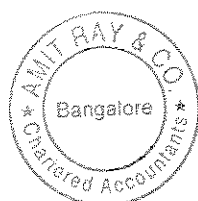
Particulars	As at 31 March 2021	As at 31 March 2020
- Estimated amount of contracts remaining to be executed on capital account and not provided for	21,545,015	77,876,453

45 Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Basic earnings per share	INR	INR
From continuing operations attributable to the equity holders of the company	1.93	0.22
From discontinued operation	-	-
Total basic earnings per share attributable to the equity holders of the company	1.93	0.22
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	1.90	0.20
From discontinued operation	-	-
Total diluted earnings per share attributable to the equity holders of the company	1.90	0.20

(c) Reconciliations of earnings used in calculating earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	97,482,355	10,361,446
From discontinued operation	-	-
	97,482,355	10,361,446
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company:		
Used in calculating basic earnings per share	97,482,355	10,361,446
Add: interest savings on convertible bonds	-	-
Used in calculating diluted earnings per share	97,482,355	10,361,446
Profit from discontinued operation	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	97,482,355	10,361,446



(d) Weighted average number of shares used as the denominator

	Year ended 31 March 2021	Year ended 31 March 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,531,181	45,130,940
Adjustments for calculation of diluted earnings per share:		
Options	687,490	5,087,731
Convertible bonds		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	51,218,671	51,218,671

46 Leases

i) The movement in Lease liabilities during the year ended 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	231,099,986	-
Reclassified on account of adoption of Ind AS 116	-	300,690,434
Additions during the period	35,650,090	11,262,566
Finance costs incurred during the year	18,173,409	27,079,113
Payments of Lease Liabilities	113,596,222	107,932,127
Adjustments		
Closing Balance	171,327,262	231,099,986

ii) The carrying value of the Rights-of-use and depreciation charged during the period

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	214,794,193	-
Reclassified on account of adoption of Ind AS 116	-	300,690,434
Additions	35,650,090	11,262,566
Depreciation	99,411,120	97,158,806
Closing Balance	151,033,163	214,794,193

The aggregate depreciation expense on ROU assets Rs. 9,94,11,120 is included under depreciation and amortization expense of Profit and Loss.

iii) Amount Recognised in Profit & Loss Account during the Year

	As at 31 March 2021	As at 31 March 2020
Expenses relating to short-term leases	3,107,752	1,378,007
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-

iv) Amounts recognised in statement of cash flows

	As at 31 March 2021	As at 31 March 2020
Total cash outflow for leases	113,596,222	107,932,127

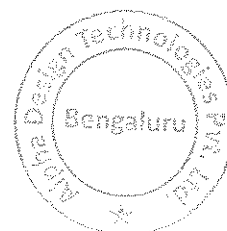
v) Maturity Analysis of contractual undiscounted cash flows

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	95,156,522	101,784,036
One to Five years	102,792,349	161,996,648
More than Five years	-	5,719,219
Total undiscounted lease liabilities as at 31st March, 2020		
Current lease liabilities	95,156,522	101,784,036
Non-Current lease liabilities	102,792,349	167,715,867

47 Government grant for the iDex Project

The Company has instituted two R&D projects during the FY 20-21, on behalf of IDEX [Innovation for Defence Excellence] with matching grants towards IFF and Posrad projects for Indian Army and Indian Air force respectively.

The funds allocated for this project is deposited into two separate Escrow bank accounts. The amount spent towards development expenses including Material, resources and Capital equipment are disclosed under 'Intangibles under development'.



48 Events after reporting period

There were no material subsequent events for the year ended 31 March 2021. The directors are not aware of any other matter or circumstances since the financial year end and the date of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the company and the results of its operation.

49 Free of Cost

(a) The Holding Company has received full mission simulator for MI-17V-5 Helicopter and computer based training simulator for the training of Indian Air force, free of cost from 'JSC Rosoboronexport, Russia, Moscow' at Sarsawa, Uttar Pradesh Simulator centre. The simulator has been accounted at a nominal value of Rs. 1 and is grouped under 'capital work-in-progress' as the construction is in process of completion as on 31 March 2019.

(b) The Holding Company has received Fixed Based Full Mission Simulator ('FBFMS') and Avionics part-task trainer ('APTT') of the MIG-29 UPG aircraft free of cost from 'JSC Russian Aircraft Corporation MIG at Adampur, Punjab Simulator centre. The simulator has been accounted at a nominal value of Rs. 1 and is grouped under 'capital work-in-progress' as the construction is in process of completion as on 31 March 2019.

(c) Few Contracts with the customer provides for supply of Free issue of material. These materials are proprietary items of the customer which are integrated into the final product for export to the customer, hence the value of these free materials are not a part of the Sales Turnover of the Company. Balance free items pending to be utilized, not forming a part of inventory.

	Year ended 31.03.2021	Year ended 31.03.2020
Free items received	123,257,170	566,249,660
Free items utilized of the above	104,749,178	570,200,052
Balance free items pending to be utilized, not forming a part of inventory	38,868,484	20,360,492

50 The Holding Company is constructing a Simulation Centre at an Airfield Station located at Bagdogra and Sarsawa on Build, Operate and Maintain basis. The land in the Airfield Station was demarcated and handed over to the Company for the purpose of construction vide letter dated 21.05.2012 from the Directorate of AMS, AIR HQ. The Company has the right to build and operate the Simulation Centre on the demarcated land but does not own the land either as freehold property or as lease hold property. As the Company is in process of constructing the simulation centers, the same has been grouped under 'Capital Work-in-progress'.

51 The Holding Company is claiming expenses incurred on Research and Development as Revenue expenditure in Income Tax returns as per the provisions of Income Tax Act, 1961. The same has been confirmed by the Honorable Tribunal in the Company's own case for AY 2007-08 and AY 2009-10. The details of subsequent years are provided in note 44. The said expenditure is capitalized as 'Intangibles under development' in the books of accounts in accordance with Ind As 38.

The Company evaluates the economic and technical viability of the projects at the end of each year. The Company has de-recognized developmental projects (intangible asset under development) to the extent of Rs.8.02 Cr during the year ended 31 March 2021.

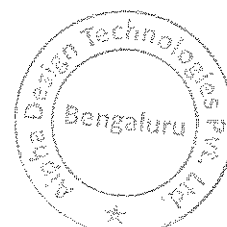
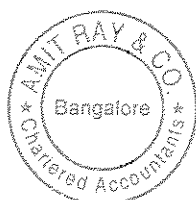
52 Merger of Subsidiary Companies

Pursuant to the provisions of Sections 233 of the Companies Act, 2013 ("ACT") read with Companies (compromises, Arrangement and Amalgamations) Rules, 2016 and all other applicable provisions, during the previous year the management has hereby approved to merge its Subsidiary companies - Microwave and Optronics Systems Pvt. Ltd. and Reline Thermal Imaging and Software Pvt. Ltd. with the company. The draft scheme of amalgamation has been approved by the Board and subsequent formalities are expected to be executed in due course.

53 Investment in Partnership Firm and Conversion

During the previous year, the Company has invested Rs. 13.43 Crores in partnership firm - Kortas Industries, Kerala specialized in fabrication of Aerospace structures and Hi-Tech components by way of acquiring 85% share of the firm's total capital. As per the terms of acquisition, the company has become the Managing Partner in the firm from date of acquisition being 27.02.2020. The company's share of profit/(loss) for the period ended 13.08.2020 - Rs.67,96,591 and as at 31.03.2020 is Rs. (58,875).

Company KORTAS INDUSTRIES PRIVATE LIMITED was incorporated on 13-Aug-2020 by conversion of partnership firm KORTAS INDUSTRIES, Kerala. The company took over all the assets and liabilities of firm KORTAS INDUSTRIES under an agreement of Partnership acquisition dated 14th February 2020 in accordance with provisions of Companies Act, 2013. All the partners of the partnership firm have become the shareholders of the company in the same proportion in which their capital accounts stood in the books of the firm on the date of the conversion. All assets and liabilities including the Goodwill are recognised at book values as at 13-Aug-2020.



54 Impact of Covid-19 (Global Pandemic)

Impact on Industry

The company belongs to the Defence Industry and as per the industry study report published by a global financial advisory entity, defense sector has sustained its growth in 2019 as security threats have intensified globally and it is likely that governments across the world will boost defense spending over the next five years. Increasing global defense spending would continue to create opportunities for companies operating in the defence sector. Therefore the management believes that impact of the covid-19 global pandemic may not adversely affect the industry and impacts if any will only be short term.

Impact on Entity

The management has performed a preliminary assessment of likely adverse impact on the business and financial risks, and the Company believes that the impact is likely to be low. Also, that there are no significant events that impacts its operations presently and no such events are envisaged which cast any kind of negative influence in the immediate future.

55 The accompanying Consolidated Financial Statements include the Group's share of Net profit after Tax of Rs. 7.72 Cr. for the year ended 31st march 2021 in respect of 2 subsidiaries whose Financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such Management certified financial statements.

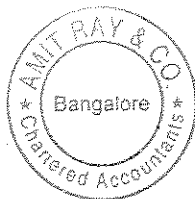
56 Prior year comparatives

Prior year figures have been reclassified to conform to this period's classification.

For Amit Ray & CO., Chartered Accountants
Firm Registration No: 483-C




C V Savit Kumar Rao
Partner
Membership No: 70009



Place: Bengaluru
Date: 29-Apr-2021

UDIN No:- 21070009AAAACT6815

For and on behalf of the Board of Directors



Col. H S Shankar, VSM (Retd.) Managing Director
DIN: 00279285

R Ramachandramurthy
Director
DIN: 08160629

Gurumurthy G Hegde
Company Secretary
Membership No: A24285

Place: Bengaluru
Date: 29-Apr-2021

