

SRIVASTAVA KUMAR & CO.

Chartered Accountants

To the Members of

PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)

Independent Auditors' Report

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Punj Lloyd Raksha Systems Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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The key audit matters	How our audit addressed the key audit matter
Adoption of Ind AS 115 - Revenue from Contracts with Customers	
As described in Note 2(d) to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price by performance obligation, the appropriateness of the basis used to measure revenue recognized over a year. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include - • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; • Evaluated the detailed analysis performed by management on revenue streams for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams; • Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard; • Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and • Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows 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 of 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 standalone financial

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statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

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audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) 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 (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 18 and 19 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.



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(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Srivastava Kumar & Co.

Chartered Accountants

Firm's Registration No: 011204N



Anil Kumar Sharma
Partner

Membership No: 097850

New Delhi

8/6/19.

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Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2019, 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 dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes.



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- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, 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 to the Company.
- (x) To the best of our knowledge and 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) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all 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 standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, 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 to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Srivastava Kumar & Co.

Chartered Accountants

Firm's Registration No: 011204N



Anil Kumar Sharma
Partner

Membership No: 097850

New Delhi

8/6/19

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Annexure B to the Independent Auditors' Report

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to standalone financial statements of Punj Lloyd Raksha Systems Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 with reference to financial statements 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 (the "Guidance Note") 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 internal financial controls with reference to financial statements was 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the 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



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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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Srivastava Kumar & Co.

Chartered Accountants

Firm's Registration No: 011204N



Anil Kumar Sharma
Partner

Membership No: 097850

New Delhi

8/6/19

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PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
Standalone Balance Sheet as at March 31, 2019
(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipments	3	62,350,502	56,588,518
Property, plant and equipments under development		-	2,093,636
Other assets	4	100,000	100,000
Current assets			
Inventories		6,685,098	8,822,998
Other assets	4	31,168,931	8,126,970
Current tax assets (net)		352,483	65,975
Financial Assets			
Trade Receivables	5	20,987,226	11,517,933
Cash and bank balances	6	42,784,905	9,373,112
Others	7	125,441	3,185
		<u>63,897,571</u>	<u>20,894,230</u>
Total Assets		<u>164,554,585</u>	<u>96,692,327</u>
Equity and liabilities			
Equity share capital	8	120,414,460	94,775,800
Other equity	9	2,485,177	(9,679,592)
		<u>2,485,177</u>	<u>(9,679,592)</u>
Total Equity		<u>122,899,637</u>	<u>85,096,208</u>
Current liabilities			
Other liabilities	11	341,731	236,919
Current tax liabilities (net)		-	-
Financial Liabilities			
Trade payables			
a) total outstanding dues of micro and small enterprises		-	-
b) total outstanding dues other than (a) above		36,975,265	6,702,742
Other payables	12	3,741,341	4,482,226
Provisions	10	596,611	174,232
Total liabilities		<u>41,654,948</u>	<u>11,596,119</u>
Total equity and liabilities		<u>164,554,585</u>	<u>96,692,327</u>

Summary of significant accounting policies

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.

Chartered Accountants

FRN : 011204N

Anil Kumar Sharma

(Partner)

M. No. 097850

Place : Gurgaon

Dated : 08 June 2019

For and on behalf of Board of Directors of PLR Systems Private Limited

Ashok Wadhawan

Director

DIN : 03384006

Ajay Soni

Director

DIN : 07416022

PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)

Standalone Cash flow statement for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
A Cash flow from/ (used in) operating activities			
Profit/(loss) before tax		15,318,346	(9,095,194)
Adjustments for:			
Depreciation and amortization expenses		5,039,830	5,497,197
Interest income		(2,662,039)	(806,536)
Operating profit before working capital changes		17,696,137	(4,404,533)
Movement in working capital:			
(Increase) / decrease in Trade receivables		(9,469,292)	(11,517,933)
(Increase) / decrease in Inventories		2,137,900	(8,822,998)
(Increase) / decrease in Other assets		(23,041,961)	(7,698,366)
Increase / (decrease) in Trade payables		30,272,523	6,671,640
Increase / (decrease) in Other financial liabilities		(740,885)	4,482,226
Increase / (decrease) in Provisions		422,379	174,232
Increase / (decrease) in Other non financial liabilities		104,812	236,919
Cash generated from/ (used in) operations		17,381,613	(20,878,814)
Direct tax payments (Net of refunds)		(3,440,085)	(110,034)
Net cash flow from/ (used in) operating activities (A)		<u>13,941,528</u>	<u>(20,988,848)</u>
Cash flow from investing activities			
Purchase of property, plant and equipments, including PPE under development		(8,708,178)	(20,876,615)
Interest received		2,539,783	933,269
Decrease / (Increase) in margin money deposits		(12,000,000)	(1,710,000)
B Net cash flow from/ (used in) investing activities (B)		<u>(18,168,395)</u>	<u>(21,653,346)</u>
C Cash flow from (used in) financing activities			
Proceeds from shares issued		25,638,660	26,027,830
Net cash flow from/ (used in) financing activities (C)		<u>25,638,660</u>	<u>26,027,830</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		<u>21,411,793</u>	<u>(16,614,364)</u>
Cash and cash equivalents at the beginning of the year		7,663,112	24,277,475
Cash and Cash equivalents at the end of the year		<u>29,074,905</u>	<u>7,663,112</u>
Components of cash and cash equivalents			
Balances with banks:			
On current accounts		29,074,905	7,663,112
Deposits with original maturity value of less than three months		-	-
		<u>29,074,905</u>	<u>7,663,112</u>

Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

For Srivastava Kumar & Co.
Chartered Accountants
FRN : 011204N

Anil Kumar Sharma
(Partner)
M. No. 097850
Place : Gurgaon
Dated : 08 June 2019

For and on behalf of Board of Directors of PLR Systems Private Limited

Ashok Wadhawan
Director
DIN : 03384006

Ajay Soni
Director
DIN : 07416022

PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
 Standalone Statement of Profit and Loss for the year ended Mar 31, 2019
 (All amounts in INR, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
Income			
Revenue from operation		216,458,485	11,774,140
Other Income	13	2,662,039	806,536
Increase / (Decrease) in Stock - Work in progress		70,367	5,259,379
Total income		219,190,891	17,840,056
Expenses			
Material consumed and cost of goods sold		163,358,081	4,125,675
Employee benefit expenses	14	11,207,619	5,203,484
Other expenses	15	24,267,014	12,108,894
Total expenses		198,832,715	21,438,053
Earning before Interest , Tax , Depreciation and Amortization		20,358,176	(3,597,997)
Depreciation and amortization expense	3	5,039,830	5,497,197
Profit before tax		15,318,346	(9,095,194)
Tax expense:			
Current tax		3,153,577	-
Earlier year adjustments		-	-
Deferred Tax		-	-
Total tax expense		3,153,577	-
Profit for the year		12,164,769	(9,095,194)
Other comprehensive income			
Net (Loss)/gain on FVTOCI on equity investments		-	-
Income tax effect (Adjusted against Deferred Tax)		-	-
Total comprehensive income for the year attributable to equity holder of the company		12,164,769	(9,095,194)

Earnings per equity share [nominal value per share Rs.100
 (Previous year Rs.100)]

Basic and diluted (in Rs.)	16	1.17	(2.80)
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Summary of significant accounting policies

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.

This is the balance sheet referred to in our report of even date.

For Srivastava Kumar & Co.

Chartered Accountants

FRN : 011264N

Anil Kumar Sharma

(Partner)

M. No. 097850

Place : Gurgaon

Dated : 08 June 2019

For and on behalf of Board of Directors of PLR Systems Private Limited

Ashok Wadhawan

Director

DIN : 03384006

Ajay Soni

Director

DIN : 07416022

PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
Standalone statement of Other Equity

For the year ended March 31, 2018

Description	Reserves and Surplus			Total
	General Reserve	Security Premium Reserve	Retained earning	
As at March 31, 2017	-	-	(584,398)	(584,398)
Profit for the year			(9,095,194)	(9,095,194)
Other comprehensive Income			-	-
Total Comprehensive Income	-	-	(9,679,592)	(9,679,592)
Transfers	-	-	-	-
As at March 31, 2018	-	-	(9,679,592)	(9,679,592)

For the year ended Mar 31, 2019

Description	Reserves and Surplus			Total
	General Reserve	Security Premium Reserve	Retained earning	
As at March 31, 2018	-	-	(9,679,592)	(9,679,592)
Profit for the year			12,164,769	12,164,769
Other comprehensive Income			-	-
Total Comprehensive Income	-	-	2,485,177	2,485,177
Transfers	-	-	-	-
As at Mar31, 2019	-	-	2,485,177	2,485,177



PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)

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, 1956 which has since been replaced with Companies Act, 2013. The Company is a subsidiary of Punj Lloyd Industries Limited. The Company is primarily engaged in manufacturing of defence equipment.

These financial statements for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the director son 08 June, 2019.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards Ind AS.

For all periods up to and including the year ended 1st April, 2015, the Company prepared its financial statements in accordance accounting standards notified under the 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 a historical cost basis, except for the fowling assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities measured at fair value (Refer note 14 below.)

2.1 Summary of significant accounting policies

A. Use of estimates

The preparation of financial statements in conformity with Ind AS 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. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation process

Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has determine the appropriate valuation techniques an inputs for fair value measurements. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available, wherever market observable data is not available, the Company engages third party qualified valuers to perform the valuation.

B. Property, plant and equipments

Property, plant and equipment (PPE) includes PPE under development are stated at costs less accumulated depreciation and impairment losses, if any.

The cost includes the purchase price and expenditure that is directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the assets' carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of an item can be measured reliably. The carrying amount of any component accounted for as a separate asset is r derecognized when replaced. All other repair and maintenance are charged to the statement of profit and loss during in which they are incurred.

Depreciation

Depreciation is calculated using the straight line method to allocate the costs, net of the residual values, over the estimated useful lives as follows

Asset Classification

Useful lives



Plant and machinate	3 - 20 years
Furniture fixtures and tools	3 - 20 years
Vehicles	2-20 years

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use thereof. Any gain or loss arising on de-recognition of the assets, measured as the difference between the net disposal proceeds and carrying amount of the asset, is recognized in the statement of profit and loss when the asset is derecognized.

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end adjusted prospectively.

C. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

D. Inventories

Inventories are valued at lower of cost and net realizable value. Cost includes cost of purchase and other cost incurred in bringing the materials to their present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished Goods and work in progress:** cost includes cost of direct materials and labour and proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- **Scrap** is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

E. Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.



For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses. Interest income is included in the finance income in the statement of profit and loss.

F. Financial Instruments

Financial Instruments (assets and liabilities) are recognized when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments : Initial Recognition and measurements

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in statement of profit and loss.

1. Financial assets :

Subsequent measurement : Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Fair value through other comprehensive income (FVTOCI): The Company has investments which are not held for trading. The Company has elected an irrevocable option to present the subsequent changes in fair values of such investments in other comprehensive income. Amounts recognized in OCI are not subsequently reclassified to the statement of profit and loss.

Fair value through profit and loss (FVTPL): FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category also includes derivative financial instruments, if any, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

- Impairment of financial assets

The Company applies Ind AS 109 for recognizing impairment losses using Expected Credit Loss (ECL) model. Impairment is recognized for all financial assets subsequent to initial recognition, other than financial assets in FVTPL category. The impairment losses and reversals are recognized in statement of profit and loss.

- De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

2. Financial liabilities

- Subsequent measurement

There are two measurement categories into which the Company classifies its financial liabilities.

Amortised cost: After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at FVTPL: Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires



Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

G. Fair value measurement

The fair value of a financial asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Where fair value is based on quoted prices from active market.

Level 2 – Where fair value is based on significant direct or indirect observable market inputs.

Level 3 – Where fair value is based on one or more significant input that is not based on observable market data.

For financial assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers is required between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances or (b) at the end of each reporting period.



H. Income Taxes

Tax expense comprises 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Deferred tax is provided using the liability method on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deduction temporary differences and the carry forward of unused tax credits and unused tax loss can be utilized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It reduced to the extent that it is no longer probable that sufficient taxable profit will be available to all or part of deferred tax assets to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

I. Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligation in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are accounted on actual basis.

Gratuity obligations : Liabilities for gratuity are provided for based on number of years of services that each of employees are completed on the end of each reporting period.

Defined contribution plans

The Company makes contribution to statutory provident fund and pension funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

J. Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

K. 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.



L. Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

M. 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 deposits with an original maturity of three months or less.

N. Contingent liabilities & assets

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.
- d) contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

O. Functional Currency

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company.



PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
Standalone Notes to the Financial Statements for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

3 Property, plant and equipments

	Plant & Machinery	Furniture and fixture	Tools	Total
Gross Block				
As on March 31, 2018	41,876,083	1,177,108	19,032,524	62,085,715
Addition during the year	9,475,676	857,033	469,105	10,801,814
As on Mar 31, 2019	51,351,759	2,034,141	19,501,629	72,887,529
Depreciation				
As on March 31, 2018	1,615,397	111,724	3,770,076	5,497,197
As on March 31, 2019	3,429,383	209,960	1,400,487	5,039,830
As on Mar 31, 2019	5,044,780	321,684	5,170,563	10,537,027
Net Block				
As on Mar 31, 2019	46,306,979	1,712,457	14,331,066	62,350,502
As on March 31, 2018	40,260,686	1,065,384	15,262,448	56,588,518

4 Other assets

Particulars	Long term		Short term	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Advances recoverable in kind:				
Advances to suppliers		-	18,606,062	1,727,434
Advance against supplies of PPE				
TDS recoverable			141,855	-
Export benefit receivable			11,611,014	2,896,322
Security deposit	100,000	100,000	-	-
GST recoverable			810,000	3,503,214
	100,000	100,000	31,168,931	8,126,970

5 Financial Assets : Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	20,987,226	11,517,933
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
	20,987,226	11,517,933

6 Financial Assets : Cash and bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with Banks :		
On current account	29,074,905	7,663,112
Deposits with original maturity of less than three months *	-	-
Deposits with original maturity of greater than three months *	13,710,000	1,710,000
	42,784,905	9,373,112

* Marked lien against duty saved on import of capital goods



PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
 Standalone Notes to the Financial Statements for the year ended March 31, 2018
 (All amounts in INR, unless otherwise stated)

7 Others

Particulars	As at March 31, 2019	As at March 31, 2018
Interest receivable	125,441	3,185
	<u>125,441</u>	<u>3,185</u>

8 Share capital

Particulars	Nos	Amount in INR
Authorised Share Capital		
Equity shares :		
At 31 March 2018	13,000,000	130,000,000
Increase/(decrease) during the year	-	-
At 31 March 2019	<u>13,000,000</u>	<u>130,000,000</u>

(a) Issued equity capital

Share application money (Pending allotment)	-	-
At 31 March 2018	9,477,580	94,775,800
Changes during the year	<u>2,563,866</u>	<u>25,638,660</u>
At 31 March 2019	<u>12,041,446</u>	<u>120,414,460</u>

(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:

	As at March 31, 2019	As at March 31, 2018
Punj Lloyd Industries Limited, the holding company		
61,40,722 (Previous Year 48,33,150) equity shares of Rs. 10 each fully paid up.	61,407,220	48,331,500

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

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of holding	Nos.	% of holding
Punj Lloyd Industries Limited	6,140,722	51.00%	4,833,150	51.00%
Israel Weapon Industries (IWI) limited	5,900,724	49.00%	4,644,430	49.00%

(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.



PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
 Standalone Notes to the Financial Statements for the year ended March 31, 2019
 (All amounts in INR, unless otherwise stated)

9 Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statement	(9,679,592)	(584,398)
Profit for the year	12,164,769	(9,095,194)
Net deficit in the statement of profit and loss	2,485,177	(9,679,592)
Other Comprehensive Income	-	-
Total reserve and surplus	2,485,177	(9,679,592)

10 Non Financial Liability : Provisions

Particulars	Long term		Short term	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for retirement benefits			175,156	74,066
Provision for compensated benefits			421,455	100,166
	-	-	596,611	174,232

11 Other Liabilities

Particulars	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
TDS Payable			341,731	236,919
	-	-	341,731	236,919

12 Financial Liability : Other payable

Particulars	As at March 31, 2019	As at March 31, 2018
Payable to ultimate holding company	3,575,136	3,757,007
ESI, PF, PT & Tax payables	166,205	725,219
	3,741,341	4,482,226

13 Other Income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income on bank deposits	139,389	806,536
Exchange Difference (Fluctuation)	2,004,579	-
Scrap sale	518,071	-
	2,662,039	806,536



PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
 Standalone Notes to the Financial Statements for the year ended March 31, 2019
 (All amounts in INR, unless otherwise stated)

14 Employee Benefit Expense

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, wages and bonus	10,284,682	4,788,467
Contribution to provident and other funds	362,839	235,474
Retirement benefits	101,090	74,066
Staff welfare expense	459,008	105,477
	<u>11,207,619</u>	<u>5,203,484</u>

15 Other expenses

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rent Expenses	7,150,272	6,335,742
Repair and maintenance	-	-
Building	-	39,500
Plant and equipments	-	3,000
Others	18,500	3,616
Contractor Charges & Factory Expense	9,389,855	1,490,687
Freight and forwarding charges	1,298,178	385,445
Business promotion	1,741,676	1,910,633
Hire charges	981,778	181,362
Payment to auditors (refer below)	55,700	25,000
Bank charges	973,842	64,338
Consultancy and professional Charges	599,415	24,600
Travelling and Conveyance expenses	1,235,625	641,570
Rates and taxes & Duty	549,464	767,168
Other office expenses	272,710	236,232
Forex adjustment	-	-
	<u>24,267,014</u>	<u>12,108,894</u>
Payment to auditors		
As auditors :		
Audit fee	55,700	25,000
Certification/other matters	-	-
Reimbursement of expenses	-	-
	<u>55,700</u>	<u>25,000</u>

16 Earnings per share

	Year Ended March 31, 2019	Year Ended March 31, 2018
Basic and diluted earnings		
a. Calculation of weighted average number of equity shares of Rs. 100 each		
Number of equity shares at the beginning of the year	9,477,580	1,685,135
Equity shares at the end of the year	12,041,446	9,477,580
Weighted average number of equity shares outstanding during the year	10,397,762	3,249,408
b. Net profit after tax available for equity share holders (Rs.)	12,164,769	(9,095,194)
c. Basic and diluted earnings per share	1.17	(2.80)
d. Nominal value of share (Rs.)	10	10



PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
Standalone Notes to the Financial Statements for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

17 Segment Reporting

Business Segment:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company has identified the business segment as one reportable segment, i.e. manufacturing of small arms and its components.

The Company's is generating all of its revenues from one country i.e. Israel. hence further breakup of revenues from different countries is not applicable.

18 Fair Value

The management assessed that cash and cash equivalents, Loans and Advances, Other Assets, Trade Payables, Borrowings and Other Current Liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

19 Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance or risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

The management reviews and agrees policies for managing each of these risks, which are summarized below.

Credit risk is the risk that counterparty will not meet its obligations under financial instrument or customer contract, leading to financial loss. The company is exposed to credit risk mainly from its operating activities i.e. trade receivable.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other receivables (including related party balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in the market price. The only financial instruments affected by market risk is non current investments.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2018 the Company does not have any bank borrowing at floating interest rate.

20 Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, 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 shareholders value.

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.



PLR Systems Private Limited (Formerly known as Punj Lloyd Raksha Systems Private Limited)
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	Mar-19	Mar-18
Trade payables	36,975,265	6,702,742
Less:		
Cash and cash equivalents	(42,784,905)	(9,373,112)
Net Debts	(5,809,640)	(2,670,369)
Equity	122,899,637	85,096,208
Capital & net debts	117,089,997	82,425,839
Gearing Ratio	0%	0%

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company policy is to keep the gearing ratio between 20% and 40%. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

As the company's commercial operation is just commenced, the gearing ratio with previous year is not comparable.

- 21 The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues outstanding as at March 31, 2018 to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 .

- 22 In accordance with the requirement of In AS 24 on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

Names of related parties where control exists irrespective of whether transactions incurred or not.

A List of related parties :

Holding Company	: Punj Lloyd Industries Limited
J.V.Partner	: Israel Weapon Industries Limited
Key Managerial Personnel	: Mr. Ashok Wadhawan - Director
	: Mr. Ajay Soni - Director
	: Mr. Rahul Kaphai - Director (w.e.f 09-04-2018)
	: Mr. Shlomo Sabag - Director (w.e.f 09-04-2018)
	: Mr. Sukhi Haim Schwartz - Director

Amount due to ultimate holding company M/s Punj Lloyd Limited Rs. 35,75,136/- (previous year Rs.37,57,007/-)& Related company M/s IWI Rs.4,072,999/-

Transaction with Related party Rent expenses Rs. 71,50,272/- (previous year Rs. 62,56,488/-)

- 23 **Contingent liabilities not provided for**

Custom duty saved on import of total Capital goods under EPCG Scheme is Rs.Nil (previous year Rs 11,154,179). Total export obligation outstanding under the EPCG Scheme was Rs.Nil (previous year Rs.55,634,407/-)



24 Recent accounting standards (Ind AS)

- a) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments** : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- b) **Amendment to Ind AS 12 – Income taxes** : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.
- The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
- Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

- c) **Amendment to Ind AS 19 – plan amendment, curtailment or settlement**- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

- d) **Ind AS 116 -** : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.
- The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:
- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
 - Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.
- Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.
- Certain practical expedients are available under both the methods.



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On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

For Srivastava Kumar & Co.
Chartered Accountants
FRN : 011204N



Anil Kumar Sharma
(Partner)

M. No. 097850

Place : Gurgaon

Dated : 08 June 2019

For and on behalf of Board of Directors of PLR Systems Private Limited

Ashok Wadhawan

Ashok Wadhawan
Director
DIN : 03384006

Ajay Soni

Ajay Soni
Director
DIN : 07416022