

**Independent Auditors' Report**

To The Members of  
**Reliance Lighter than Air Systems Private Limited**

We have audited the accompanying financial statements of **Reliance Lighter than Air Systems Private Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018; its Loss, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

**Emphasis of matter**

We draw attention to Note 18 in the Ind AS financial statements regarding accumulated losses exceeding the Net Worth of the Company and the Ind AS financial statements being prepared on going concern basis. Our opinion is not modified in this respect.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) Section 143 of Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as Director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) There are no ongoing litigations as at the reporting date that would have a material impact on its financial position;
    - ii) Based upon the assessment made by the Company, there are no long-term contracts resulting in any material foreseeable losses;
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S M A & Co.**  
Chartered Accountants  
Regn.No.018452C



**Manoj Sethi**  
Partner  
Membership No. 039784

Place: Mumbai  
Date: April 21, 2018



**ANNEXURE TO THE AUDITORS' REPORT**

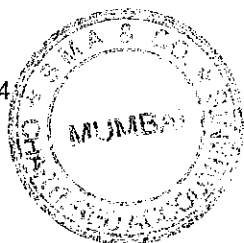
Referred to in our Report of even date on the Accounts of **Reliance Lighter than Air Systems Private Limited** for the year ended March 31, 2018

- i) According to the information and explanations given, the Company has no fixed assets hence clause 3(i) of the Order is not applicable.
- ii) As explained to us, there is no inventory hence clause 3(ii) of the Order is not applicable.
- iii) According to the information and explanations given, the Company has not granted any loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained pursuant to section 189 of the Act. Hence clause 3(iii) of the Order is not applicable.
- iv) According to the information and explanations given to us, the Company has no loans and investments made during the year hence clause 3(iv) of the Order is not applicable.
- v) The Company has not accepted any deposits from the public.
- vi) As informed to us, no cost records have been prescribed by the Central Government under section 148(1) of the Act.
- vii) (a) The Company has generally been regular in depositing with appropriate authority undisputed statutory dues including provident fund, income-tax, sales tax, duty of customs, service tax, cess and other material statutory dues during the year. Further no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us there are no statutory dues pending on account of any dispute.
- viii) According to the information and explanations given to us, the Company has not taken any loans or borrowing from a financial institution, bank, Government or debenture holders during the year.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has not paid any managerial remuneration. Hence paragraph 3(xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) As per the information and explanations given, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

**For S M A & Co.**  
Chartered Accountants  
Regn.No.018452C

  
**Manoj Sethi**  
Partner  
Membership No. 039784

Place: Mumbai  
Date: April 21, 2018



## ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting ('Financial Controls') of **Reliance Lighter than Air Systems Private Limited** ("the Company") in conjunction with our audit of the Company for the year ended March 31, 2018.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Financial Controls based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 Financial Controls are established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of Financial Controls includes obtaining an understanding of Financial Controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's Financial Controls 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 Financial Controls includes those policies and procedures that (1) pertain to 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

Because of the inherent limitations of Financial Controls, 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 Financial Controls to future periods are subject to the risk that the Financial Controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

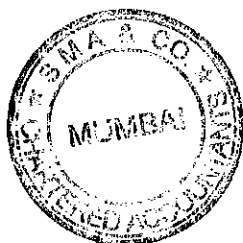
In our opinion, the Company has, in all material respects, an adequate Financial Controls system and such Financial Controls are operating effectively as at March 31, 2018, based on the Financial Controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

### For S M A & Co.

Chartered Accountants  
Regn.No.018452C



**Manoj Sethi**  
Partner  
Membership No. 039784



Place: Mumbai  
Date: April 21, 2018

# Reliance Lighter Than Air Systems Private Limited

## Balance Sheet as at March 31, 2018

*Rs in Lakhs*

| Particulars                           | Notes | As at March 31, 2018 | As at March 31, 2017 |
|---------------------------------------|-------|----------------------|----------------------|
| <b>I ASSETS</b>                       |       |                      |                      |
| <b>(1) Current Assets</b>             |       |                      |                      |
| Financial Assets                      |       |                      |                      |
| Cash and Cash Equivalents             | 2     | 14.23                | 1.39                 |
| Other Bank Balances                   | 3     | -                    | 62.00                |
| Current Tax (Net)                     |       | <u>14.23</u>         | <u>0.55</u>          |
| Other Current Assets                  | 4     | <u>0.58</u>          | <u>8.76</u>          |
|                                       |       | 0.58                 | 8.76                 |
| <b>TOTAL ASSETS</b>                   |       | <b><u>14.81</u></b>  | <b><u>72.70</u></b>  |
| <b>II EQUITY AND LIABILITIES</b>      |       |                      |                      |
| <b>(1) EQUITY</b>                     |       |                      |                      |
| Equity Share Capital                  | 5     | 14.00                | 14.00                |
| Other Equity                          |       | <u>(21.26)</u>       | <u>(18.97)</u>       |
|                                       |       | (7.26)               | (4.97)               |
| <b>(2) LIABILITIES</b>                |       |                      |                      |
| <b>Current Liabilities</b>            |       |                      |                      |
| <b>Financial Liabilities</b>          |       |                      |                      |
| Borrowings                            | 6     | 4.11                 | 63.51                |
| Other Financial Liabilities           | 7     | <u>17.63</u>         | <u>13.02</u>         |
|                                       |       | 21.74                | 76.53                |
| Other Liabilities                     | 8     | <u>0.33</u>          | <u>1.14</u>          |
|                                       |       | 0.33                 | 1.14                 |
|                                       |       | 22.07                | 77.67                |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> |       | <b><u>14.81</u></b>  | <b><u>72.70</u></b>  |

Significant Accounting Policies  
Notes to Financial Statements

1  
2 to 19

As per our Report of even date  
For S M A & Co.  
Chartered Accountants  
Firm Registration No.: 018452C

  
Manoj Sethi  
Partner  
Membership No 039784

Place: Mumbai  
Date: April 21, 2018



For and on behalf of the Board of Directors

  
Nikhil Jain  
Director

  
Arup Gupta  
Director

# Reliance Lighter Than Air Systems Private Limited

## Statement of Profit and Loss for the year ended March 31, 2018

| Particulars                                                                             | Notes   | for the year ended<br>March 31, 2018 | for the year ended<br>March 31, 2017 |
|-----------------------------------------------------------------------------------------|---------|--------------------------------------|--------------------------------------|
| <i>Rs in Lakhs</i>                                                                      |         |                                      |                                      |
| <b>REVENUE</b>                                                                          |         |                                      |                                      |
| Net Revenue from Operation                                                              |         | -                                    | -                                    |
| Other Income                                                                            | 9       | 2.42                                 | 5.97                                 |
| <b>Total Revenue</b>                                                                    |         | <u>2.42</u>                          | <u>5.97</u>                          |
| <b>EXPENSES</b>                                                                         |         |                                      |                                      |
| Finance Costs                                                                           | 10      | 4.61                                 | 5.96                                 |
| Other Expenses                                                                          | 11      | 0.10                                 | 8.41                                 |
| <b>Total Expenses</b>                                                                   |         | <u>4.71</u>                          | <u>14.37</u>                         |
| <b>Profit / (Loss) before Tax</b>                                                       |         | (2.29)                               | (8.40)                               |
| Tax Expense                                                                             |         |                                      |                                      |
| Current Tax                                                                             |         | -                                    | -                                    |
| Deferred Tax                                                                            |         | -                                    | -                                    |
| Profit After Tax                                                                        |         | (2.29)                               | (8.40)                               |
| <b>OTHER COMPREHENSIVE INCOME</b>                                                       |         |                                      |                                      |
| Other Comprehensive Income to be reclassified to profit and loss in subsequent year     |         | -                                    | -                                    |
| Other Comprehensive Income not to be reclassified to profit and loss in subsequent year |         | -                                    | -                                    |
| Actuarial (gains)/losses on defined benefit plans                                       |         | -                                    | -                                    |
| Income Tax effect                                                                       |         | -                                    | -                                    |
| <b>Total Other Comprehensive Income for the year</b>                                    |         | <u>-</u>                             | <u>-</u>                             |
| <b>Total Comprehensive Income for the year</b>                                          |         | <u>(2.29)</u>                        | <u>(8.40)</u>                        |
| Earnings per Equity share of Rs. 10/- each                                              | 15      |                                      |                                      |
| Basic (In Rupees)                                                                       |         | (9.46)                               | (15.19)                              |
| Diluted (In Rupees)                                                                     |         | (9.46)                               | (15.19)                              |
| Significant Accounting Policies                                                         | 1       |                                      |                                      |
| Notes to Financial Statements                                                           | 2 to 19 |                                      |                                      |

As per our Report of even date  
**For S M A & Co.**  
 Chartered Accountants  
 Firm Registration No.: 018452C

  
**Manoj Sethi**  
 Partner  
 Membership No 039784

Place: Mumbai  
 Date: April 21, 2018



For and on behalf of the Board of Directors



**Nikhil Jain**  
 Director



**Arup Gupta**  
 Director

## Reliance Lighter Than Air Systems Private Limited

### Statement of Changes in Equity for the year ended March 31, 2018

#### A Equity Share Capital

| Particulars                                       | <i>Rs in Lakhs</i>   |        |                      |        |
|---------------------------------------------------|----------------------|--------|----------------------|--------|
|                                                   | As at March 31, 2018 |        | As at March 31, 2017 |        |
|                                                   | No of Shares         | Amount | No of Shares         | Amount |
| Equity shares at the beginning of the year/period | 1,40,000             | 14.00  | 1,40,000             | 14.00  |
| Add: Shares Issued during the year/period         | -                    | -      | -                    | -      |
| Equity shares at the end of the year/period       | 1,40,000             | 14.00  | 1,40,000             | 14.00  |

#### B Other Equity

| Particulars                 | <i>Rs in Lakhs</i> |                |
|-----------------------------|--------------------|----------------|
|                             | Retained Earning   | Total          |
| <b>As at April 01, 2016</b> | (10.57)            | (10.57)        |
| Profit/(Loss) for the year  | (8.40)             | (8.40)         |
| <b>As at March 31, 2017</b> | (18.97)            | (18.97)        |
| Profit/(Loss) for the year  | (2.29)             | (2.29)         |
| <b>As at March 31, 2018</b> | <b>(21.26)</b>     | <b>(21.26)</b> |

As per our Report of even date  
**For S M A & Co.**  
 Chartered Accountants  
 Firm Registration No.: 018452C

  
**Manoj Sethi**  
 Partner  
 Membership No 039784

Place: Mumbai  
 Date : April 21, 2018



For and on behalf of the Board of Directors

  
**Nikhil Jain**  
 Director

  
**Arup Gupta**  
 Director

# Reliance Lighter Than Air Systems Private Limited

## Cash Flow Statement for the year ended March 31, 2018

*Rs in Lakhs*

| Sr No                                        | Particulars                                                           | For the year ended<br>March 31 2018 | For the Year ended<br>March 31 2017 |
|----------------------------------------------|-----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A Cash Flow from Operating Activities</b> |                                                                       |                                     |                                     |
|                                              | Net Profit/(Loss) before Tax                                          | (2.29)                              | (8.40)                              |
|                                              | Adjustments for :-                                                    |                                     |                                     |
|                                              | Finance Cost                                                          | 4.61                                | 5.96                                |
|                                              | Interest income                                                       | (2.42)                              | (5.53)                              |
|                                              | <b>Operating profit/(Loss) before working capital changes</b>         | (0.10)                              | (7.97)                              |
|                                              | <b>Adjusted for</b>                                                   |                                     |                                     |
|                                              | (Increase)/Decrease in Loans & Advances and Other Current Assets      | -                                   | 0.01                                |
|                                              | Increase/(Decrease) in Current Liabilities & Trade Payable            | (0.81)                              | (44.91)                             |
|                                              | <b>Cash Generated from/(used in) Operations</b>                       | (0.91)                              | (52.87)                             |
|                                              | Direct Taxes (Paid) / Refund                                          | 0.42                                | -                                   |
|                                              | <b>Net Cash from (used in) Operating Activities</b>                   | (0.49)                              | (52.87)                             |
| <b>B Cash Flow from Investing Activities</b> |                                                                       |                                     |                                     |
|                                              | Interest Income                                                       | 10.73                               | -                                   |
|                                              | <b>Net Cash used in Investing Activities</b>                          | 10.73                               | -                                   |
| <b>C Cash Flow from Financing Activities</b> |                                                                       |                                     |                                     |
|                                              | Short Term Loan (net)                                                 | (59.40)                             | (6.90)                              |
|                                              | Finance Cost Paid                                                     | -                                   | (5.96)                              |
|                                              | Margine Money                                                         | 62.00                               | -                                   |
|                                              | <b>Net Cash Flow from/(used in) Financing Activities</b>              | 2.60                                | (12.86)                             |
|                                              | <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b> | 12.84                               | (65.73)                             |
|                                              | Cash & Cash Equivalents - Opening balance                             | 1.39                                | 67.12                               |
|                                              | Cash & Cash Equivalents - Closing balance                             | 14.23                               | 1.39                                |

**Notes:**

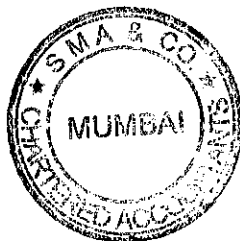
- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 - Statement of Cash flows.
- (2) Figures in brackets indicate outflow.
- (3) Previous year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary to make them comparable with those of the current year.

As per our Report of even date  
**For S M A & Co.**  
 Chartered Accountants  
 Firm Registration No.: 018452C

For and on behalf of the Board of Directors

  
**Manoj Sefhi**  
 Partner  
 Membership No 039784

Place: Mumbai  
 Date : April 21, 2018



  
**Nikhil Jain**  
 Director

  
**Arup Gupta**  
 Director



# Reliance Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### Note - 1 SIGNIFICANT ACCOUNTING POLICIES

#### i GENERAL INFORMATION:

Reliance Lighter Than Air Systems Private Limited was incorporated on November 25, 2013. The name of the Company got changed from Pipavav Lighter Than Air Systems Private Limited during the year and fresh certificate of incorporation was issued by the Ministry of Corporate Affairs (MCA), Government of India on March 11, 2016. The Company is domiciled in India having registered office at Survey no 658, Village Ramapura II, Via- Rajula, District Amreli (Gujarat).

#### ii BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Interim financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act. Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations. The Company has followed same accounting policies on those followed in latest audited financial in terms of Ind As 34 on Interim Financial Reporting.

#### iii FUNCTIONAL AND PRESENTATION CURRENCY:

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

#### IV USE OF ESTIMATES:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions 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. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised and if material, their effects are disclosed in the notes to the Financial Statements.

#### V REVENUE RECOGNITION:

i Revenue from operation include income from sale of goods, services & service tax and is net of value added tax and sales tax recovered. Revenue from sale of goods and services is recognised considering the following steps:

- identify the Contract with Customer
- identify the performance obligations in the contract
- determining the transaction price
- allocate the transaction price to the performance obligations in the contract
- recognise revenue when the entity satisfies a performance obligation

ii. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established. Insurance and other claims are

iii. Where the financing element is significant in the transaction price of a long term contract, the revenue are recognised considering the time value of

#### VI CURRENT VERSUS NON CURRENT CLASSIFICATION :

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

- 1 Expected to be realised or intended to sold or consumed in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Expected to be realised within twelve months after the reporting period, or
- 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

ii A liability is current when:

- 1 It is expected to be settled in normal operating cycle
- 2 It is held primarily for the purpose of trading
- 3 It is due to be settled within twelve months after the reporting period, or
- 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- 5 All other liabilities are treated as non-current.

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

#### VII BORROWING COSTS:

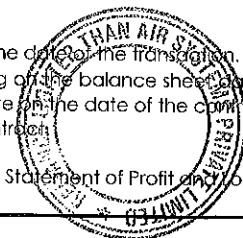
Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consist of interest, other cost incurred in connection with borrowings of fund and exchnage differencs to the extent regarded an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

#### VIII INVENTORY:

The inventories i.e. Raw Materials, Stores and Spares, Work in progress and Finished Goods etc. have been valued at lower of cost or net realisable value. Cost of inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. The cost of steel plates, profiles & equipments is determined on Specific Identification Method and other raw materials & stores & spares at Weighted Average Method. The cost of Work-in-progress and Finished Stock is determined on absorption costing method. Scrap is valued at net realisable value.

#### IX FOREIGN CURRENCY TRANSACTIONS:

- i. Revenue Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are re measured at the exchange rate prevailing on the balance sheet date. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.



# Reliance Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### X FAIR VALUE MEASUREMENT:

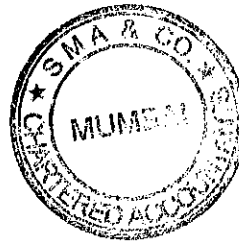
Fair value is the price that would be received to sell an assets or settla a liability in an ordinary transaction between market participants at the maesurement date. The fair value of an assets or liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming that market participants act in their best economic interest. The fair value of property, plant & equipments as at transition date have been taken based on valuation performed by technical experts. The Company used valuation techniques which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

### XI PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax are recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

### XII PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.



# Reliance Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### Note - 2 CASH AND CASH EQUIVALANTS

|                           | <i>Rs in Lakhs</i>   |                      |
|---------------------------|----------------------|----------------------|
| Particulars               | As at March 31, 2018 | As at March 31, 2017 |
| <b>Balances with Bank</b> |                      |                      |
| - in Current Account      | 14.23                | 1.39                 |
| <b>Total</b>              | 14.23                | 1.39                 |

### Note - 3 OTHER BANK BALANCES

|                                                         | <i>Rs in Lakhs</i>   |                      |
|---------------------------------------------------------|----------------------|----------------------|
| Particulars                                             | As at March 31, 2018 | As at March 31, 2017 |
| <b>Balances with Bank</b>                               |                      |                      |
| - in Fixed Deposit (Pledged with Banks as Margin Money) | -                    | 62.00                |
| <b>Total</b>                                            | -                    | 62.00                |

### Note - 4 OTHER CURRENT ASSETS (Unsecured and Considered Good)

|                         | <i>Rs in Lakhs</i>   |                      |
|-------------------------|----------------------|----------------------|
| Particulars             | As at March 31, 2018 | As at March 31, 2017 |
| Sales Tax Deposit       | 0.45                 | 0.45                 |
| TDS Receivable 16-17    | 0.13                 | -                    |
| Interest Accrued on FDR |                      | 8.31                 |
| <b>Total</b>            | 0.58                 | 8.76                 |

### Note - 5 SHARE CAPITAL

|                                                                                                  | <i>Rs in Lakhs</i>   |                      |
|--------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                                                      | As at March 31, 2018 | As at March 31, 2017 |
| <b>Equity Shares</b>                                                                             |                      |                      |
| <b>Authorised</b>                                                                                |                      |                      |
| 1,50,000 Equity shares of Rs. 10/- each (Previous Year: 1,50,000 Equity shares of Rs. 10/- each) | 15.00                | 15.00                |
| <b>Issued</b>                                                                                    |                      |                      |
| 140,000 Equity Shares of Rs. 10/- each (Previous Year: 1,40,000 Equity shares of Rs. 10/- each)  | 14.00                | 14.00                |
| <b>Issued Subscribed and Paid up</b>                                                             |                      |                      |
| 140,000 Equity Shares of Rs. 10/- each fully paid up                                             | 14.00                | 14.00                |
|                                                                                                  | 14.00                | 14.00                |

### 5.1 Reconciliation of Number of Equity shares outstanding at the beginning and at the end of the year.

| Particulars                                | As at March 31, 2018 |             | As at March 31, 2017 |             |
|--------------------------------------------|----------------------|-------------|----------------------|-------------|
|                                            | No of Shares         | Rs In Lakhs | No of Shares         | Rs In Lakhs |
| No. of shares at the beginning of the year | 1,40,000.00          | 14.00       | 1,40,000.00          | 14.00       |
| Add: Shares allotted during the year       | -                    | -           | -                    | -           |
| No. of shares at the end of the year       | 1,40,000.00          | 14.00       | 1,40,000.00          | 14.00       |

### 5.2 Shareholders holding more than 5% No. of Shares

| Shares held by                                          | No. of Shares | % Holding | No. of Shares | % Holding |
|---------------------------------------------------------|---------------|-----------|---------------|-----------|
| Reliance Naval and Engineering Limited- Holding Company | 1,40,000.00   | 100%      | 1,40,000.00   | 100%      |

### 5.3 Terms and Rights attached to Equity Shares.

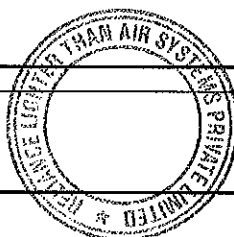
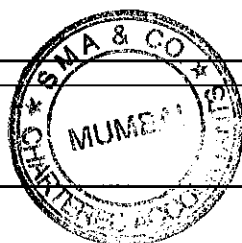
The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity share holders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

### Note - 6 BORROWINGS (Unsecured)

|                           | <i>Rs in Lakhs</i>   |                      |
|---------------------------|----------------------|----------------------|
| Particulars               | As at March 31, 2018 | As at March 31, 2017 |
| Loan from Related parties | 4.11                 | 63.51                |
| <b>Total</b>              | 4.11                 | 63.51                |

### Note - 7 OTHER FINANCIAL LIABILITIES

|                              | <i>Rs in Lakhs</i>   |                      |
|------------------------------|----------------------|----------------------|
| Particulars                  | As at March 31, 2018 | As at March 31, 2017 |
| Interest Accrued but not due | 17.63                | 13.02                |
| <b>Total</b>                 | 17.63                | 13.02                |



# Reliance Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### Note - 8 OTHER LIABILITIES

| Particulars              | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------|----------------------|----------------------|
| Statutory Dues           | 0.03                 | 0.60                 |
| Creditors for Expenses   | 0.16                 | -                    |
| Provision for Expenses * | 0.14                 | 0.54                 |
| Total                    | 0.33                 | 1.14                 |

\* Mainly related to payable for expenses

### Note - 9 OTHER INCOME

| Particulars          | for the year ended<br>March 31, 2018 | for the year ended<br>March 31, 2017 |
|----------------------|--------------------------------------|--------------------------------------|
| Interest Income      | 2.42                                 | 5.53                                 |
| Miscellaneous Income | -                                    | 0.44                                 |
| Total                | 2.42                                 | 5.97                                 |

### Note - 10 FINANCE COSTS

| Particulars       | for the year ended<br>March 31, 2018 | for the year ended<br>March 31, 2017 |
|-------------------|--------------------------------------|--------------------------------------|
| Interest Expenses | 4.61                                 | 5.96                                 |
| Total             | 4.61                                 | 5.96                                 |

### Note - 11 OTHER EXPENSES

| Particulars                     | for the year ended<br>March 31, 2018 | for the year ended<br>March 31, 2017 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Payment to Auditors             | 0.08                                 | 0.48                                 |
| Bank Charges                    | 0.02                                 | 0.01                                 |
| Legal & professional fees       | -                                    | 0.06                                 |
| Filing Fees                     | -                                    | 0.24                                 |
| Interest Paid on statutory dues | -                                    | 7.62                                 |
| Total                           | 0.10                                 | 8.41                                 |

#### 11.1 Payment to Auditors includes:

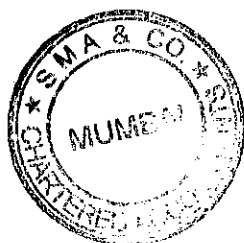
| Particulars | for the year ended<br>March 31, 2018 | for the year ended<br>March 31, 2017 |
|-------------|--------------------------------------|--------------------------------------|
| Audit Fees  | 0.08                                 | 0.35                                 |
| Tax Audit   | -                                    | 0.13                                 |
| Total       | 0.08                                 | 0.48                                 |

### Note - 12 CONTINGENT LIABILITIES AND COMMITMENTS

| Particulars                                                                  | for the year ended<br>March 31, 2018 | for the year ended<br>March 31, 2017 |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a) Guarantees given by Company's Bankers                                     | -                                    | 62.00                                |
| Refund Bank Guarantees given to Customers (Net of liabilities accounted for) | -                                    | -                                    |
| Total                                                                        | -                                    | 62.00                                |

### Note - 13

In the opinion of the management, Current Assets and Loans and advances are of the value stated, if realised in the ordinary course of the business.



# Reliance Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### Note - 14

#### Related Party Disclosures

a) List of Related parties

i) Holding Company

Reliance Naval and Engineering Limited (formerly Reliance Defence and Engineering Limited)

ii) Fellow Subsidiaries

E-Complex Private Limited

PDOC Pte. Ltd.

Reliance Marine and Offshore Limited

Reliance Technologies and Systems Private Limited

Reliance Engineering and Defence Services Limited

b) Terms and Conditions of transactions with related parties

The Transactions from related parties are made on arm's length price. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances which is merely reimbursement of expenses. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

c) Transactions with related parties for the period ended March 31, 2018

| Particulars                                   | As at March 31, 2018 | As at March 31, 2017 |
|-----------------------------------------------|----------------------|----------------------|
| <i>Rs in Lakhs</i>                            |                      |                      |
| <b>Reliance Naval and Engineering Limited</b> |                      |                      |
| <b>Borrowings</b>                             |                      |                      |
| Opening Balance                               | 63.18                | 70.08                |
| Received during the year                      | -                    | -                    |
| Paid during the year                          | 59.40                | 6.90                 |
| Closing Balance                               | 3.78                 | 63.18                |
| Interest Expenses                             | 4.57                 | 5.96                 |
| Interest accrued but not due                  | 17.60                | 13.02                |
| <b>E Complex Private Limited</b>              |                      |                      |
| <b>Borrowings</b>                             |                      |                      |
| Opening Balance                               | 0.33                 | -                    |
| Received during the year                      | -                    | 0.33                 |
| Paid during the year                          | -                    | -                    |
| Closing Balance                               | 0.33                 | 0.33                 |
| Interest Expenses                             | 0.04                 | -                    |
| Interest accrued but not due                  | 0.04                 | -                    |

### Note - 15

#### Earnings per share (Basic and Diluted)

| Particulars                                                                 | As at March 31, 2018 |             | As at March 31, 2017 |             |
|-----------------------------------------------------------------------------|----------------------|-------------|----------------------|-------------|
| Net Profit / (Loss) after Tax                                               | (a)                  | (2.29)      | (a)                  | (8.40)      |
| Amount available for calculation of Basic and diluted EPS                   | (a)                  | (2.29)      | (a)                  | (8.40)      |
| Weighted Average No. of Equity Shares outstanding for Basic and Diluted EPS | (b)                  | 1,40,000.00 | (b)                  | 1,40,000.00 |
| Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)              | (a) / (b)            | (1.64)      | (a) / (b)            | (6.00)      |

### Note - 16

#### FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include Investment, and cash and bank balances that derive directly from its operations.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

#### Interest rate risk

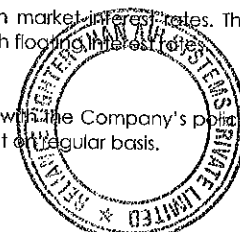
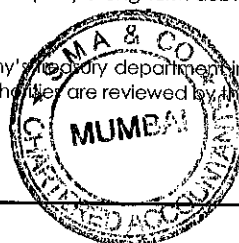
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on a regular basis.

#### Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.



# Reliance Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### Note - 17

#### CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

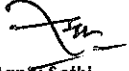
### Note - 18

The Company has incurred losses which has resulted into erosion of the Company's net worth. The management feels that this erosion is temporary in nature and the Company's future business plans and prospects will help the Company to turn around in future, hence the Company continued to prepare its Financial Statements on going concern basis.

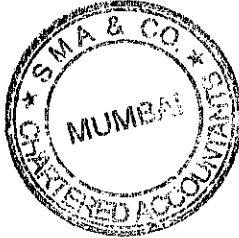
### Note - 19

Previous year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary to make them comparable with those of the current year.

As per our Report of even date  
For S M A & Co.  
Chartered Accountants  
Firm Registration No.: 018452C



Manoj Sethi  
Partner  
Membership No 039784



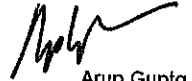
Place: Mumbai  
Date : April 21, 2018



For and on behalf of the Board of Directors



Nikhil Jain  
Director



Arup Gupta  
Director