



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTRUM DEFENCE SYSTEMS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CENTRUM DEFENCE SYSTEMS LIMITED (the Company), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3(2) of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

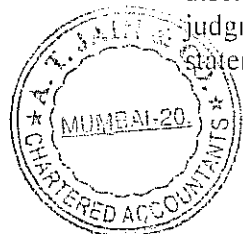
AUDITORS' RESPONSIBILITY

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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers





internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

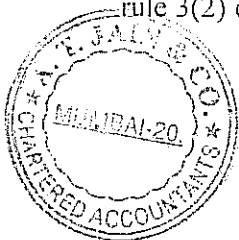
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards specified under section 133 of the Act, read with rule 3(2) of the Companies (Indian Accounting Standards) Rules, 2015.





e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 as amended by Companies(Audit and Auditors) Amendment Rules, 2017 , in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company did not have any pending litigations as at the balance sheet date.
- 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.
- iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 18.

For A.T. Jain & Co.
Chartered Accountants
(Firm Registration No. 103886W)

H. B. Sarvaiya

Hiten B. Sarvaiya
(Partner)
Membership No.: 164094



Place: Mumbai
Date:



A. T. JAIN & Co.
CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of CENTRUM DEFENCE SYSTEMS LIMITED

We report that

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) As per the information and explanations given to us, Fixed Assets were physically verified during the year by the management as per its programme. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.
c) Since the company does not own any immovable property as on the date of balance sheet, the requirement of sub clause (c) of clause (i) of Paragraph 3 of the said order is not applicable to the Company.
2. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company.
3. As per the information and explanations given to us and as per the documents examined by us, the company has not given loan to any party covered in the register maintained under Section 189 of the Act. Hence, the requirement of sub clause (a), (b) and (c) of clause (iii) of Paragraph 3 of the said Order is not applicable to the company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given and investment made.
5. As per the information and explanations given to us the company has not accepted any deposits from the public during the year. Therefore the provisions of paragraph 3(v) of the Order are not applicable to the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(i) of the Companies Act, 2013.
7. 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, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.





As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2017 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 material dues of income tax, sales tax, service tax, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion and on the basis of information and explanations given to us, the company has not raised any money by way of term loans. Hence, the requirement of clause (viii) of Paragraph 3 of the said Order is not applicable.
9. In our opinion and on the basis of information and explanations given to us, the company has not raised any money by way of term loans or initial public offer. Hence, the requirement of clause (ix) of Paragraph 3 of the said Order is not applicable.
10. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation 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.
15. 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.





16. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For A.T. Jain & Co.
Chartered Accountants
Firm Registration Nos. 103886W

H. B. Sarvaiya

Hiten B. Sarvaiya
(Partner)
Membership No. 164094
Place: Mumbai
Date:





A. T. JAIN & Co.
CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of CENTRUM DEFENCE SYSTEMS LIMITED

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 over financial reporting of CENTRUM DEFENCE SYSTEMS LIMITED (the Company) as of March 31, 2017 in conjunction with our audit of the 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 over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 over financial reporting.





Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 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 Over Financial Reporting

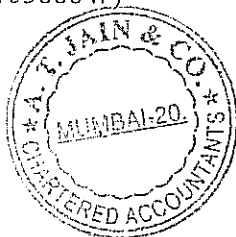
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For A.T. Jain & Co.
Chartered Accountants
(Firm's Registration No.103886W)

H. B. Sarvaiya
Hiten B. Sarvaiya
(Partner)
Membership no. 164094
Place: Mumbai
Date:



CENTRUM DEFENCE SYSTEMS LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

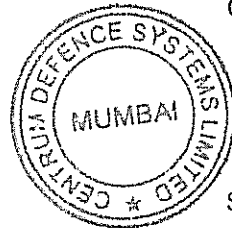
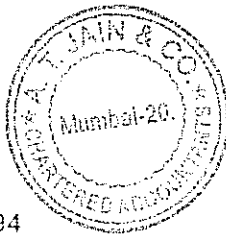
Particulars	Note	As at March 31,2017 ₹	As at March 31,2016 ₹
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	5,00,000	5,00,000
Reserves and surplus	4	(1,90,33,064)	(94,77,295)
Non-current liabilities			
Long-term provisions	5	1,28,936	50,267
Current liabilities			
Short term Borrowings	6	1,83,12,831	89,12,831
Other Current Liabilities	7	27,81,618	10,64,351
Short Term Provisions	8	12,517	-
TOTAL		27,02,838	10,50,154
II. ASSETS			
Non Current assets			
Fixed Assets	9	4,30,820	5,50,581
Long Term Loans & Advances	10	5,84,831	30,000
Current assets			
Trade Receivables	11	7,18,528	-
Cash and Cash Equivalents	12	6,68,749	3,50,237
Other Current Assets	13	2,99,910	1,19,336
TOTAL		27,02,838	10,50,154

The accompanying notes 1 to 20 form an integral part of the financial statements

As per our attached report of even date

For A.T.Jain & Co.
Chartered Accountants
Firm Registration No. 103886W

H. B. Sarvaiya
Hitendra B. Sarvaiya
Partner
Membership No : 164094
Place: Mumbai
Date:



For and on behalf of Board of Directors
Centrum Defence Systems Limited

Shailendra Apte
Shailendra Apte
Director
DIN: 00017814
Place: Mumbai
Date:

Darshan Singh Sandhu
Darshan Singh Sandhu
Director
DIN: 02590325

CENTRUM DEFENCE SYSTEMS LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

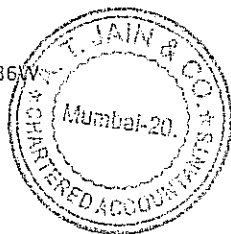
Particulars	Note	Year Ended March 31, 2017 ₹	Year Ended March 31, 2016 ₹
Revenue			
Revenue from Operation	14	6,84,312	3,00,000
Total Revenue		6,84,312	3,00,000
Expenses			
Employee benefits expense	15	37,31,657	30,63,215
Finance Costs	16	19,20,139	6,64,654
Depreciation and amortization expense	9	1,30,627	94,564
Other expenses	17	44,57,658	37,61,869
Total Expenses		1,02,40,081	75,84,302
Profit/(Loss) before tax		(95,55,769)	(72,84,302)
Tax Expenses			
- Current tax		-	-
Profit/(Loss) for the year		(95,55,769)	(72,84,302)
Earnings per share (₹)			
Equity share of par value ₹ 10 each			
Basic and diluted earnings per share of ₹ 10/- each	19	(191.12)	(145.69)

The accompanying notes 1 to 20 form an integral part of the financial statements
As per our attached report of even date

For A.T.Jain & Co.
Chartered Accountants
Firm Registration No. 103886W

H.B. Sarvaiya

Hiten B. Sarvaiya
Partner
Membership No : 164094
Place: Mumbai
Date:



For and on behalf of Board of Directors
Centrum Defence Systems Limited

Shailendra Apte

Shailendra Apte
Director
DIN: 00017814
Place: Mumbai
Date:

Darshan Singh Sandhu

Darshan Singh Sandhu
Director
DIN: 02590325

CENTRUM DEFENCE SYSTEMS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
		₹		₹
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Taxes		(95,56,769)		(72,64,302)
Adjustment for:				
Depreciation / Amortisation	1,30,627		94,564	
Interest Expenses	19,18,165		6,64,654	
		20,48,812		7,59,218
Operating Profit/(loss) Before Working Capital Changes		(75,06,956)		(65,25,084)
Adjustments for:				
(Increase)/Decrease in Trade Receivables	(7,18,526)			
(Increase)/Decrease in Other Current Assets	(1,12,143)		(1,19,336)	
(Increase)/Decrease in Long Term Loans and Advances	(5,54,631)			
(Decrease)/Increase in Long Term Provisions	78,669		50,267	
(Decrease)/Increase in Short Term Provisions	12,517			
(Decrease)/Increase in creditors & other liabilities	(2,00,918)		(2,76,352)	
		(14,95,234)		(3,45,421)
Cash lost from Operations		(90,02,190)		(68,70,505)
Taxes Paid(Including tax deducted at source)	(68,431)		(30,000)	
		(68,431)		(30,000)
Net Cash used in Operating Activities		(90,70,621)		(69,00,505)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(10,867)		(6,45,145)	
Net Cash used in Investing Activities		(10,867)		(6,45,145)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Increase / Decrease in Short Term Borrowings (Net)	94,00,000		77,12,831	
Net Cash generated from Financing Activities		94,00,000		77,12,831
NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)		3,18,512		1,67,181
Cash and Bank Balance				
As at the beginning of the Period				
Cash in hand	59,797		-	
Balance with scheduled banks-current accounts	2,90,440		1,83,056	
		3,50,237		1,83,056
As at the end of the Year				
Cash in hand	69,798		59,797	
Balance with scheduled banks-current accounts	5,98,951		2,90,440	
		6,68,749		3,50,237

The above cash flow statements have been prepared under the indirect method set out in Accounting Standard (AS) -3, 'Cash Flow Statement' notified pursuant to the Companies (Indian Accounting Standards) Rules 2015.

For A.T.Jain & Co.
Chartered Accountants
Firm Registration No. 103886W

H.B. Sarvaiya
Hiten B. Sarvaiya
Partner
Membership No : 164094
Place: Mumbai
Date:



For and on behalf of Board of Directors
Centrum Defence Systems Limited

Shailendra Apte
Shailendra Apte
Director
DIN: 00017814

Darshan Singh Sandhu
Darshan Singh Sandhu
Director
DIN: 02590325

CENTRUM DEFENCE SYSTEMS LIMITED

Note 1: NATURE OF OPERATIONS

Centrum Defence Systems Limited ('CDSL' or 'the Company') is in the business of providing loan syndication in defence sector. The Company is a subsidiary company of Centrum Capital Limited.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

METHOD OF ACCOUNTING:

The Financial Statements have been prepared on the basis of historical cost convention, in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and on the principles of a going concern. All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

USE OF ESTIMATES:

The Presentation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated.

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. Consultancy fees are accounted on accrual basis.

PROPERTY, PLANT & EQUIPMENT'S:

Property, Plant and Equipment's are stated at their original cost of acquisition/installation, net of depreciation, amortization and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

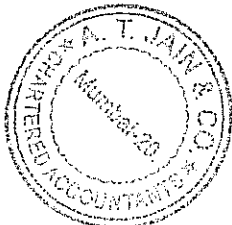
DEPRECIATION:

Depreciation on Property, Plant and Equipment's are provided on straight line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013 except for leasehold improvements. Leasehold improvements are amortized over a period of lease or useful life whichever is less.

Particulars	Estimated useful life specified under Schedule II of the Companies Act 2013
Computer Hardware	3 years
Air Conditioners and Office equipments	5 years
Furniture and Fixtures	10 years

BORROWING COST:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.



CENTRUM DEFENCE SYSTEMS LIMITED

PROVISION FOR RETIREMENT BENEFITS:

- i. Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the profit and loss account in the year in which they accrue.
- ii. Gratuity Liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the year. The Company makes contribution to a scheme administered by the Life Insurance Corporation of India ('LIC') to discharge the gratuity liability and the net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on planned assets and increase in compensation levels. All actuarial gains/losses are immediately charged to the profit and loss account. Further in accordance with provisions of AS 15 (Revised), the Company has obtained the gratuity valuation certificate from the appointed actuary as on March 31, 2017.
- iii. Liability for leave encashment is accounted on the basis of Actuarial Valuation as on the date of balance sheet.
- iv. The company has adopted Accounting Standard (AS)-15 (Revised), 'Employee benefits' issued by the Institute of Chartered Accountants of India.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A Provision is recognized when the Company has a present obligation as a result of past events and it is probable that an out flow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to their present value and are determined based on estimate of amount required to settle the obligation at the balance sheet date and adjusted to reflect the current best estimates. Contingent assets are not recognized.

TAXATION:

Provision for current income tax is made in accordance with the Income Tax Act, 1961. Deferred Tax Liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

EARNINGS PER SHARE:

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

IMPAIRMENT:

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable value.



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Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹	
NOTE 3 : SHARE CAPITAL			
AUTHORISED			
50,000 Equity Shares of ₹ 10/- each fully paid-up	5,00,000	5,00,000	
TOTAL	5,00,000	5,00,000	
ISSUED, SUBSCRIBED & PAID UP			
Equity Shares			
50,000 Equity Shares of ₹ 10/- each fully paid-up	5,00,000	5,00,000	
3.1 Reconciliation of Number of Shareholdings			
Share Holder	As at March 31, 2017 No of Shares	As at March 31, 2016 No of Shares	
Number of shares at beginning of the year	50,000	50,000	
Add: Shares issued during the year	-	-	
Number of shares at the end of the year	50,000	50,000	
3.2 Shares held by holding company			
Share Holder	As at March 31, 2017 No of Shares	As at March 31, 2016 No of Shares	
Centrum Capital Limited , the holding Company 50,000 shares of ₹ 10/- each, fully paid up.	50,000	50,000	
	50,000	50,000	
3.3 Share holder having more than 5% equity share holding in the Company			
Share Holder	% of Holdings	As at March 31, 2017 No of Shares	As at March 31, 2016 No of Shares
Centrum Capital Limited (Equity Shares of ₹ 10/- each fully paid up.)	100%	50,000	50,000
NOTE 4: RESERVES & SURPLUS			
Profit & Loss Account			
Balance as per last year	(94,77,295)	(21,92,993)	
Add: Loss During the Year	(95,55,769)	(72,84,302)	
Balance as at end of the Year	(1,90,33,064)	(94,77,295)	



Handwritten initials/signature.

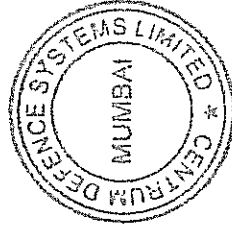
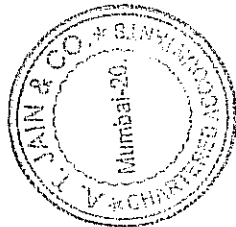
CENTRUM DEFENCE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENT

NOTE 9: FIXED ASSETS

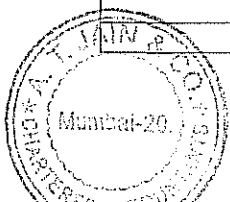
Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2016	Additions	Deductions	As at Mar 31, 2017	Upto April 1, 2016	For the year	Deductions	Upto Mar 31, 2017	As at Mar 31, 2017	As at March 31, 2016
<u>Tangible Assets</u>										
Leasehold Improvement	3,07,645	-	-	3,07,645	34,299	45,524	-	79,823	2,27,822	2,73,346
Office Equipments	78,660	10,867	-	89,527	10,576	15,387	-	25,963	63,564	68,084
Computers - Hardware	2,03,580	-	-	2,03,580	45,922	64,467	-	1,10,389	93,191	1,57,658
Furniture and Fixtures	55,260	-	-	55,260	3,768	5,250	-	9,018	46,242	51,492
Total	6,45,145	10,867	-	6,56,012	94,565	1,30,627	-	2,25,192	4,30,820	5,50,581
Previous Year	-	6,45,145	-	6,45,145	-	94,564	-	94,564	5,50,581	-

(₹)



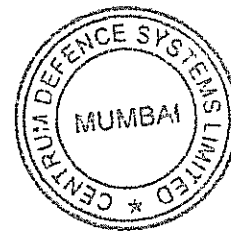
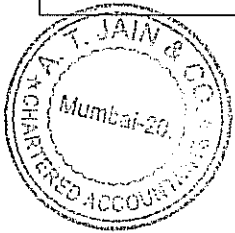
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Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Note 5- Long Term Provisions		
Provision for Leave Encashment	92,373	50,267
Provision for Gratuity	36,563	
TOTAL	1,28,936	50,267
Note 6- Short Term Borrowings		
Centrum Capital Limited	1,83,12,831	89,12,831
TOTAL	1,83,12,831	89,12,831
Note 7- Other Current Liabilities		
Interest Accrued and due	23,32,219	6,05,853
<u>Other Payables</u>		
Trade Payable	80,138	3,02,883
Statutory Dues Payable	2,94,680	1,55,615
Provision for Rent - Lease Equalisation	74,581	-
TOTAL	27,81,618	10,64,351
Note 8- Short Term Provisions		
Provision for Leave Encashment	12,046	
Provision for Gratuity	471	
TOTAL	12,517	-
Note 10- Long Term Loans & Advances		
Security Deposits	4,86,400	-
Advance Taxes	98,431	30,000
TOTAL	5,84,831	30,000
Note 11- Trade Receivables		
Debtors Outstanding for a period exceeding six months from the date they were due for payment	-	-
Debtors Outstanding for a period less than six months from the date they were due for payment		
Considered good	7,18,528	-
TOTAL	7,18,528	-
Note 12- Cash and Cash Equivalents		
Balances with Banks		
- in current account with banks	5,98,951	2,90,440
Cash on Hand	69,798	59,797
TOTAL	6,68,749	3,50,237
Note 13- Other Current Assets		
Service Tax Credit	2,85,701	1,19,336
Prepaid Expenses	14,209	-
	2,99,910	1,19,336



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Particulars	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Note 14- Revenue from Operation Consultancy Fees	6,84,312	3,00,000
TOTAL	6,84,312	3,00,000
NOTE 15 - Employee Benefit Expense		
Salaries wages and bonus	34,60,873	28,62,272
Contribution to provident & other funds	1,95,140	82,819
Compensated Absences	-	71,600
Staff welfare expenses	75,644	46,524
TOTAL	37,31,657	30,63,215
NOTE 16 - Finance Costs		
Interest on Others	19,18,185	6,62,162
Bank Charges	1,954	2,492
TOTAL	19,20,139	6,64,654
NOTE 17 - Other Expenses		
Rent	16,67,157	9,21,600
Legal and Professional Fees	18,27,335	19,51,350
Communication Costs	2,24,085	1,14,838
Travelling and Conveyance Expenses	4,12,777	4,62,216
Insurance Charges	12,369	-
Audit Fees	28,750	28,625
Filing Fees Expenses	20,461	19,839
Business Promotion Expenses	-	520
Electricity Exp.	55,050	84,391
Office Expenses	1,31,324	1,31,865
Printing & Stationary Expenses	78,350	46,625
TOTAL	44,57,658	37,61,869



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CENTRUM DEFENCE SYSTEMS LIMITED

Note 18: NOTES TO ACCOUNTS

DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8th NOVEMBER 2016 TO 30th DECEMBER 2016:

Particulars	SBNs	Other Denominations Notes	Total
	Amount	Amount	Amount
Closing Cash in Hand as on 08.11.2016	-	59,797	59,797
Transactions between 9th November 2016 to 30th December 2016			
(+) Withdrawal from Bank accounts	-	10,000	10,000
(+) Receipts from Permitted transactions	-	-	-
(-) Paid for permitted transactions	-	-	-
(-) Deposited in bank accounts	-	-	-
Closing Cash-in-Hand as on 30.12.2016	-	69,797	69,797

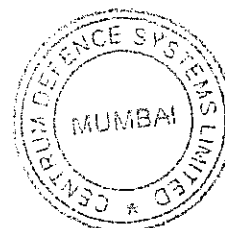
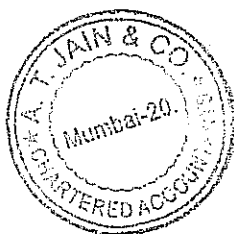
Note 19:



a. Operating Lease:

The Company has entered into leasing arrangements for office premises. The lease rentals of ₹ 16,67,157/- have been included under the head Rent under Note 17 of Statements of Profit and Loss.

Future Minimum Lease Payments	As at March 31, 2017	As at March 31, 2016
Payment not later than one year	15,57,696	14,83,520
Payment later than one year but not later than five years	10,72,512	26,30,208
Payment later than 5 years	-	-

b. The Company does not owe a sum to any Micro, Small Scale Industry and Medium Enterprises undertakings at the end of the financial year which is outstanding for more than 30 days on the basis of information available with the Company.



CENTRUM DEFENCE SYSTEMS LIMITED

c. Earnings per share:

Particulars		For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
i)	Profit after taxes attributable to equity shareholders.	(95,55,769)	(7,284,302)
ii)	Number of equity shares of ₹ 10 each issued and outstanding		
	- At the end of the year	50,000	50,000
	- Weighted average number of shares outstanding at the end of the year	50,000	50,000
iii)	Basic earnings per share	(191.12)	(145.69)

e. Auditor's Remuneration:

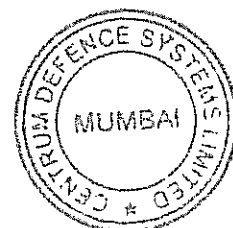
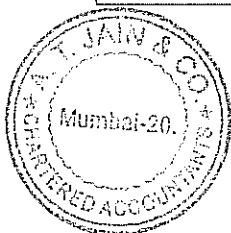
Particulars	For the year ended 31st March, 2017	For the period ended 31st March, 2016
Audit Fees	25,0000	28,625

f. Gratuity and Post Employment benefit plans

The following table summarizes the components of net benefit expense recognized in the Profit and Loss account and funded status and amount recognized in the balance sheet for gratuity.

Actuarial Assumption	As at 31 st March 2017
Discount rate Current Year	6.82%
Expected rate of return on assets	N.A.
Salary escalation	5.00%
Attrition Rate Current Year	5.00%

Reconciliation of opening and closing balances of defined benefit obligation	As at 31 st March 2017
Opening defined benefit obligation	Nil
Interest cost	Nil
Current service cost	37,034
Past service cost (vested / non vested benefit)	Nil
Liability transfer (in /out)	Nil
Benefit paid	Nil
Actuarial (gain)/loss on obligation	Nil
Defined benefit obligation at the end of the year	37,034





CENTRUM DEFENCE SYSTEMS LIMITED

Changes in the fair value of plan assets are as follows	As at 31 st March 2017
Opening fair value of plan assets	Nil
Expected Return on Plan Assets	Nil
Contributions by employer	Nil
Transfer from other Company	Nil
Transfer to other Company	Nil
Benefit paid	Nil
Actuarial gain/(loss) on Plan Assets	Nil
Fair value of plan assets at the end of the year	Nil
Total Actuarial Gain / (Loss) to be recognized	Nil

Actual Return on Plan Assets	As at 31 st March 2017
Expected Return on Plan Assets	Nil
Actuarial gain/(loss) on Plan Assets	Nil
Actual Return on Plan Assets	Nil

Amount recognized in the Balance Sheet	As at 31 st March 2017
Defined benefit obligation at the end of the year	(37,034)
Fair Value of Plan Assets at the end of the year	Nil
Amount recognized in the Balance Sheet	(37,034)

Expenses recognised in the income statement	As at 31 st March 2017
Current service cost	37,034
Interest cost	Nil
Expected return on plan assets	Nil
Past Service Cost (vested / non vested Benefit) Recognised	Nil
Amount not recognised as asset	Nil
Actuarial gain or loss	Nil
Expenses recognised in P & L	37,034

Balance Sheet Reconciliation	As at 31 st March 2017
For the year ended on	37,034
Opening net liability	Nil
Expenses as above	37,034
Employers contribution	Nil
Amount recognised in Balance Sheet	37,034

Note 20 . Previous year figures are re-grouped/re-arranged wherever necessary.

As per our attached report of even date
For A.T.Jain & Co.
Chartered Accountants
Firm Registration No. 103886W

H.B. Sarvaiya

Hiten B. Sarvaiya
Partner
Membership No: 164094
Place: Mumbai
Date:



For and on behalf of Board of Directors
Centrum Defence Systems Limited

Shailendra Apte

Shailendra Apte
Director
Din: 00017814
Place: Mumbai
Date:

Darshan Singh Sandhu

Darshan Singh Sandhu
Director
Din: 02590325