

**PIPAVAV TECHNOLOGIES AND SYSTEMS**

**PRIVATE LIMITED**

**FINANCIAL STATEMENT**

**2014 - 15**

## **Independent Auditors' Report**

### **To the Members of Pipavav Technologies and Systems Private Limited**

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

We have audited the accompanying financial statements of **Pipavav Technologies and 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.

Place: Mumbai

Date: 27 MAY 2015



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

*S. K. Mutsaddi*

S. K. Mutsaddi  
Partner

Membership no: 044969

**Pipavav Technologies and Systems Private Limited**  
(formerly known as Pipavav Combat Management Systems Private Limited)

**Balance Sheet as at 31st March 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	1.00	1.00
Reserves and Surplus	3	<u>(0.17)</u>	<u>(0.06)</u>
		0.83	0.94
<b>(2) Current Liabilities</b>			
Other Current Liabilities	4	0.17	0.06
<b>TOTAL</b>		<u><u>1.00</u></u>	<u><u>1.00</u></u>
<b>II. ASSETS</b>			
<b>(1) Current Assets</b>			
Cash and Bank Balances	4	1.00	1.00
<b>TOTAL</b>		<u><u>1.00</u></u>	<u><u>1.00</u></u>
Significant Accounting Policies	1		
Notes to Financial Statements	2 to 10		

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 : May 27 2015

**Pipavav Technologies and Systems Private Limited**  
(formerly known as Pipavav Combat Management Systems Private Limited)

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

Particulars	Note	Rs in Laacs	
		for the year ended March 31st 2015	for the period ended March 31st 2014
<b>REVENUE</b>			
Revenue from operations		-	-
Total Revenue		<u>-</u>	<u>-</u>
<b>EXPENSES</b>			
Other Expenses	5	0.11	0.06
Total Expenses		<u>0.11</u>	<u>0.06</u>
<b>Profit / (Loss) before Tax</b>		(0.11)	(0.06)
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) After Tax		(0.11)	(0.06)
Earnings per Equity share of Rs. 10/- each			
- Basic (In Rupees)		(1.10)	(0.60)
- Diluted (In Rupees)		(1.10)	(0.60)
Significant Accounting Policies Notes to Financial Statements	1 2 to 10		

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

*S.K. Mutsaddi*

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for and on behalf of the Board of Directors

*Konark Bhandari*

**Konark Bhandari**  
Director

*Jay M. Mehta*

**Jay M. Mehta**  
Director

Place: Mumbai  
Date : May 27 2015

# Pipavav Technologies and Systems Private Limited

(formerly known as Pipavav Combat Management Systems Private Limited)

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

Rs in Lacs

Sr No	Particulars	2014-2015	2013 - 2014
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Profit / (Loss) before Tax	(0.11)	(0.06)
	Adjustments for :-		
	Depreciation	-	-
	<b>Operating profit before working capital changes</b>	(0.11)	(0.06)
	<b>Adjusted for</b>		
	Increase/(Decrease) in Current Liabilities	0.11	0.06
	<b>Cash Generated from Operations</b>	-	-
	Direct Taxes (Paid) / Refund	-	-
	<b>Net Cash used in Operating Activities</b>	-	-
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Investment In Bonds Application Money	-	-
	<b>Net Cash used in Investing Activities</b>	-	-
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from issue of Share Capital	-	1.00
	<b>Net Cash Flow from Financing Activities</b>	-	1.00
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	-	1.00
	Cash & Cash Equivalents - Opening balance	1.00	-
	Cash & Cash Equivalents - Closing balance	1.00	1.00

**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 regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year/period.

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

*S.K. Mutsaddi*

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Director

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Director

Place: Mumbai

Date : May 27, 2015

# Pipavav Technologies and Systems Private Limited

(formerly known as Pipavav Combat Management 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. Revenue from operation include income from sale of goods, services & service tax and is net of value added tax and sales tax recovered.

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 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.

**g 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 Technologies and Systems Private Limited

(formerly known as Pipavav Combat Management Systems Private Limited)

## Notes to Financial Statements

### Note - 2 SHARE CAPITAL

	<i>Rs in Lacs</i>	
Particulars	As at 31st March 2015	As at 31st March 2014
<b>Equity Shares</b>		
<b>Authorised</b>		
10,000 (Previous Year 10,000) Equity Shares of Rs. 10/- each	1.00	1.00
<b>Issued, Subscribed and fully paid up</b>		
10,000 (Previous Year 10,000) Equity Shares of Rs. 10/- each	1.00	1.00
	1.00	1.00

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
No. of shares at the beginning of the year	10,000	1.00	-	-
Add: Shares issued during the year/period	-	-	10,000	1.00
No. of shares at the end of the year	10,000	1.00	10,000	1.00

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

Shares held by	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% Holding	No. of Shares	% Holding
Pipavav Defence and Offshore Engineering Company Limited- Holding Company	10,000	100.00%	-	-
Ajit Dabholkar	-	-	2,000	20%
U S Poojary	-	-	2,000	20%
Shekhar Gandhi	-	-	1,500	15%
Kirfi Solanki	-	-	1,500	15%
Sudipan Bhaduri	-	-	1,000	10%
Jay Mehta	-	-	1,000	10%
Konark Bhandari	-	-	1,000	10%

#### 2.4 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

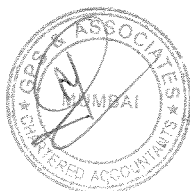
	<i>Rs in Lacs</i>	
Particulars	As at 31st March 2015	As at 31st March 2014
<b>Surplus / (Deficit)</b>		
Balance as per last Balance Sheet	(0.06)	-
Add:- (Loss) for the year/period	(0.11)	(0.06)
Total	(0.17)	(0.06)

### Note - 4 CASH AND BANK BALANCES

	<i>Rs in Lacs</i>	
Particulars	As at 31st March 2015	As at 31st March 2014
Cash on Hand	1.00	1.00
Total	1.00	1.00

### Note - 5 OTHER CURRENT LIABILITIES

	<i>Rs in Lacs</i>	
Particulars	As at 31st March 2015	As at 31st March 2014
Other payables	0.17	0.06
Total	0.17	0.06



# Pipavav Technologies and Systems Private Limited

(formerly known as Pipavav Combat Management Systems Private Limited)

## Notes to Financial Statements

### Note - 6 OTHER EXPENSES

Particulars	Rs in Lacs	
	for the year ended March 31st 2015	for the period ended March 31st 2014
Payment to Auditors	0.06	0.06
Professional Fees	0.05	-
Total	0.11	0.06

#### 6.1 Payment to Auditors includes:

Particulars	Rs in Lacs	
	for the year ended March 31st 2015	for the period ended March 31st 2014
Audit Fees	0.06	0.06
Total	0.06	0.06

### Note - 7

The Company has not commenced any commercial operations during the year.

### Note - 8

#### RELATED PARTY DISCLOSURES

##### a) List of Related parties

###### Holding Company

Pipavav Defence and Offshore Engineering Company Limited

###### Fellow Subsidiaries

E -Complex Private Limited

PDOC Pte. Ltd.

Pipavav Marine and Offshore Limited

Pipavav Lighter Than Air Systems Private Limited

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

##### b) Transactions with related parties for year ended March 31st, 2015 - NIL

### Note - 9

#### EARNINGS PER SHARE

Particulars	Rs in Lacs	
	for the year ended March 31st 2015	for the period ended March 31st 2014
Net Profit / (Loss) after Tax	(0.11)	(0.06)
Amount available for calculation of Basic and Diluted EPS	(a) (0.11)	(0.06)
Weighted Average No. of Equity Shares outstanding for Basic and diluted EPS	(b) 10,000	10,000
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)	(a)/(b) (1.10)	(0.60)

### Note - 10

Previous period figures have been reworked, regrouped, rearranged and reclassified, wherever necessary to make them comparable with those of the current year. Previous period figures are given from the Company's incorporation date i.e. 17th August, 2013 to March 31, 2014

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

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Director

Place: Mumbai

Date : May 27, 2015

