

**PIPAVAV LIGHTER THEN AIR SYSTEMS PRIVATE  
LIMITED**

**FINANCIAL STATEMENT**

**2014 - 15**

## **Independent Auditors' Report**

### **To the Members of Pipavav Lighter than Air Systems Private Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Pipavav Lighter Than Air Systems Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

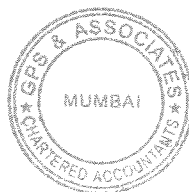
#### **Auditor's Responsibility**

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 matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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, but not for the purpose of



expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2015 and its loss and its cash flows for the year ended on that date.

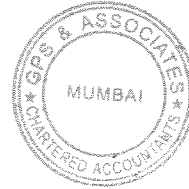
### **Report on Other Legal and Regulatory Requirements**

1. The company is not covered by Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, as such we are not reporting on the matters specified in paragraph 3 of the said order.
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 and the Cash Flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GPS & Associates  
Chartered Accountants  
Firm's Reg. No: 121344W



*S. K. Mutsaddi*

S. K. Mutsaddi  
Partner

Membership no: 44969

Place: Mumbai

Date: 27<sup>th</sup> May 2015

## Pipavav Lighter Than Air Systems Private Limited

### Balance Sheet as at March 31st 2015

*Rs in Lacs*

Particulars	Note	As at 31st March 2015	As at 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holders' Funds</b>			
Share Capital	2	14.00	1.00
Reserves and Surplus	3	<u>(1.33)</u>	<u>(0.15)</u>
		12.67	0.85
<b>(2) Share Application Money Pending Allotment</b>			
		-	13.00
<b>(3) Current Liabilities</b>			
Trade Payables	4	181.51	-
Other Current Liabilities	5	<u>32.52</u>	<u>0.15</u>
		214.03	0.15
<b>TOTAL</b>		<u><u>226.70</u></u>	<u><u>14.00</u></u>
<b>II. ASSETS</b>			
<b>(1) Current Assets</b>			
Inventories	6	181.83	-
Cash and Bank Balances	7	13.87	1.60
Short Term Loans and advances	8	<u>31.00</u>	<u>12.40</u>
		226.70	14.00
<b>TOTAL</b>		<u><u>226.70</u></u>	<u><u>14.00</u></u>
Significant Accounting Policies	1		
Notes to Financial Statements	1 to 16		

As per our report of even date  
**For GPS and Associates**  
 Chartered Accountants  
 Firm Registration No.: 121344W

*S.K. Mutsaddi*

**S.K. Mutsaddi**  
 Partner  
 Membership No 44969



For and on behalf of the Board of Directors

*Konark Bhandari*

**Konark Bhandari**  
 Director

*Jay M. Mehta*

**Jay M. Mehta**  
 Director

Place: Mumbai

Date: 27 MAY 2015

## Pipavav Lighter Than Air Systems Private Limited

### Statement of Profit and Loss for the year ended 31st March 2015

Particulars	Note	<i>Rs in Laacs</i>	
		for the year ended 31st March 2015	for the year ended March 31st 2014
<b>REVENUE</b>			
Other Income	9	0.35	-
Total Revenue		0.35	-
<b>EXPENSES</b>			
Other Expenses	10	1.53	0.15
Total Expenses		1.53	0.15
<b>Loss before Tax</b>		(1.18)	(0.15)
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Loss After Tax		(1.18)	(0.15)
Earnings per Equity share of Rs. 10/- each			
- Basic (In Rupees)		(0.84)	(1.50)
- Diluted (In Rupees)		(0.84)	(1.50)
Significant Accounting Policies	1		
Notes to Financial Statements	1 to 16		

As per our report of even date  
**For GPS and Associates**  
 Chartered Accountants  
 Firm Registration No.: 121344W

*S.K. Mutsaddi*

**S.K. Mutsaddi**  
 Partner  
 Membership No 44969



For and on behalf of the Board of Directors

*K. Bhandari*

**Konark Bhandari**  
 Director

*Jay M. Mehta*

**Jay M. Mehta**  
 Director

Place: Mumbai

Date: 27 MAY 2015

## Pipavav Lighter Than Air Systems Private Limited

### Cash Flow Statement for the year ended 31st March 2015

*Rs in Lacs*

Sr No	Particulars	2014-15	2013-14
<b>A Cash Flow from Operating Activities</b>			
	Net Profit before Tax	(1.18)	(0.15)
	Adjustments for :-		
	Depreciation	-	-
	Exchange Gain	(0.31)	-
	<b>Operating profit before working capital changes</b>	(1.49)	(0.15)
	<b>Adjusted for</b>		
	(Increase)/Decrease in Loans & Advances and Other Assets	(18.60)	(12.40)
	(Increase)/Decrease in Inventory	(181.83)	-
	Increase/(Decrease) in Current Liabilities	214.19	0.15
	<b>Cash Generated from Operations</b>	12.27	(12.40)
	Direct Taxes (Paid) / Refund	-	-
	<b>Net Cash used in Operating Activities</b>	12.27	(12.40)
<b>B Cash Flow from Investing Activities</b>			
	<b>Net Cash used in Investing Activities</b>	-	-
<b>C Cash Flow from Financing Activities</b>			
	Proceeds from Issue of Shares	-	1.00
	Proceeds for Shares Application Money	-	13.00
	<b>Net Cash Flow from Financing Activities</b>	-	14.00
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	12.27	1.60
	Cash & Cash Equivalents - Opening balance	1.60	-
	Cash & Cash Equivalents - Closing balance	13.87	1.60

**Notes:**

- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Accounting Standard 3 - Cash flow Statement.
- (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 GPS and Associates**  
 Chartered Accountants

*S.K. Mutsaddi*

**S.K. Mutsaddi**  
 Partner

Membership No 44969



For and on behalf of the Board of Directors

*Konark Bhandari*

**Konark Bhandari**  
 Director

*Jay M. Mehta*

**Jay M. Mehta**  
 Director

Place: Mumbai

Date: 27 MAY 2015

# Pipavav Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### Note - 1

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**a BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP) and the provisions of the Companies Act, 2013 (to the extent notified)

**b USE OF ESTIMATES:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. These estimates are based on the Management's best knowledge of current events and actions, however uncertainty about these items may result in the adjustment to carrying amounts of assets and liabilities. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

**c REVENUE RECOGNITION:**

Revenue from sale of goods and services is recognised when it is earned and no significant uncertainty exist as to its ultimate collection.. Interest income is recognised on a time proportion basis.

**d INVESTMENTS:**

Current investments are carried at the lower of cost or quoted / fair value, computed category wise. Non Current Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

**e 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. 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.

**f 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 Raw Material is determined on Specific Identification Method and 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.

**g FOREIGN CURRENCY TRANSACTIONS:**

- i. 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 restated at the year end rates. 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 has been 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.

**g 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 resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are 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 virtual certainty that the asset will be realized in future.

**h PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events that can be estimated reliably, and it is probable that there will be an outflow of resources. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements.





## Pipavav Lighter Than Air Systems Private Limited

### Notes to Financial Statements

#### Note - 2 SHARE CAPITAL

Particulars	<i>Rs in Lacs</i>	
	As at 31st March 2015	As at 31st March 2014
<b>Equity Shares</b>		
Authorised		
1,50,000 Equity shares of Rs. 10/- each	15.00	15.00
Issued		
140,000 Equity Shares of Rs. 10/- each	14.00	14.00
Subscribed and fully paid up		
140,000 Equity Shares of Rs. 10/- each	14.00	1.00
	14.00	1.00

#### 2.1 Reconciliation of Number of Equity shares outstanding at the beginning and as at 31st March 2015

Particulars	<i>Rs in Lacs</i>			
	As at 31st March 2015		As at 31st March 2014	
	No of Shares	Amount	No of Shares	Amount
No. of shares at the beginning of the year	10,000	1.00	-	-
Add: Shares allotted during the year	130,000	13.00	10,000	1.00
No. of shares at the end of the year	140,000	14.00	10,000	1.00

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

Shares held by	No. of Shares	% Holding	No. of Shares	% Holding
Pipavav Defence and Offshore Engineering Company Limited- Holding Company	140,000	100.00%	10,000	100%

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

The Company has only one class of Equity Share having a 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 share held by the shareholders.

#### Note - 3 RESERVES AND SURPLUS

Particulars	<i>Rs in Lacs</i>	
	As at 31st March 2015	As at 31st March 2014
<b>Profit &amp; Loss A/c</b>		
Balance as per last Balance Sheet	(0.15)	-
Add:- (Loss) for the year	(1.18)	(0.15)
Total	(1.33)	(0.15)

#### Note - 4 TRADE PAYABLES

Particulars	<i>Rs in Lacs</i>	
	As at 31st March 2015	As at 31st March 2014
Micro Small and Medium Enterprises	-	-
Others	181.51	-
Total	181.51	-

4.1 There are no Micro and Small Enterprises to whom the Company owes dues which are outstanding as at March 31st, 2015. This information as required to be disclosed under Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

#### Note - 5 OTHER CURRENT LIABILITIES

Particulars	<i>Rs in Lacs</i>	
	As at 31st March 2015	As at 31st March 2014
Payable to Holding Company	32.27	-
Other payables*	0.25	0.15
Total	32.52	0.15

\* Mainly related to payable for expenses



## Pipavav Lighter Than Air Systems Private Limited

### Notes to Financial Statements

#### Note - 6 INVENTORIES

	<i>Rs in Lacs</i>	
Particulars	As at 31st March 2015	As at 31st March 2014
Raw Materials in Transit	181.83	-
Total	181.83	-

Refer Note No. 1(f) for basis of valuation.

#### Note - 7 CASH AND BANK BALANCES

	<i>Rs in Lacs</i>	
Particulars	As at 31st March 2015	As at 31st March 2014
<b>Balances with Bank</b>		
- in Current Account	13.87	-
- Cheques in Hand	-	0.60
Cash in Hand	-	1.00
Total	13.87	1.60

#### Note - 8 SHORT TERM LOANS AND ADVANCES

	<i>Rs in Lacs</i>	
Particulars	As at 31st March 2015	As at 31st March 2014
Earnest Money Deposit	31.00	12.40
Total	31.00	12.40

#### Note - OTHER INCOME

	<i>Rs in Lacs</i>	
Particulars	for the year ended 31st March 2015	for the year ended March 31st 2014
Interest Income	0.04	-
Exchange Gain/(Loss)	0.31	-
Total	0.35	-

#### Note - 10 OTHER EXPENSES

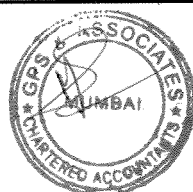
	<i>Rs in Lacs</i>	
Particulars	for the year ended 31st March 2015	for the year ended March 31st 2014
Payment to Auditors	0.11	0.10
Bank Charges	0.01	-
Legal & professional fees	0.20	-
E-Filing Expenses	1.03	0.05
Stamp Duty Expenses	0.18	-
Total	1.53	0.15

#### 10.1 Payment to Auditors includes

	<i>Rs in Lacs</i>	
Particulars	for the year ended 31st March 2015	for the year ended March 31st 2014
Audit Fees	0.11	0.10
Total	0.11	0.10

#### Note - 11

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.



# Pipavav Lighter Than Air Systems Private Limited

## Notes to Financial Statements

### Note - 12

#### Related Party Disclosures

a) List of Related parties

i) Holding Company

Pipavav Defence and Offshore Engineering Company Limited

ii) Fellow Subsidiaries

E -Complex Private Limited

PDOC Pte. Ltd.

Pipavav Marine and Offshore Limited

Pipavav Technologies and Systems Private Limited (w.e.f 10th February, 2015)

Pipavav Engineering and Defence Services Limited (w.e.f 1st October, 2014)

b) Transactions with related parties for the year ended 31st March 2015

**Pipavav Defence and Offshore Engineering Company Limited**

Particulars	2014-2015	2013-2014
<b>Share Application Money</b>		
Opening Balance	13.00	-
Received during the year	-	13.00
Share allotted during the year	13.00	-
Closing Balance	-	13.00
<b>Other Current Liabilities</b>	<b>32.27</b>	<b>-</b>

### Note - 13

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

Particulars	2014-2015	2013-2014
Net Profit / (Loss) after Tax	(1.18)	(0.15)
Amount available for calculation of Basic and diluted EPS	(a) (1.18)	(0.15)
Weighted Average No. of Equity Shares outstanding for Basic and Diluted EPS	(b) 140,000	10,000
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)	(a) / (b) (0.84)	(1.50)

### Note - 14

#### Value of Imports Calculated on CIF Basis

Particulars	2014-2015	2013-2014
Raw Material and Components	181.83	-
Total	<u>181.83</u>	<u>-</u>

### Note - 15

#### Foreign currency exposures that are not hedged by derivative instruments or forward contracts are:

Particulars	2014-2015	2013-2014
Payables	181.51	-
Total	<u>181.51</u>	<u>-</u>

### Note - 16

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 GPS and Associates**

Chartered Accountants

Firm Registration No.: 121344W

*S.K. Mutsaddi*



**S.K. Mutsaddi**

Partner

Membership No 44969

For and on behalf of the Board of Directors

*Konark Bhandari*

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Director

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Director

Place: Mumbai

Date: 27 MAY 2015

