

**Reliance Aerostructure Limited**

**Accounts for the period ended on March 31, 2016**

**Reliance Aerostructure Limited**  
**Balance Sheet as at March 31, 2016**

Particulars	Note No.	As at March 31, 2016 (Amount in Rs.)
<b>I. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' funds</b>		
(a) Share Capital	2	5,00,000
(b) Reserves and Surplus	3	(157,35,162)
		(152,35,162)
<b>2. Current Liabilities</b>		
(a) Short Term Borrowing	4	2547,31,300
(b) <u>Trade Payable</u> :		
Total outstanding dues to micro and small enterprises		-
Total outstanding dues to others		17,350
(c) Other Current Liabilities	5	154,22,945
		2701,71,595
<b>Total</b>		<b>2549,36,433</b>
<b>II. ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Fixed assets		
(i) Capital Work-in-Progress	6	2548,40,053
(b) Long-Term Loans and Advances	7	30,025
		2548,70,078
<b>Current Assets</b>		
(a) Current Investments	8	3,042
(b) Cash and Cash Equivalents	9	63,313
		66,355
<b>Total</b>		<b>2549,36,433</b>

**Significant Accounting Policies and Notes to Financial Statements**

1 to 21

**As per our attached Report of even date**

**For Pathak H D & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**For and on behalf of  
the Board of Directors**

**Vishal D. Shah**  
Partner  
Membership No. 119303

**sd/-** Surendra Khot      **sd/-** Rajesh Bagga  
Director                      Director  
DIN : 00436838      DIN : 01568773

**Place : Mumbai**  
**Date : May 11, 2016**

**Place : Mumbai**  
**Date : May 11, 2016**

**Reliance Aerostructure Limited**

**Statement of Profit and Loss for the Period Ended March 31, 2016**

Particulars		Note No.	Period Ended March 31, 2016 (Amount in Rs.)
I	Revenue:		
	Other Income	10	17,667
II	<b>Total Revenue</b>		<b>17,667</b>
III	Expenses:		
	(a) Finance costs	11	146,06,911
	(b) Other expenses	12	11,45,918
IV	<b>Total Expenses</b>		<b>157,52,829</b>
V	<b>Profit /(Loss) before Tax (II-IV)</b>		<b>(157,35,162)</b>
VI	<b>Tax expense:</b>		
	(1) Current tax		-
	(2) Deferred tax		-
	(3) Income tax for earlier years		-
VII	<b>Profit / (Loss) after Tax (V-VI)</b>		<b>(157,35,162)</b>
VIII	Earnings per equity share (face value of Rs 10 per share.)	15	
	(1) Basic		(314.70)
	(2) Diluted		(314.70)

**Significant Accounting Policies and Notes to Financial Statements**

1 to 21

**As per our attached Report of even date**

**For Pathak H D & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**For and on behalf of  
the Board of Directors**

**Vishal D. Shah**  
Partner  
Membership No. 119303

**sd/-** **sd/-**  
**Surendra Khot** **Rajesh Bagga**  
Director Director  
DIN : 00436838 DIN : 01568773

**Place : Mumbai**  
**Date : May 11, 2016**

**Place : Mumbai**  
**Date : May 11, 2016**

Reliance Aerostructure Limited  
Cash Flow Statement for the Period Ended March 31, 2016

(Amount in Rupees)

Particulars	Period Ended March 31, 2016
<b>A Cash Flow from Operating Activities</b>	
Profit / (Loss) before Tax	(157,35,162)
<b>Adjustments for:</b>	
Dividend Income	(3,042)
Stamp Duty and Filing Fees	10,84,260
Interest on Inter Corporate Deposits	131,06,956
Operating loss before Working Capital Changes	(15,46,988)
<b>Adjustments for :</b>	
Trade and other Receivables	(30,025)
Trade and other payables	154,40,295
	138,63,282
Income Tax paid (net of refund)	-
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>138,63,282</b>
<b>B Cash Flow from Investing Activities</b>	
Purchase of Fixed Assets (Including CWIP)	(2548,40,053)
Dividend Income	3,042
Purchase of Investments	(4,03,042)
Proceeds from Sale/Redemption of Investments	4,00,000
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>(2548,40,053)</b>
<b>C Cash Flow from Financing Activities</b>	
Proceeds from Issue of Shares	5,00,000
Proceeds from Inter Corporate Deposits	2547,31,300
Stamp Duty and Filing Fees	(10,84,260)
Interest on Inter Corporate Deposits	(131,06,956)
<b>Net Cash generated from Financing Activities</b>	<b>2410,40,084</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents ( A+B+C )</b>	<b>63,313</b>
Opening Balance of Cash and Cash Equivalents	-
Closing Balance of Cash and Cash Equivalents (Refer Note 9)	63,313
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>63,313</b>

As per our attached Report of even date

**For Pathak H D & Associates**  
Chartered Accountants  
Firm Registration No. 107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

Place : Mumbai  
Date : May 11, 2016

**For and on behalf of  
the Board of Directors**

sd/-                      sd/-  
**Surendra Khot**        **Rajesh Bagga**  
Director                Director  
DIN : 00436838        DIN : 01568773

Place : Mumbai  
Date : May 11, 2016

## Reliance Aerostructure Limited

### Notes annexed to and forming part of the Financial Statements

#### Background of the Company:

The main objective of the Company is to carry on in India and elsewhere the business to manufacture, assemble, fit up, repair, buy, sell, import, export, develop, design, recondition, remodel, renovate, overhaul, maintain, hire, let on hire and render assistance and services of all and every kind and dealing in aircrafts of every description, specification, capacity, strengths and applications for purposes of military defense, security, rescue operations, including aeroplanes, supersonics, helicopters, trainer aircraft, bombers and their components, parts, accessories, fittings, equipments, instruments, tools, systems, devices, consumables and other allied products thereof.

#### 1. Significant Accounting Policies:

##### (a) Basis of preparation of financial statements

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP), and comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (read with Rule 7 of the Companies (Accounts) Rule, 2014).

##### (b) Presentation and disclosure of financial statements

The Preparation and presentation of financial statements is made in accordance with the requirements of Schedule III under the Companies Act, 2013.

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. The Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

##### (c) Use of Estimate

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

##### (d) Revenue Recognition Policy

Dividend on investment is recognized when the right to receive the payment is established.

Income from investments is recognized based in the terms of the investment. Income from mutual fund schemes having fixed maturity plan is accounted on declaration of dividend or on maturity of such investments. Interest income is recognized on a time proportion basis after taking into account the principal amount outstanding and the rate applicable.

All other types of Income and Expenses are recognised on accrual basis of accounting.

##### (e) Accounting for Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

## **Reliance Aerostructure Limited**

### **Notes annexed to and forming part of the Financial Statements**

#### **(f) Investments**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

#### **(g) Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### **(h) Capital Work in Progress**

The Pre-operative expenditure incidental/attributable to the Acquisition of Asset, borrowing cost incurred prior to the date of commercial operation are shown under capital work in progress.

#### **(i) Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

#### **(j) Contingent liability and contingent assets**

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **(k) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and demand deposits with banks and short-term investments with an original maturity of three months or less.

#### **(l) Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Reliance Aerostructure Limited

Notes annexed to and forming part of the Financial Statements

Note 2 : Share Capital

Particulars		As at March 31, 2016 (Amount in Rs.)	
<b>(a) Authorised:</b> 50,000 Equity Shares of Rs.10 each		500,000	
		500,000	
<b>(b) Issued, Subscribed and Paid up</b> 50,000 Equity Shares of Rs.10 each Fully Paid up		500,000	
		500,000	
<b>(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>			
Particulars	As at March 31, 2016		
	No. of Shares	(Amount in Rs.)	
As at the beginning of the period	-	-	
Add: Issued during the period	50,000	500,000	
<b>Outstanding as at the end of the period</b>	<b>50,000</b>	<b>500,000</b>	
Shares are issued at Par value of Rs. 10			
<b>(b) Terms/Rights attached to equity shares</b>			
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
The Company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subjected to the approval of Shareholders in the ensuing Annual General Meeting.			
<b>(c) Shares held by holding/ultimate holding Company and/or their subsidiaries/associates</b>			
Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/associates are as below:			
Name	As at March 31, 2016		
	Amount in Rs		
Reliance Defence Limited, the Holding Company			
50,000 equity shares of Rs. 10 each fully paid	500,000		
<b>(d) Details of shareholders holding more than 5% shares in the Company</b>			
Name of the Shareholders	As at March 31, 2016		
	No. of Shares	% holding in the class	
<b>Equity Shares of Rs. 10 each fully paid</b>			
Reliance Defence Limited and its nominees	50,000	100%	
As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.			

Note 3 : Reserves and Surplus

Particulars	As at March 31, 2016 (Amount in Rs.)
<b>Surplus/(Deficit) as per Statement of Profit and Loss</b>	
Balance As Per Last Balance Sheet	-
Add: Net Profit/(loss) for the period	(15,735,162)
<b>Balance as at end of the period</b>	<b>(15,735,162)</b>

**Reliance Aerostructure Limited**

Notes annexed to and forming part of the Financial Statements

**Note 4: Short Term Borrowing**

<b>Particulars</b>	<b>As at March 31, 2016 (Amount in Rs.)</b>
<b>Unsecured Loans from Related Party</b> Inter Corporate Deposits (Refer Note 15) (The inter corporate deposit is taken from the holding company M/s Reliance Defence Limited. This inter corporate deposit is unsecured and interest is payable @ 10.5% p.a.)	<b>254,731,300</b>
	<b>254,731,300</b>

**Note 5: Other Current Liabilities**

<b>Particulars</b>	<b>As at March 31, 2016 (Amount in Rs.)</b>
Interest accrued and due on borrowings (Refer Note 15)	<b>11,796,259</b>
Statutory Dues Payables	<b>1,310,697</b>
Other Payables	<b>2,315,989</b>
	<b>15,422,945</b>



**Reliance Aerostructure Limited**

**Notes annexed to and forming part of the Financial Statements**

**Note 6: Capital Work in Progress**

<b>Particulars</b>	<b>As at March 31, 2016 (Amount in Rs.)</b>
a) Upfront Premium on Leasehold Land	252,524,064
b) Interest payable for installment due for Leasehold Land	2,315,989
	<b>254,840,053</b>

**Note 7: Long-Term Loans and Advances**

<b>Particulars</b>	<b>As at March 31, 2016 (Amount in Rs.)</b>
Deposits with Government Authorities	30,025
	<b>30,025</b>

**Reliance Aerostructure Limited**

Notes annexed to and forming part of the Financial Statements

**Note 8: Current Investments - Non Trade**

(Valued at Lower of Cost and Fair value, unless stated otherwise)

Particulars	No.of Units	Face Value	As at March 31, 2016 (Amount in Rs.)
<b>In Mutual Fund Units - Fully Paid up, Quoted</b>			
Reliance Money Manager Fund - Growth Plan Growth Option - LPIG	1.472	1000	3,042
<b>Total</b>			<b>3,042</b>
	<b>Book Value</b>	<b>Market value</b>	
Aggregate Value of Quoted Investments	3,042	3,054	
Aggregate Value of Unquoted Investments	-	-	
	<b>3,042</b>	<b>3,054</b>	

**Note 9: Cash and Cash Equivalents**

Particulars	As at March 31, 2016 (Amount in Rs.)
Balances with Bank in Current Account	63,313
	<b>63,313</b>

**Reliance Aerostructure Limited****Notes annexed to and forming part of the Financial Statements****Note 10: Other Income**

<b>Particulars</b>	<b>Period Ended March 31, 2016 (Amount in Rs.)</b>
Dividend Income on Current Investments	3,042
Miscellaneous Income	14,625
	<b>17,667</b>

**Note 11: Finance Cost**

<b>Particulars</b>	<b>Period Ended March 31, 2016 (Amount in Rs.)</b>
Interest on Inter Corporate Deposit (Refer Note 15)	13,106,956
Other Finance Charges - Upfront Fees	1,499,955
	<b>14,606,911</b>

**Note 12: Other Expenses**

<b>Particulars</b>	<b>Period Ended March 31, 2016 (Amount in Rs.)</b>
Legal and Professional Fees	28,755
Auditors Remuneration	
- Audit Fees	15,750
- Limited Review Fees	1,500
Printing and Stationery	1,350
Stamp Duty and Filing Fees	1,084,260
Miscellaneous Expenses	14,303
	<b>1,145,918</b>

**Reliance Aerostructure Limited**

**Notes annexed to and forming part of the Financial Statements**

**13. Capital Commitments**

Estimated amount of contract remaining unexecuted on capital account and not provided for Rs. 42,38,25,936/-.

**14. Segment wise Revenue, Results and Capital Employed**

The Company has not commenced its commercial operation hence; there are no separate reportable segments as required under Accounting Standard 17 "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013.

**15. Related Party Disclosure**

As per Accounting Standard – 18 as prescribed under Section 133 of the Companies Act, 2013, the Company's related parties and transactions are disclosed below:

**(a) Parties where control exists:**

- (i) Ultimate Holding Company – Reliance Infrastructure Limited (Rinfra)
- (ii) Holding Company - Reliance Defence Limited (RDL)

**(b) Other related parties with whom transactions have taken place during the period: None**

**(c) Details of transactions during the period and closing balances at the period end:**

Particulars	(Amount in Rs.)
	RDL
	2015-16
<b>Transactions during the period:</b>	
(a) Balance Sheet Items:	
Issue of Equity Shares	5,00,000
Inter Corporate Deposits (ICD) Received	25,47,31,300
(b) Expenses:	
Expenses incurred by Holding Company and were reimbursed	6,060
Interest on Inter Corporate Deposits (ICD)	1,31,06,956
<b>Closing Balance:</b>	
Share Capital	5,00,000
Short Term Borrowing (ICD)	25,47,31,300
Interest accrued and due on borrowing	1,17,96,259

**Reliance Aerostructure Limited****Notes annexed to and forming part of the Financial Statements****16. Earnings per Share****(Amount in Rs.)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Period Ended March 31, 2016</b>
(i)	Profit / (Loss) after tax available for Equity Share holders (Rs.)	<b>(1,57,35,162)</b>
(ii)	Weighted Average Number of Equity Shares (Nos.)	<b>50,000</b>
(iii)	Nominal Value per Share (Rs.)	<b>10</b>
(iv)	Earnings per Equity Share- Basic	<b>(314.70)</b>
(v)	Earnings per Equity Share- Diluted	<b>(314.70)</b>

17. The Company's net worth has been eroded, however In the opinion of Board of Directors of the Company, in view of adequate financial support from it's Promoters, it is appropriate to apply the Going Concern assumption in the preparation of the financial statements as on March 31, 2016. Hence the financial statements have been prepared on the basis that the Company is a Going Concern and that no adjustments are required to the carrying value of the assets and the liabilities.

**18. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

19. Since there is no timing difference between the taxable income and accounting income, the question of recognizing deferred tax assets / (liability) does not arise.

20. Information to the extent not disclosed, with regards to Matters specified in 5 of the Schedule III of the Companies Act, 2013 is either Nil or not applicable to the Company for the period ended March 31, 2016.

21. The Company was incorporated on April 24, 2015, and this being the first financial year from the date of incorporation upto March 31, 2016, comparative figures for the previous year are not applicable and hence not given in the financial statements.

**As per our attached report of even date****For and on behalf of the Board of Directors****For Pathak H. D. & Associates**

Chartered Accountants

Firm Registration No.: 107783W

**Vishal D. Shah**

Partner

Membership No.: 119303

**Sd/-****Surendra Khot**

Director

DIN : 00436838

**Sd/-****Rajesh Bagga**

Director

DIN : 01568773

**Place: Mumbai****Date : May 11, 2016****Place: Mumbai****Date : May 11, 2016**