

SRIVASTAVA KUMAR & CO.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Punj Lloyd Raksha Systems Private Limited
(Formerly Spectra Punj Enterprises Private Limited.)

Report on the Financial Statements

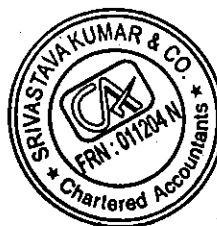
We have audited the accompanying financial statements of Punj Lloyd Raksha Systems Private Limited (Formerly Spectra Punj Enterprises Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended 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 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, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, relevant to the preparation and presentation of the financial statements that give a true and fair view and design, implementation and maintenance of adequate internal financial controls, devising proper system to ensure compliance of all applicable laws, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, that were operating effectively for ensuring the accuracy and completeness of the accounting records that are free from material misstatement.

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 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 financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub section (11) section 143 of the Act, is not applicable in case of the Company.
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 purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
 - (f) The company, being an unlisted company, is not required to lay down any internal financial control system in terms of section 134(5) of the Companies Act, 2013



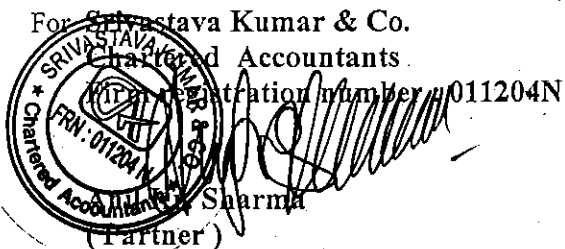
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) 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.

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

For Srivastava Kumar & Co.



M.No. : 097850

Place : New Delhi

Dated : 04-05-2015

Punj Lloyd Raksha Systems Private Limited
(Formerly Spectra Punj Enterprises Private Limited)
Balance Sheet as at March 31, 2015

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
Equity and Liabilities			
Shareholders' Funds			
Share capital	3	100,000	100,000
Reserves and surplus	4	(47,209)	-
Current liabilities			
Trade payables	5	26,374	11,178
Total		79,165	111,178
Assets			
Non current assets			
Pre - Operative Expenses	6	-	26,095
Current assets			
Cash and Bank Balances	7	79,165	85,083
Total		79,165	111,178

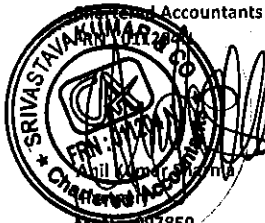
Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

This is the balance sheet referred to in our report of even date.
For Srivastava Kumar & Co.

For and on behalf of Board of Directors



M. No. 097850

Place : New Delhi

Dated : 04-05-2015

Ashok Wadhawan

Ashok Wadhawan
Director
DIN : 03384006

Sanjay Wadhwa

Sanjay Wadhwa
Director
DIN : 07087721

Pun] Lloyd Raksha Systems Private Limited
(Formerly Spectra Pun] Enterprises Private Limited)
Statement of Profit and Loss for the year ended on March 31, 2015

(Amount in Rupees)

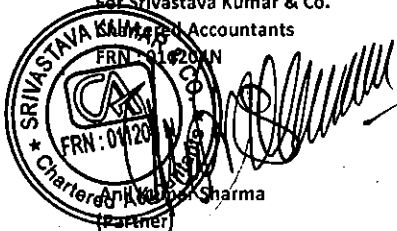
Particulars	Note No.	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from operations		-	-
Total revenue		-	-
Expenses:			
Other expenses	8	46,909	-
Finance costs	9	300	-
Total expenses		47,209	-
Profit (loss) before tax		(47,209)	-
Tax expense:			
Current tax		-	-
Profit (loss) for the Year		(47,209)	-
Earnings per equity share (nominal value per share Rs.10 (Previous year Rs.10))	10		
Basic and diluted (In Rs.)		(4.72)	-
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date.

For Srivastava Kumar & Co.

For and on behalf of Board of Directors



ANIL KUMAR SHARMA
 (Partner)
 M. No. 097850
 Place : New Delhi
 Dated : 04-05-2015

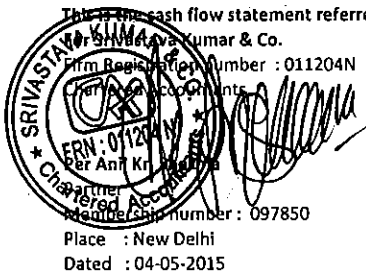
Ashok Wadhawan
 Director
 DIN : 03384006

Sanjay Wadhwa
 Director
 DIN : 07087721

Punj Lloyd Raksha Systems Private Limited
 (Formerly Spectra Punj Enterprises Private Limited)
 Cash flow statement for the year ended March 31, 2015
 (All amounts in INR, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2015	Year Ended March 31, 2014
A Cash flow from/ (used in) operating activities			
Profit/(loss) before tax		(47,209)	-
Adjustments for:			
Interest income		-	-
Operating profit before working capital changes		(47,209)	-
Movement in working capital:			
(Increase) / decrease in Other Receivables		26,095	(8,203)
Increase / (decrease) in trade payables		15,196	400
Cash generated from/ (used in) operations		(5,918)	(7,803)
Direct tax payments (Net of refunds)		-	-
Net cash flow from/ (used in) operating activities (A)		(5,918)	(7,803)
B Cash flow from used in investing activities			
Interest received		-	-
Net cash flow from/ (used in) investing activities (B)		-	-
Net Increase/(decrease) in cash and cash equivalents (A+B)		(5,918)	(7,803)
Cash and cash equivalents at the beginning of the year		85,083	92,886
Cash and Cash equivalents at the end of the year		79,165	85,083
Components of cash and cash equivalents			
Cash on hand		-	-
Balances with banks:			
On current accounts		79,165	85,083
		79,165	85,083
Summary of significant accounting policies	2.1		

This is the cash flow statement referred to in our report of even date.



For and on behalf of the Board of Directors

Ashok Wadhawan

Ashok Wadhawan
 Director
 DIN : 03384006

Sanjay Wadhwa

Sanjay Wadhwa
 Director
 DIN : 07087721

Punj Lloyd Raksha Systems Private Limited
(Formerly Spectra Punj Enterprises Private Limited)
Notes to the Financial Statements for the year ended March 31, 2015

1. Corporate Information

Punj Lloyd Raksha Systems Private Limited (Formerly Spectra Punj Enterprises Private Limited) "the Company" is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is a subsidiary of Punj Lloyd Industries Limited. The Company is primarily engaged in manufacturing of defence equipment.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Company and are consistent with those of previous year.

2.1 Summary of significant accounting policies

A. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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 an adjustment to the carrying amounts of assets or liabilities in future periods.

B. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- a) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

C. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in Shareholders' funds is recognised in Shareholders' funds and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in Shareholders' funds is recognised in Shareholders' funds and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.



D. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

E. Provisions

A provision is recognized only when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

F. Cash and cash equivalents

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

G. Contingent liabilities

A contingent liability is a possible obligation that arises 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) present obligation, where a reliable estimate cannot be made.



3 Share capital	Particulars	(Amount in Rupees)	
		As at March 31, 2015	As at March 31, 2014
Authorised shares			
	10,000 (Previous year 10,000) Equity Shares of Rs 10 each	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
Issued, subscribed & fully paid up shares			
	10,000 (Previous year 10,000) Equity Shares of Rs 10 each	100,000	100,000
		<u>100,000</u>	<u>100,000</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year				
Outstanding at the end of the year	10,000	100,000	10,000	100,000

(b) Terms and rights attached to equity shares

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.

(c) Shares held by its holding company

Out of equity shares Issued by the Company, shares held by its holding company and its nominees are as below:

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Punj Lloyd Industries Limited, the holding company 10,000 (Previous year NIL) equity shares of Rs. 10 each fully paid	100,000	
Spectra Punj Finance Private Limited, the holding company NIL (Previous year 10,000) equity shares of Rs. 10 each fully paid		100,000

(d) Detail of shareholders holding more than 5% of the equity share capital of the Company.

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	Nos.	% of holding	Nos.	% of holding
Punj Lloyd Industries Limited	10,000	100.00%		
Spectra Punj Finance Private Limited			10,000	100.00%

(e) No bonus shares or shares Issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.



Punj Lloyd Raksha Systems Private Limited
 (Formerly Spectra Punj Enterprises Private Limited)
 Notes to the Financial Statements for the year ended March 31, 2015

4 Reserves and surplus		(Amount in Rupees)	
Particulars	As at March 31, 2015	As at March 31, 2014	
Surplus/(Deficit) in the statement of profit and loss			
-As per last year	-	-	
-For the year	(47,209)	-	
Closing Balance	(47,209)	-	
	<u>(47,209)</u>	<u>-</u>	

5 Current liabilities		(Amount in Rupees)	
Particulars	As at March 31, 2015	As at March 31, 2014	
Trade Payables (including acceptances)	26,374	11,178	
	<u>26,374</u>	<u>11,178</u>	



Punj Lloyd Raksha Systems Private Limited
(Formerly Spectra Punj Enterprises Private Limited)
Notes to the Financial Statements for the year ended March 31, 2015

6 Non current assets	(Amount in Rupees)	
Particulars	As at March 31, 2015	As at March 31, 2014
Pre - Operative Expenses		
Audit fee	-	11,236
Bank charges	-	900
Consultancy and professional charges	-	5,679
Demat charges	-	1,500
Rates and taxes	-	6,780
	-	26,095

7 Cash and bank balances	(Amount in Rupees)	
Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Balance with Banks :		
On Current Accounts	79,165	85,083
Cash In hand	-	-
	79,165	85,083



Pun] Lloyd Raksha Systems Private Limited
(Formerly Spectra Pun] Enterprises Private Limited)
Notes to the Financial Statements for the year ended March 31, 2015

8 Other expenses		(Amount in Rupees)	
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014	
Payment to Auditors as			
- Audit Fee	5,618	-	
- Taxation Matters			
Consultancy & Professional Charges	5,618	-	
Rates & Taxes	9,516	-	
Pre-operative expenses written off	26,095	-	
	<u>46,909</u>		

9 Finance cost		(Amount in Rupees)	
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014	
Finance cost			
Bank Charges	300	-	
	<u>300</u>		

10 Earnings per share		Year Ended March 31, 2015	Year Ended March 31, 2014
Particulars			
Basic and diluted earnings			
a) Calculation of weighted average number of equity shares of Rs. 10 each			
Number of equity shares at the beginning of the year		10,000	10,000
Equity shares at the end of the year		10,000	10,000
Weighted average number of equity shares outstanding during the year		10,000	10,000
b) Net Profit/(Loss) after tax available for equity share holders (Rs.)		(47,209)	-
c) Basic and diluted (loss)/earnings per share		(4.72)	-
d) Nominal value of share (Rs.)		10	10



Punj Lloyd Raksha Systems Private Limited
(Formerly Spectra Punj Enterprises Private Limited)
Notes to the Financial Statements for the year ended March 31, 2015

- 11 Claims against the company not acknowledged as Debts. Rs. NIL (Previous Year - Rs NIL).
- 12 Contingent Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. NIL (Previous Year - Rs NIL).
- 13 Additional Information pursuant to Point No. 5 (ii), (iii), (iv), (v) and (viii) of General Instructions of Part II of Schedule III to the Companies Act, 2013 is not applicable to the Company during the Year under review.
- 14 Related Party Disclosures :
Names of related parties where control exists irrespective of whether transactions incurred or not.

List of related parties :

Holding Company	: Punj Lloyd Industries Limited w.e.f 04-02-2015 : Spectra Punj Finance Private Limited upto 03-02-2015
Key Managerial Personnel	: Mr. Ashok Wadhawan - Director : Mr. Sanjay Wadhwa - Director
- 15 No Provision has been made for employees benefit in terms of Accounting Standard 15 (AS 15 revised) as notified by The Companies Act 2013, as the same is not required to be made as related Provisions are not applicable In case of The Company.
- 16 Previous year figures have been regrouped / restated wherever considered necessary to make the figures comparable with the current year figures.

In terms of our report of even date attached.
For Srivastava Kumar & Co.

Chartered Accountants

For Srivastava Kumar & Co.

11, Connaught Place, New Delhi - 110028

Phone : 011-26109850

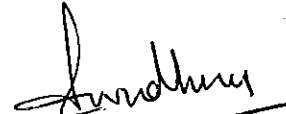
Place - New Delhi

Dated : 04-05-2015

For and on behalf of Board of Directors



Ashok Wadhawan
Director
DIN : 03384006



Sanjay Wadhwa
Director
DIN : 07087721