INDEPENDENT AUDITORS' REPORT

To the Members of PL Engineering Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of PL Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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; the 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 Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, including the Ind AS, of the state of affairs of the Company as at March 31, 2017, its loss, total comprehensive loss, its cash flows and changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor Walker Chandiok & Co LLP whose report for the year ended March 31, 2016 and March 31, 2015 dated May 19, 2016 and May 18, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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 sub-section (11) of Section 143 of the Act, we give in "Annexure 1", 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. On the basis of written representations received from the directors as on March 31, 2017, and 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, we give our separate Report in "Annexure 2".

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

   i. The Company has disclosed the impact of pending litigations on its financial position, as detailed in Note 33 to the standalone Ind AS financial statements;

   ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as detailed in Note 36 to the standalone Ind AS financial statements;

   iii. The company did not have any dues on account of Investor Education and Protection Fund; and

   iv. The company has provided requisite disclosures in its Standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the company.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
ICAI Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 26, 2017

Annexure 1 to Independent Auditors' Report
(Referred to in paragraph on Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any Immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not hold any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b), 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the provisions of clause 3(iv) of the order are not applicable since during the year, the Company has not entered into transaction covered under the sections 185 and 186 of the Act.

(v) In our opinion, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products/ activities of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(vi) of the order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, have not been regularly deposited to the appropriate authority and there have been significant delays in a large number of cases. Further, no material undisputed amounts payable in respect thereof, were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding with respect to sales tax, service tax, value added tax, entry tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Disputed Rs.	Period to which relates	Forum where dispute is pending
The Finance Act, 1994 and The Service Tax Rules.	Service Tax	52,62,379 (nil under protest)	2010-11 to 2013-14	The Additional Commissioner, Service Tax Commissionerate, Delhi-IV.

(viii) The Company has generally been regular in the repayment of loans or borrowings to banks and there have been slight delay in few cases. The company has no loans or borrowings payable to a financial institution or government. The company did not have any outstanding debenture during the year and as at the year end.

(ix) The Company has not raised moneys by way of initial public offer/further public offer (including debt instruments) and the term loans were applied during the year for the purposes for which they were raised.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year covered by our audit.

(xi) Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read together with Schedule V to the Act.

(xii) In our opinion the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the order are not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the requisite details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) In our opinion, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
ICAI Firm Registration No. 003304N

Darshan Chhajer
Partner
Membership No. 088308
Date: May 26,2017
Place: Gurugram

Annexure 2 to Independent Auditors' Report

Referred to in paragraph under report on Other Legal and Regulatory Requirements in the Independent Auditors' Report of even date to the members of PL Engineering Limited on the standalone Ind AS financial statements for the year ended March 31, 2017.

Independent Auditors' 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 PL Engineering Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company as of and 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 ("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 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.

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 and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls over financial reporting. 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 were 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 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 standalone Ind AS 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 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 standalone Ind AS 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

Annexure 2 to Independent Auditors' Report

Referred to in paragraph under report on Other Legal and Regulatory Requirements in the Independent Auditors' Report of even date to the members of PL Engineering Limited on the standalone Ind AS financial statements for the year ended March 31, 2017.

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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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 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 issued by the ICAI.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
ICAI Firm Registration No. 003304N

Darshan Chhajer
Partner
Membership No. 088308
Date: May 26,2017
Place: Gurugram

PL Engineering Limited
Standalone Balance Sheet as at March 31, 2017
(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, Plant and Equipments	4	4,614,824	9,107,760	17,526,158
Intangible Assets	5	11,439,873	23,060,474	35,910,219
Financial Assets				
Investments	6	57,987,902	117,714,402	111,936,202
Loans	7	-	25,830,000	26,174,000
Deferred Tax Assets (net)	8	-	-	-
Other non current assets	9	-	472,831	1,137,764
		74,042,599	**176,185,467**	**192,684,343**
Current assets				
Inventories - Unbilled revenue (work-in-progress)		314,135,943	474,163,359	575,123,168
Financial Assets				
Investment held for sale	10	155,576	165,376	176,401
Trade receivables	11	614,072,460	650,691,241	636,646,620
Cash and cash equivalents	12	21,899,687	143,023	403,529
Loans	7	91,994,975	89,260,519	60,463,087
Current Tax Assets (Net)	13	49,748,552	45,602,195	53,369,447
Other current assets	9	16,464,743	11,690,311	11,775,076
		1,108,471,936	**1,271,716,024**	**1,337,957,328**
Total Assets		**1,182,514,535**	**1,447,901,491**	**1,530,641,671**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	14	62,250,000	62,250,000	62,250,000
Other Equity				
Equity component of Convertible Cumulative Preference Shares		200,050,000	200,050,000	200,050,000
Others reserves		244,901,556	379,876,099	446,334,588
		507,201,556	**642,176,099**	**708,634,588**
Non-current liabilities				
Financial Liabilities				
Borrowings	15	836,686	1,394,982	3,358,498
Provisions	16	27,431,173	28,971,786	13,545,886
Deferred Tax Liabilities (net)	8	-	-	-
		28,267,859	**30,366,768**	**16,904,384**
Current liabilities				
Financial Liabilities				
Borrowings	17	34,839,874	119,688,593	249,142,758
Trade payables	18	499,331,851	529,364,396	392,577,179
Other Financial Liabilities	19	590,183	2,026,557	2,673,010
Other current liabilities	20	84,745,590	94,341,532	117,279,656
Provisions	16	27,537,622	29,937,546	43,430,096
		647,045,120	**775,358,624**	**805,102,699**
Total Equity and Liabilities		**1,182,514,535**	**1,447,901,491**	**1,530,641,671**
Summary of significant accounting policies	2			

The accompanying notes form an integral part of the financial statements
This is the Standalone Balance Sheet referred to in our report of even date.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308

Place : Gurugram
Date : May 26, 2017

For and on behalf of the board of directors of
PL Engineering Limited

Atul Kumar Jain
Director
DIN: 02208079

Atul Punj
Director
DIN: 00005612

Badri Krishnan
CEO

Sameer P Sashidharan
Company Secretary
M. No: A13600

PL Engineering Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations			
Sale of services		594,747,400	798,546,324
Other income	21	3,132,945	11,543,997
		597,880,345	**810,090,321**
Expenses			
Employee benefits expense	22	392,992,403	629,081,940
Finance costs	24	17,128,334	33,873,134
Depreciation and amortisation expense	4 & 5	16,378,841	19,845,273
Other expenses	23	393,580,724	197,842,672
		820,080,302	**880,643,019**
Loss before tax		**(222,199,957)**	**(70,552,698)**
Tax expenses	25		
Current tax		-	-
Deferred tax		-	-
Total tax expense		**-**	**-**
Loss for the year		**(222,199,957)**	**(70,552,698)**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss in subsequent years			
- Remeasurement gains/(losses) on defined benefit plans		13,403,050	(1,672,966)
- Net gains on fair valuation of equity instruments through OCI		73,822,364	5,767,175
Total other comprehensive income for the year, net of tax (refer note no. 8)		**87,225,414**	**4,094,209**
Total comprehensive income for the year, net of tax		**(134,974,543)**	**(66,458,489)**
Earnings per equity share [nominal value Rs. 10 each (Previous year Rs. 10)]			
Basic and Diluted (in Rs.)	26	(35.69)	(11.33)

Summary of significant accounting policies	2

The accompanying notes form an integral part of the financial statements
This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

For and on behalf of the board of directors of
PL Engineering Limited

Darshan Chhajer
Partner
Membership Number: 088308
Place : Gurugram
Date : May 26, 2017

Atul Kumar Jain
Director
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Company Secretary
M. No: A13600

PL Engineering Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

a. Equity Share Capital:

Equity share of Rs.10 each issued, subscribed and fully paid	Nos.	Amount
As at April 01, 2015	6,225,000	62,250,000
As at March 31, 2016	6,225,000	62,250,000
As at March 31, 2017	6,225,000	62,250,000

b. Other Equity

	Equity component of convertible cumulative preference shares	Reserves and Surplus		Items of OCI		Total Other Equity
		Share Premium	Retained earning	FVTOCI Reserve	Others Reserve	
As at April 1, 2015	**200,050,000**	**187,401,473**	**160,337,635**	**98,595,480**		**646,384,588**
Loss for the year			(70,552,698)			**(70,552,698)**
Remeasurement of the net defined benefit liability/ asset					(1,672,966)	**(1,672,966)**
Change in fair value of investments				5,767,175		**5,767,175**
OCI reclassifed to retained earnings			(1,672,966)		1,672,966	**-**
As at March 31, 2016	**200,050,000**	**187,401,473**	**88,111,971**	**104,362,655**	**-**	**579,926,099**
Loss for the year			(222,199,957)			**(222,199,957)**
Remeasurement of the net defined benefit liability/ asset					13,403,050	**13,403,050**
Change in fair value of investments				73,822,364		**73,822,364**
OCI reclassifed to retained earnings			13,403,050		(13,403,050)	**-**
As at March 31, 2017	**200,050,000**	**187,401,473**	**(120,684,936)**	**178,185,019**	**-**	**444,951,556**

The accompanying notes form an integral part of the financial statements
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308
Place : Gurugram
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Company Secretary
M. No: A13600

PL Engineering Limited

The Standalone Statement of Cash Flow for the year ended March 31, 2017

(All amounts in INR, unless otherwise stated)

	Year ended	
	March 31, 2017	**March 31, 2016**
Cash flow from operating activities		
Loss before tax	**(222,199,957)**	**(70,552,698)**
Non-cash adjustment to reconcile (loss)/profit before tax to net cash flows		
Depreciation and amortisation expense	16,378,841	19,845,273
Loss/ (Gain) on sale of property, plant & equipments (net)	(355,079)	1,003,106
Provision for contract losses	-	861,889
Bad debts written off	233,160,006	29,401,340
Interest expense	14,621,172	32,297,229
Operating profit before working capital changes	**41,604,983**	**12,856,140**
Changes in working capital :		
- Trade payables	(30,032,545)	136,787,217
- Provisions	9,462,513	260,384
- Other current liabilities	(9,595,942)	(22,938,124)
- Trade receivables	36,618,781	(43,445,962)
- Loans and advances	23,095,544	(28,453,432)
- Unbilled revenue (work-in-progress)	(73,132,590)	100,097,921
- Other current assets	(4,301,601)	749,698
Cash generated from operations	(6,280,857)	155,913,842
Direct taxes refunded/(paid)	(4,146,357)	7,767,251
Net cash from operating activities (A)	**(10,427,214)**	**163,681,093**
Cash flows from investing activities		
Purchase of property, plant & equipments	(269,325)	-
Proceeds from sale of investment in subsidiaries	133,558,664	-
Proceeds from sale of fixed assets	359,100	419,764
Net cash flow from investing activities (B)	**133,648,439**	**419,764**
Cash flows from financing activities		
Repayment of long-term borrowings	(1,974,597)	(2,585,255)
(Repayment of)/ Proceeds from short-term borrowings (net)	(84,848,719)	(129,454,165)
Interest paid	(14,641,245)	(32,321,943)
Net cash from financing activities (C)	**(101,464,561)**	**(164,361,363)**
Net decrease in cash and cash equivalents (A + B + C)	21,756,664	(260,506)
Cash and cash equivalents at the beginning of the year	143,023	403,529
Cash and cash equivalents at the end of the year (Refer note no. 12)	**21,899,687**	**143,023**

The accompanying notes form an integral part of the financial statements

This is the Standalone Statement of Cash Flow referred to in our report of even date.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308
Place : Gurugram
Date : May 26, 2017

For and on behalf of the board of directors of
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Atul Kumar Jain
Director
DIN: 02208079

Atul Punj
Director
DIN: 00005612

Badri Krishnan
CEO

Sameer P Sashidharan
Company Secretary
M. No: A13600

1) Corporate information

PL Engineering Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956, (Revised) which has since been replaced with Companies Act, 2013. The Company is engaged in the business of rendering Engineering and Design Consultancy Services. The Company caters to both domestic and international markets.

These financial statements for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the directors on May 26, 2017

2) Significant accounting policies

a) Basis of preparation

i) Compliance with Ind AS

These financial statements have been prepared and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under section 133 of the Act, read together with Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act, then applicable.

These financial statements are the first financial statements of the Company prepared in accordance with Ind AS. Refer note 45 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Basis of measurement

These financial statements have been prepared on an accrual and historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;

The Company has applied the same accounting policies for preparing its opening Ind AS financial statements and all subsequent periods presented in these financial statements.

b) Property, plant and equipments

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company considered the previous GAAP carrying cost of plant and equipments as deemed cost, as the fair value of these assets does not differ materially from its carrying cost.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all its tangible assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the assets are de-recognised.

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

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the assets are derecognised.

For the transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d) Depreciation on property, plant and equipments and amortisation on intangible assets

Depreciation on property, plant and equipments is calculated on a straight line basis using the rates arrived at based on the useful lives prescribed under Schedule II to the Companies Act, 2013. The Company has used the following lives to provide depreciation.

Particulars	Useful Life (In years)
Computer hardware	3
Network and servers	6
Furniture and fixtures	10
Vehicles *	5
Office equipment	5
Computer software	6

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

e) Component accounting

The Company was previously not identifying components of property, plant and equipment separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of property, plant and equipment. Now, the Company identifies and determines separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. However, this change in accounting policy did not have any material impact on financial statements of the Company.

f) 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) net selling price and its value in use. The 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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 Company 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.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been, had no impairment loss been recognized. Such reversal is recognized in the statement of profit and loss.

g) Leases

Where the Company is the lessee
Lease where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (see note 2.(h)).

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life or the lease term of the asset.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Foreign currency

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

ii) Transaction and balances

Transactions in foreign currencies are initially recorded in the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences resulting from the settlement or translation of such transactions are generally recognized in profit or loss.

j) 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.

Initial recognition and measurement

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.

A. Financial assets

(i) 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.

(ii) 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.

(iii) De-recognition
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

B. Financial liabilities

(i) 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.

(ii) De-recognition
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

C. 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.

(k) Fair value measurement

The fair value of an 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 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 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.

l) Employee benefits

Short-term obligations

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 obligations 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 service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:
- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and pension fund.

Gratuity obligations

The Company operates a defined benefit gratuity plan for employees. The Company has obtained group gratuity scheme policies from SBI Life Insurance Company Limited to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the balance sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

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. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(m) Income taxes

Income tax comprises current income tax and deferred tax. The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate in India, adjusted by changes in deferred tax assets and liabilities attributed to temporary differences and to unused tax losses.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset 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 asset to be recovered.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is recognized in OCI or directly in equity, respectively.

(n) 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.

(o) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year, adjusted for the events such as bonus issue, share split or otherwise that have changed the number of equity shares outstanding without a corresponding change in resources.

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

(p) Share-based payment arrangements

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the option granted:

• including any market performance conditions (e.g., the Company's share price),
• excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
• including the impact of any non-vesting conditions (e.g., the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(q) Cash and cash equivalents
Cash and cash equivalents, for the purposes of cash flow statement, comprise cash on hand, demand deposits, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(r) Dividends
The Company recognized a liability for the amount of any dividend declared when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders.

(s) Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised 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 with in 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.

(t) Provisions
Provisions are recognized when the Company has a present legal or constructive obligation 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.

Where the effect of the time value of money is expected to be material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

(u) Operating cycle
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents and the same is considered as project period.

(v) Unbilled revenue (work in progress)

Unbilled revenue (work in progress) is valued at net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

(w) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized

Income from services

Revenues from services comprise of income from man - hour rate (time basis) contracts and fixed price contracts.

Revenues associated with services rendered on time basis is recognised when the services are rendered. The same is calculated based on the man hours incurred for rendering the services.

Revenue from fixed price contracts (including maintenance and support contracts) is recognised by reference to the stage of the service contract at the balance sheet date. The stage of completion is the proportion of the contract costs incurred for the work performed up to the balance sheet date to the estimated total contract costs. However, profit is not recognised unless there is reasonable progress on the contract. If total cost of a contract based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Excess / shortfall of revenue over that billed as at the year end is carried in the financial statements as unbilled revenue and billing in excess of contract revenue is shown under current liabilities as advance billing to customer in the financial statement. The Company collects service tax on behalf of the government and therefore, there are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Dividend income
Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Export benefit

Export benefit under the duty free credit entitlement is recognised in the statement of profit and loss, when the right to receive license as per the terms of the scheme is established in the respect of export made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.

Interest

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 amortised 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 other income in the statement of Profit and Loss.

3. Significant accounting judgements, estimates and assumptions:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

Critical estimates and judgements

In applying the accounting policies, following are the items/ areas that involved a higher degree of judgement or complexity and which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Fair valuation of unlisted securities:

The fair value of financial instruments that are not traded in an active market is determined using internationally accepted valuation principles. The inputs to these valuations are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discount rates, liquidity risk, credit risk, earning growth factors and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Revenue recognition:

The company recognises revenue from fixed price contracts (including maintenance and support contracts) with reference to the stage of completion at the balance sheet date. Use of stage of completion requires the Company to estimate the total cost to complete a contract. Changes in the factors underlying the estimation of the total contract cost could affect the amount of revenue recognized.

Impairment of financial assets:

The Company basis the impairment provisions for financial assets on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets:

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is sensitive to inputs like discount rate, expected future cash-inflows and growth rate used for extrapolation purposes.

Defined benefit plan (employee benefits):
The cost of defined benefit gratuity plan and other employee benefits and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Taxes:
Deferred tax assets are recognized for unused tax losses and unabsorbed depreciation to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither has any taxable temporary difference nor any tax planning opportunities available that could support the recognition of unused tax losses and unabsorbed depreciation as deferred tax assets. On this basis, the Company has accounted for deferred tax assets on temporary differences, including unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized as at the balance sheet date, for which it is reasonably certain that future taxable income would be generated by reversal of such deferred tax liability.

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4. Property, Plant and Equipments

Particulars	Computer hardware	Furniture and fixtures	Vehicles	Office equipment	Total
Gross block					
As at April 01, 2015	**48,400,555**	**2,478,717**	**26,008,719**	**6,289,113**	**83,177,104**
Additions during the year	-	-	-	-	-
Disposals during the year	-	-	(9,680,599)	-	(9,680,599)
As at March 31, 2016	**48,400,555**	**2,478,717**	**16,328,120**	**6,289,113**	**73,496,505**
Additions during the year	269,325	-	-	-	269,325
Disposals during the year	(4,966,289)	-	-	-	(4,966,289)
As at March 31, 2017	**43,703,591**	**2,478,717**	**16,328,120**	**6,289,113**	**68,799,541**
Accumulated depreciation					
As at April 01, 2015	**40,898,297**	**1,098,386**	**18,255,298**	**5,398,965**	**65,650,946**
Charge for the year	3,614,326	284,590	2,657,703	438,909	6,995,528
Disposals during the year	-	-	(8,257,729)	-	(8,257,729)
As at March 31, 2016	**44,512,623**	**1,382,976**	**12,655,272**	**5,837,874**	**64,388,745**
Charge for the year	2,405,299	293,922	2,015,649	43,370	4,758,240
Disposals during the year	(4,962,268)	-	-	-	(4,962,268)
As at March 31, 2017	**41,955,654**	**1,676,898**	**14,670,921**	**5,881,244**	**64,184,717**
Net block					
As at April 01, 2015	**7,502,258**	**1,380,331**	**7,753,421**	**890,148**	**17,526,158**
As at March 31, 2016	**3,887,932**	**1,095,741**	**3,672,848**	**451,239**	**9,107,760**
As at March 31, 2017	**1,747,937**	**801,819**	**1,657,199**	**407,869**	**4,614,824**

Note : Gross block of vehicles includes vehicles of cost 7,809,179 (March 31, 2016:7,809,179) taken on finance lease. Accumulated depreciation thereon is 6,184,608 (March 31, 2016:4,641,402).

5. Intangible assets

Particulars	Software	Total
Gross block		
As at April 01, 2015	**129,440,903**	**129,440,903**
Additions during the year		-
As at March 31, 2016	**129,440,903**	**129,440,903**
Additions during the year	-	-
As at March 31, 2017	**129,440,903**	**129,440,903**
Accumulated amortisation		
As at April 01, 2015	**93,530,684**	**93,530,684**
Charge for the year	12,849,745	12,849,745
As at March 31, 2016	**106,380,429**	**106,380,429**
Charge for the year	11,620,601	11,620,601
As at March 31, 2017	**118,001,030**	**118,001,030**
Net block		
As at April 01, 2015	**35,910,219**	**35,910,219**
As at March 31, 2016	**23,060,474**	**23,060,474**
As at March 31, 2017	**11,439,873**	**11,439,873**

Note: There are no capital commitments. For assets pledged as security, refered note no 15.

PL Engineering Limited
Notes to financial statements year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

6. Non-current investments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair Valued through Othes Comprehensive Income			
Investment in subsidiaries (unquoted equity)			
Punj Lloyd Engineering Pte Limited	57,987,900	43,612,900	24,044,000
1 (March 31, 2016: 1; April 1, 2015: 1) equity shares of SGD 1 each, fully paid up			
Simon Carves Engineering Limited	-	74,101,500	87,892,200
Nil (March 31, 2016: 99, April 1, 2015: 99) equity shares of GBP 1 each, fully paid up			
Investment in joint ventures (Refer note 30)			
AeroEuro Engineering India Private Limited			
1,250,000 (March 31, 2016: 1,250,000, April 1, 2015: 1,250,000) equity shares of ₹ 10 each, fully paid up	1	1	1
PLE TCI Engenharia LTDA.			
245,000 (March 31, 2016: 245,000, April 1, 2015: 245,000) equity shares of BRL 1 each, only BRL 10,000 paid up.	1	1	1
	57,987,902	**117,714,402**	**111,936,202**
Aggregate carrying value of unquoted investments	**57,987,902**	**117,714,402**	**111,936,202**

7. Loans & Advances

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Loan and advances to related parties						
Unsecured, considered good						
Advances to subsidiaries	-	1,780,482	-	2,108,301	-	1,770,558
Unsecured, considered doubtful						
Advances to subsidiaries	-	54,950	-	54,950	-	54,950
Advance to joint venture	-	14,640,676	-	15,917,645	-	16,227,028
Less - provision for expected credit loss	-	(14,695,626)	-	(15,972,595)	-	(16,281,978)
Interest receivable on loan given to Joint Venture	-	6,477,130	-	6,477,130	-	6,477,130
Less - provision for expected credit loss	-	(6,477,130)	-	(6,477,130)	-	(6,477,130)
Consideration receivable for licenses sold*	-	87,128,218	-	87,128,218	-	58,616,529
Loan and advances to others						
Unsecured, considered good						
Security deposits	-	3,086,275	25,830,000	24,000	26,174,000	76,000
	-	**91,994,975**	**25,830,000**	**89,260,519**	**26,174,000**	**60,463,087**

* Represents Self Financing Scheme incentive accounted as and when sold to Holding Company.

8. Deferred tax (net)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	1,277,399	1,277,399	1,011,075
Provision for contract losses and Bad Debts	-	-	106,786
Unabsorbed tax losses#	13,289,815	34,643,122	36,585,087
Gross deferred tax assets	14,567,214	35,920,521	37,702,948
Deferred tax liability			
Property, Plant and Equipments & Intangible assets	593,358	3,493,356	7,061,247
Financial assets carried at fair value through OCI	13,973,856	32,427,165	30,641,701
Gross deferred tax liability	14,567,214	35,920,521	37,702,948
Net Deferred tax liability	-	-	-

The Company has accounted for deferred tax assets on temporary differences, including those on unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized at the balance sheet date, for which it is reasonably certain that future taxable income would be generated by reversal of such deferred tax liability.

9. Other Assets

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Other loans and advances						
Prepaid expenses	-	5,755,073	472,831	6,562,283	1,137,764	7,482,620
Balances with government authorities	-	9,174,329	-	2,621,494	-	1,293,902
Advances recoverable in cash or kind						
Advance to suppliers	-	1,368,961	-	1,368,597	-	818,134
Advance to employees	-	146,221	-	980,324	-	2,068,527
Others	-	20,162	-	157,617	-	111,900
	-	**16,464,746**	**472,831**	**11,690,315**	**1,137,764**	**11,775,083**

10. Investment held for sale:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments held for sale (Fully paid up)			
PL Delta Technologies Limited 50,000 (March 31, 2016: 50,000, April 1, 2015: 50,000) equity shares of ₹ 10 each.	1	1	1
PLE TCI Engineering Limited 24,500 (March 31, 2016: 24,500, April 1, 2015: 24,500) equity shares of ₹ 10 each.	155,575	165,375	176,400
	155,576	**165,376**	**176,401**
Aggregate carrying value of unquoted investments	155,576	165,376	176,401

11. Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured , Considered Good			
Receivable from related parties	583,429,829	644,011,238	604,427,897
Receivable from others	30,642,631	6,680,003	32,218,723
Unsecured , considered doubtful			
Receivable from others	-	-	345,584
Less: Provision for expected credit loss	-	-	(345,584)
	614,072,460	**650,691,241**	**636,646,620**

12. Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks:			
– in current accounts	338,432	140,378	402,974
– in exchange earner's foreign currency account	555	555	555
Cash on hand	-	2,090	-
	338,987	**143,023**	**403,529**
Other bank balances			
Fixed Deposit with Bank*	5,348,200	-	-
Deposit in escrow account, realisable subject to certain conditions	16,212,500	-	-
	21,899,687	**143,023**	**403,529**

*Placed against issuance of Bank Guarantees.

13. Current Tax Asset - Net

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum alternative tax credit entitlement	20,198,377	20,198,377	20,198,377
Advance tax *	29,550,175	25,403,818	33,171,070
	49,748,552	**45,602,195**	**53,369,447**

* Minimum alternative tax entitlement and advance tax are subject to reconciliation with income tax authorities. Also refer note 35.

PL Engineering Limited
Notes to financial statements year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

14. Equity Share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised share capital			
10,000,000 (March 31, 2016: 10,000,000; April 1, 2015: 10,000,000) equity shares of ₹ 10 each	100,000,000	100,000,000	100,000,000
20,005 (March 31, 2016: 20,005; April 1, 2015: 20,005) 0.0001% Cumulative Convertible Preference Shares (CCPS) of ₹ 10,000 each	200,050,000	200,050,000	200,050,000
	300,050,000	**300,050,000**	**300,050,000**
Issued, subscribed and fully paid-up share capital			
6,225,000 (March 31, 2016: 6,225,000; April 1, 2015: 6,225,000) equity shares of ₹ 10 each	62,250,000	62,250,000	62,250,000
20,005 (March 31, 2016: 20,005; April 1, 2015: 20,005) 0.0001% CCPS of ₹	200,050,000	200,050,000	200,050,000
Total issued, subscribed and fully paid-up share capital	**262,300,000**	**262,300,000**	**262,300,000**

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Equity shares						
At the beginning and at the end of the year	6,225,000	62,250,000	6,225,000	62,250,000	6,225,000	62,250,000
Cumulative Convertible Preference share (CCPS)						
At the beginning and at the end of the year	20,005	200,050,000	20,005	200,050,000	20,005	200,050,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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 of number of equity shares held by the shareholders.

(c) Terms of conversion / redemption of CCPS

In the event of winding up, liquidation or dissolution of the Company or a sale of all or substantially all assets of the Company following the enforcement of the security, Punj Lloyd Limited (referred hereinafter as promoter) and Fidelity India Principals and FIL Capital Management (Mauritius) Limited (collectively referred hereinafter as investor) shall both be entitled, in preference to any other shareholder of the Company, to receive an amount equivalent to the aggregate amount invested by each of the investor and the promoter, respectively, in the Company (from time to time), in each case increased by (i) an internal rate of return of 25% calculated from the respective dates of the investment(s) and (ii) any accrued and unpaid dividends from the proceeds of such winding up or liquidation, prior to any distribution to any other shareholders of the Company.

In addition, to the extent that there are assets of the Company available for distribution after payment to the investor and the promoter, each of the shareholders of the Company (including the investor and the promoter) shall thereafter share in the distribution of such remaining assets of the Company in proportion to their shareholding in the Company at the time of their liquidation.

In the event that the aggregate proceeds available for distribution among the shareholders are inadequate, the Investor and the promoter shall both be entitled, in preference to any other shareholder of the Company, to receive amounts in proportion to their liquidation preference amounts.

Holders of preference shares shall be entitled to a dividend of 0.0001% per annum, payable on an annual basis. The dividends on the preference shares for the concerned period shall at all times be declared in seniority to the dividends on equity shares of the Company. The Company declares and pays dividends in Indian rupees.

The Investor shall have the option to convert any number of preference shares into equity shares during the term of this agreement. However, on 2 November 2020 (i.e., at the expiry of 180 days from the tenth anniversary of the Completion Date), without any approval of the shareholders, prior to or at the time of conversion, all preference shares that are outstanding as of such date shall immediately and automatically convert into one fully paid and non - assessable equity share.

(d) Shares held by Holding company

Out of equity and CCPS issued by the Company, shares held by its Holding company are as below:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Punj Lloyd Limited (Holding Company) 5,000,000 (2016: 5,000,000; 2015: 5,000,000) equity shares of ₹ 10 each fully paid up	**50,000,000**	**50,000,000**	**50,000,000**

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid up						
Punj Lloyd Limited	5,000,000	80.32%	5,000,000	80.32%	5,000,000	80.32%
FIL Capital Management (Mauritius) Limited	1,066,955	17.14%	1,066,955	17.14%	1,066,955	17.14%
CCPS of ₹ 10,000 each fully paid up						
FIL Capital Management (Mauritius) Limited	19,855	99.25%	19,855	99.25%	19,855	99.25%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(f) 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.

(g) Refer Note 28 for details on employee stock option plans.

15. Long-term borrowings

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities
Term loans (Secured)						
Vehicle loan from banks	836,686	576,347	1,394,982	1,992,648	3,358,498	2,614,387
Amount disclosed under the head "other financial liabilities" (note 19)	-	576,347	-	1,992,648		2,614,387
	836,686	**-**	**1,394,982**	**-**	**3,358,498**	**-**

Terms of security and repayment

Secured by first charge by way of hypothecation over vehicles financed by Axis Bank Limited and further by corporate guarantee from Punj Lloyd Limited, the Holding Company for vehicles financed by State Bank of India. Average rate of interest on term loans ranges from 9.85% to 12.25% p.a. on reducing balance method. Average repayment schedule ranges from 3 to 5 years.

16. Provisions

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits						
Provision for retirement benefits	27,431,173	23,403,644	28,971,786	25,803,568	13,545,886	40,158,007
Other provisions						
Provision for contract losses (note 36)	-	4,133,978	-	4,133,978	-	3,272,089
	27,431,173	**27,537,622**	**28,971,786**	**29,937,546**	**13,545,886**	**43,430,096**

17. Short-term borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loan Repayable on Demand (Secured)			
From Bank (Cash Credit)	34,839,874	119,688,593	249,142,758
	34,839,874	**119,688,593**	**249,142,758**

Secured by first charge over all present and future book debts/receivables of the current and collateral security over first charge over all the fixed assets of the Company and further secured by corporate guarantee of Punj Lloyd Limited, the Holding company. The cash credit are repayable on demand and carries interest at base rate +6.8% per annum, i.e., 15.10 % as at March 31, 2017 (March 31, 2016: 16.30%, April 1, 2015: 14.50%).

18. Trade Payables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables*	499,331,851	529,364,396	392,577,179
	499,331,851	**529,364,396**	**392,577,179**

*Refer note 38 for disclosure under Micro, Small Medium Enterprises Development Act, 2006.

19. Other Financial Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Other Payables			
Current maturities of long term borrowings (note 15)	576,347	1,992,648	2,614,387
Interest accrued but not due on borrowings	13,836	33,909	58,623
	590,183	**2,026,557**	**2,673,010**

20. Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory dues	26,639,513	37,563,425	20,967,106
Advance from customers	44,904,457	51,917,204	95,189,556
Advance billing to customers	13,201,620	4,860,903	1,122,994
	84,745,590	**94,341,532**	**117,279,656**

PL Engineering Limited
Notes to financial statements year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

21. Other income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Scrap sale	194,100	-
Interest income of income tax refund	-	3,545,155
Net gain on foreign currency transactions and translations	1,296,872	6,142,194
Gain on sale of fixed assets (net)	355,079	-
Miscellenouse Income	-	1,201,681
Excess provision written off	1,286,894	654,967
	3,132,945	**11,543,997**

22. Employee benefits expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	369,238,810	596,241,804
Contribution to provident and other funds	15,609,899	20,994,309
Retirement benefits (note 27)	5,024,681	5,490,677
Staff welfare expenses	3,119,013	6,355,150
	392,992,403	**629,081,940**

23. Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Power and fuel	4,455,167	13,651,944
Rent	66,296,331	41,868,860
Insurance	4,254,085	6,021,633
Repair and maintenance	1,390,390	2,903,230
Software maintenance cost	42,264,316	43,964,533
Office expenses	5,061,949	2,361,375
Travelling and conveyance	3,015,456	10,460,683
Printing and stationery	3,412,334	6,065,735
Consultancy and professional	24,365,021	25,426,090
Payment to auditor (refer details below)	884,926	1,285,430
Bad debt written off	-	29,401,340
Contractor charges	2,398,589	3,351,238
Rates and taxes	806,170	580,475
Provision for contract losses (note 36)	-	861,889
Loss on sale of fixed assets (net)	-	1,003,106
Work-in-progress written off	233,160,006	-
Recruitment	265,385	4,765,499
Postage and telegram	861,228	2,728,958
Miscellaneous Expenses	689,371	1,140,654
	393,580,724	**197,842,672**

Payment to auditor (excluding service tax)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
As auditor:		
Audit fee for standalone financial statements	700,000	1,100,000
Audit fee for consolidated financial statements	150,000	150,000
Reimbursement of expenses	34,926	35,430
	884,926	**1,285,430**

PL Engineering Limited

Notes to financial statements year ended March 31, 2017

(All amounts in INR, unless otherwise stated)

24. Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense on:		
-Cash credit	11,155,119	21,542,621
-Statutory dues	2,218,059	6,054,709
-Others	-	2,071,796
Other borrowing cost	1,247,994	2,628,103
Bank charges	2,507,162	1,575,905
	17,128,334	**33,873,134**

25.Income tax expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income Tax expense		
Current Tax	-	-
Deferred Tax	-	-
Total tax expense	-	-
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before income tax expense	(222,199,957)	(70,552,698)
Tax at the Indian tax rate of 30.90% (Previous year - 30.90%)	(68,659,787)	(21,800,784)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of Depreciation	4,313,831	3,257,932
Tax losses of provision for unforeseeable losses & credit losses	-	-
Effect of deferred tax asset not recognized	-	-
Tax relating to earlier years	-	3,379,417
Other items	-	-
Tax losses for which no deferred income tax was recognized	64,345,956	15,163,435
Total tax expense	**-**	**-**
(c) Tax Losses:		
Unused tax losses for which no deferred tax asset has been recognised	143,040,153	93,345,634
Potential tax benefit @ tax rate	44,199,407	28,843,801

26. Earning per share (EPS)

The following reflects the loss and share data used in the basic and diluted EPS computations:

Particulars	2016-17	2015-16
Loss for the Year	(222,199,957)	(70,552,698)
Net loss for calculation of basic and diluted EPS	**(222,199,957)**	**(70,552,698)**
Weighted average number of equity shares in calculating basic and diluted EPS	6,225,000	6,225,000
EPS - Basic and Diluted (in ₹)	(35.69)	(11.33)

The potential equity shares resulting from conversion of CCPS are anti-dilutive in nature, as the company has incurred losses during the years ended March 31, 2017 and March 31, 2016.

27. Gratuity and other post-employment benefit plans

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. All permanent employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognized funds (in form of insurance policies) in India.
The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, the funded status and the amounts recognized in the balance sheet for the plan.

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2016	**23,652,052**	**(268,867)**	**23,383,185**
Current service cost	3,387,858	-	3,387,858
Interest expenses/(income)	1,655,644	-	1,655,644
Total amount recognised in profit or loss	**5,043,502**	**-**	**5,043,502**
Remeasurements:			-
- Due to changes in financial assumptions	(767,645)	-	(767,645)
- Due to experience adjustments	7,134,999	-	7,134,999
- Return on assets (excluding interest income)	-	18,821	18,821
Total amount recognised in OCI	**6,367,354**	**18,821**	**6,386,175**
Benefits payments	-	-	-
Employer contributions	-	-	-
March 31, 2017	**22,328,200**	**(287,688)**	**22,040,512**

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2015	**20,297,709**	**(1,078,167)**	**19,219,542**
Current service cost	3,862,411	-	3,862,411
Interest expenses/(income)	1,628,266	-	1,628,266
Total amount recognised in profit or loss	**5,490,677**	**-**	**5,490,677**
Remeasurements:			-
- Due to changes in financial assumptions	(191,354)	-	(191,354)
- Due to experience adjustments	(1,481,612)	-	(1,481,612)
- Return on assets (excluding interest income)	-	-	-
Total amount recognised in OCI	**(1,672,966)**	**-**	**(1,672,966)**
Benefits payments	(3,809,300)	3,809,300	-
Employer contributions	-	(3,000,000)	(3,000,000)
March 31, 2016	**23,652,052**	**(268,867)**	**23,383,185**

The plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**Gratuity**		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Investments with insurer (SBI Life Insurance Company Limited)	100%	100%	100%

Gratuity and other post-employment benefit plans

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	**Gratuity**		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Discount rate	7.00%	8.00%	8.00%
Expected rate of return on assets	7.00%	6.15%	6.15%
Withdrawl rate (per annum)	30.00%	30.00%	40.00%
Future salary increases	6.00%	6.00%	6.00%
Mortality	IALM 2006-08 Ultimate		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase by 100 basis points	Decrease by 3%
	Decrease by 100 basis points	Increase by 3%
Salary growth rate	Increase by 100 basis points	Increase by 3%
	Decrease by 100 basis points	Decrease by 3%
Withdrawal rate	Increase by 100 basis points	Decrease by 0%
	Decrease by 100 basis points	Increase by 0%

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which is the risk of change in the interest rates due to market volatility. A decrease therein will increase plan liabilities. Apart from the interest rate, the other significant risks associated with defined benefit plans are inflation risk, economic environment and regulatory changes.

The Company manages its investment positions to achieve long-term investments that are in line with the obligations under the employee benefit plans. The designated trust actively monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed its processes to manage its risks from previous periods.

Maturity profile of the defined benefit obligations

The weighted average duration of the defined benefit obligation is 5 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

Period	Amount
Within one year	6,413,989
Between 1 – 2 years	7,534,436
Between 2 – 5 years	23,256,521

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28. Employee Stock Option Plans (ESOP)

The Company has provided various share based payment schemes to its employees. During the year ended March 31, 2017, the relevant details of the scheme are as follows:

Particulars	ESOP 2015	ESOP 2012	ESOP 2011	ESOP 2009	ESOP 2008
Date of Board of Directors' approval	Feb 23, 2015	Nov 1, 2012	Sep 21, 2011	Dec 1, 2009	Apr 7, 2008
Date of Shareholders' approval	Feb 23, 2015	Nov 1, 2012	Sep 21, 2011	Dec 1,2009	Apr 7, 2008
Vesting period	Over the period of four years				
Exercise period	Three Years from the date of vesting/listing whichever is later				
Vesting conditions	Continuous association with the Company				

The details of activity under ESOP 2008 have been summarised below:

Particulars	2016-17		2015-16	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	31,140	100	34,340	100
	11,500	32	11,500	32
	80,000	385	80,000	385
	93,000	100	97,000	100
	112,914	-	-	-
Granted during the year	-	105	134,334	105
Exercised during the year	-	-	-	-
Expired during the year	31,140	100	3,200	100
	11,500	32	-	-
	80,000	385	-	-
	15,000	100	4,000	100
	10,886	105	21,420	105
Outstanding/exercisable at the end of the year	-	-	31,140	100
	-	-	11,500	32
	-	-	80,000	385
	78,000	100	93,000	100
	102,028	105	112,914	105

The weighted average share price at the date of exercise is not applicable since no options are exercised (previous year not applicable since no option were exercised).

For the purpose of valuation of the options granted under ESOP 2008 upto the year ended March 31, 2017, the compensation cost relating to employee stock options, calculated as per the intrinsic value method, is Nil.

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29. Leases

Operating lease: Company as lessee

The Company has taken office premises under operating lease agreements. The old lease agreement was terminated on July 7, 16 & new lease agreement taken w.e.f. July 08, 16 for a 11 Months. Both the parties have the option to terminate the lease after the expiry by giving other party three month prior written notice. It is renewable at the end of eleven Months with the mutual consent of both the lessor and lessee. Lease payment charged to the Statement of Profit and Loss during the year amounted to ₹ 66,296,331 (Previous year: ₹ 41,868,860).

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Within one year	8,933,333	-	47,355,000
After one year but not more than five years	-	-	-
	8,933,333	**-**	**47,355,000**

30. Interest in other entities

(a) Subsidiaries

The Company's interest and share in subsidiaries are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Company, directly or indirectly, and the country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest as at (%)		
		March 31, 2017	March 31, 2016	April 01, 2015
Simon Carves Engineering Limited (upto August 02, 2016)*	United Kingdom	-	100.00	100.00
Punj Lloyd Engineering Pte. Limited	Singapore	100.00	100.00	100.00
PL Delta Technologies Limited @	India	100.00	100.00	100.00

(b) Interest in Joint Ventures

The Company's interest and share in associates and joint ventures are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Company, directly or indirectly, and the country of incorporation or registration is also their principal place of business.

Name of entity	Nature of operations	Country of incorporation	Ownership interest as at (%)		
			March 31, 2017	March 31, 2016	April 01, 2015
AeroEuro Engineering India Private Limited	Designing in aerospace sector	India	50.00	50.00	50.00
PLE TCI Engineering Limited @	Engineering and design consultancy	India	50.00	50.00	50.00
PLE TCI Engenharia Ltda	Engineering and design consultancy	Brazil	49.00	49.00	49.00

* Entities filed for strike-off/ liquidation or struck-off/ liquidated/ sold during the year.

@ Entity held with an intention of disposal in near future.

The Company's share of the assets, liabilities, income and expenses of joint ventures at the year end are as follows:

Particulars	AeroEuro Engineering India Private Limited			PLE TCI Engenharia LTDA		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Current assets	2,229,380	3,761,304	5,297,461	129,866	129,866	129,866
Non-current assets	2,182,125	2,577,185	3,395,262	-	-	-
Current liabilities	(14,100,288)	(15,204,043)	(15,730,367)	-	-	-
Non-current liabilities	(327,554.50)	(182,277)	(221,804)	-	-	-
Equity	**(10,016,337)**	**(9,047,831)**	**(7,259,448)**	**129,866**	**129,866**	**129,866**
Revenue	8,028,437	8,796,872	14,044,476	-	-	-
Depreciation and amortisation	(598,818)	(642,746)	(2,101,554)	-	-	-
Employee benefits expense	(4,780,239)	(6,742,549)	(9,347,118)	-	-	-
Finance and other expenses	(3,544,866)	(3,254,434)	(5,569,574)	-	-	-
Loss for the year	**(895,486)**	**(1,842,857)**	**(2,973,770)**	-	-	-

31. Segment information

Business segment

The Company's business activity falls within a single business segment i.e. Engineering Services. Therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable.

Geographical segments*

Although, the Company's major operating divisions are managed on a worldwide basis, they operate in two principal geographical areas of the world, in India, its home country and the other countries.

The following table presents revenue from operations, trade receivable and unbilled revenue(work-in-progress) regarding geographical segments as at March 31, 2017 and March 31, 2016:

Particulars	Revenue		Unbilled revenue (work in progress)		Trade receivables	
	Year ended March 31, 2017	Year ended March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
India	116,226,655	136,210,581	84,726,790	294,997,956	108,931,071	116,887,216
Other countries	478,520,745	662,335,743	229,409,153	179,165,403	505,141,389	533,804,025
	594,747,400	**798,546,324**	**314,135,943**	**474,163,359**	**614,072,460**	**650,691,241**

* All the significant assets other than trade receivables and unbilled revenue (work in progress) are situated in India and hence, separate amounts for assets / additions to assets have not been furnished.

32 Related party disclosures

Names of related parties and related party relationship
Related parties where control exists

Holding company	Punj Lloyd Limited
Subsidiaries	Punj Lloyd Engineering Pte Limited
	PL Delta Technologies Limited
	Simon Carves Engineering Limited
Joint Ventures	PLE TCI Engineering Limited
	PLE TCI Engenharia LTDA.
	AeroEuro Engineering India Private Limited

Related parties with whom transactions have taken place during the year or in previous year

Fellow subsidiaries	PT Punj Lloyd Indonesia
	Punj Lloyd Pte Limited
	Punj Lloyd – Oil & Gas (Malaysia) Sdn Bhd
	Dayim Punj Lloyd Construction Contracting Company Limited
	Punj Lloyd Engineers and Constructors Pte Limited
	Punj Lloyd International Limited
	Punj Lloyd Sdn Bhd
Key management personnel:	
Chairman	Mr. Atul Punj
Director	Mr. Ashok Kumar Bhargava
Director	Mr. Jayarama Prasad Chalasani (upto March 31, 2016)
Director	Mr. Rajesh Kumar Dugar
CEO	Mr. Badri Krishnan

(a) Transaction with related parties

	2016-17	2015-16
Sales and purchase of goods and services		
With Holding Company:		
Contract revenue	251,698,265	259,308,877
Rental income	-	20,213,669
Consultancy expense	-	(2,823,345)
Rental Expense	(52,645,161)	-
Interest Expense	-	(2,916,846)
With subsidiaries:		
Contract revenue	264,948,484	611,578,892
Software Expense		(3,769,182)
With Fellow subsidiaries:		
Contract revenue	4,133,878	6,796,451
With KMP		
Employee benefit expenses	22,682,696	8,534,343

(b) Outstanding balances

	March 31, 2017	March 31, 2016	April 01, 2015
Holding Company:			
Trade receivable	502,355,581	454,524,944	351,805,319
Other payable (Due to related parties)	(220,891,033)	(167,684,790)	(181,346,362)
Mobilization advance	(26,138,847)	(27,896,385)	(30,707,367)
Subsidiaries			
Loan receivable	1,780,482	2,163,251	1,825,508
Trade receivable	126,358,604	231,744,727	226,223,717
Other payable (Due to related parties)	(52,760,860)	(111,292,219)	(37,772,587)
Investment	57,987,900	117,714,400	111,936,202
Mobilization advance	(9,597,670)	(24,020,819)	(60,417,261)
Fellow Subsidiaries			
Loan receivable			
Trade receivable	41,843,814	44,869,700	82,794,641
Other payable (Due to related parties)	(55,155,793)	(54,858,128)	(51,705,634)
Joint Ventures			
Investment held for sale	155,576	165,376	176,401

33. Commitments and Contingent liabilities

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
a) Commitments			
Estimated future investments in joint ventures in terms of shareholders' agreement	4,815,150	4,815,150	4,815,150
b) Contingent liabilities			
Service tax demand	5,262,379	4,613,189	-

34. The disclosures as per provisions of Clauses 39, 40 and 42 of Indian Accounting Standard 11 – 'Construction Contracts' are as under:

Particulars	**2016-17**	**2015-16**
a) Contract revenue recognised as revenue in the period (clause 39 (a))	594,747,400	798,546,324
b) Aggregate amount of costs incurred and recognised profits upto the reporting date on contract under progress (clause 40 (a))	1,374,231,946	2,312,045,521
c) Advance received on contract under progress (clause 40 (b))	44,904,457	51,917,204
d) Retention amounts on contract under progress (clause 40 (c))	-	-
e) Gross amount due from customers for contract work as an asset (clause 42 (a))	314,135,943	474,163,359
f) Gross amount due to customers for contract work as a liability (clause 42 (b))	13,201,620	4,860,903

35. Assets of ₹ 20,198,377 (March 31, 2016: ₹ 20,198,377; April 01, 2015: ₹ 20,198,377) recognised by the Company as 'Minimum alternative tax credit entitlement', in respect of minimum alternate tax payment for current and earlier years, represents that portion of minimum alternative tax credit which can be recovered and set off in subsequent periods based on provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilise minimum alternative tax credit assets.

36. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/ Indian Accounting Standards for the material foreseeable losses on such long term contracts (including derivative contracts, if any) has been made in the books of accounts

37. The Company has international & domestic transaction with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Management of the Company is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have impact on the financial statements, particularly on account of tax expense and that of

38. Based on the information available with the Company there are no dues outstanding to Micro, Small, and Medium Enterprises as at year end under the Micro, Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

39. Details of loan given, investments made and guarantee given covered u/s 186(4) of the 2013 Act have been disclosed under the respective heads of 'Related party transactions' given in note 32.

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40. Financial instruments

(a) Financial instruments by category

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	FVTOCI	Amortized cost	FVTOCI	Amortized cost	FVTOCI	Amortized cost
Financial assets						
Non-current investments	57,987,902	-	117,714,402	-	111,936,202	-
Investment held for sale	155,576		165,376		176,401	
Trade receivables	-	614,072,460	-	650,691,241	-	636,646,620
Loans	-	91,994,975	-	89,260,519	-	60,463,087
Cash and cash equivalents	-	21,899,687	-	143,023	-	403,529
	58,143,478	**727,967,122**	**117,879,778**	**740,094,783**	**112,112,603**	**697,513,236**
Financial liabilities				-		
Borrowings	-	35,676,560	-	121,083,575	-	252,501,256
Trade payables	-	499,331,851	-	529,364,396	-	392,577,179
Other financial liabilities	-	590,183	-	2,026,557	-	2,673,010
	-	**535,598,594**	**-**	**652,474,528**	**-**	**647,751,445**

(b) Fair value hierarchy

Financial instruments are classified into three levels in order to provide an indication about the reliability of the inputs used in determining the fair values.

The categories used are as follows:
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.

	Level 1	Level 2	Level 3	Total
As at March 31, 2017				
Non-current investments				-
Unquoted	-	-	57,987,902	57,987,902
Investment held for sale				
Unquoted			155,576	155,576
	-	-	**58,143,478**	**58,143,478**
As at March 31, 2016				-
Non-current investments				-
Unquoted	-	-	117,714,402	117,714,402
Investment held for sale				-
Unquoted	-	-	165,376	165,376
	-	-	**117,879,778**	**117,879,778**
As at April 01, 2015				
Non-current investments				-
Unquoted			111,936,202	111,936,202
Investment held for sale				-
Unquoted			176,401	176,401
	-	-	**112,112,603**	**112,112,603**

There are no transfers between any levels during the year.

(c) Fair value of financial instruments measured at amortized cost

The carrying amounts of the financial instruments measured at amortized cost, disclosed in note (a) above, approximates to their fair values. Accordingly, the fair values of such instruments have not been disclosed separately.

(d) Valuation techniques and processes used to determine fair value

For unquoted investments, fair value is determined based on the present values, calculated using internationally accepted valuation principles, by independent valuers

(e) Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement.

Non-current investments - Unquoted

As at	Fair value	Significant unobservable inputs*	
		Earnings growth rate (%)	Risk adjusted discount rate (%)
March 31, 2017	58,143,478	0 - 4.00	10.00
March 31, 2016	117,879,778	0 - 4.00	8.50-10.00
April 01, 2015	112,112,603	0 - 4.00	8.50-10.00

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(f) Reconciliation of financial instruments categorized under Level 3

	March 31, 2017	March 31, 2016
Opening	117,879,778	112,112,603
Addition	-	
Gains/(losses) recognized in OCI	73,822,364	5,767,175
Closing	**191,702,142**	**117,879,778**

41. Financial risk management objectives and policies

The Company's principal financial instruments are as follows:
Financial assets: Investments, Cash and bank balance, Loans, Trade and other receivables,
Financial liabilities: Borrowings, Trade and other payables.

The main purpose of these financial instruments is to regulate, finance and support the Company's operations

The Company is exposed to various financial risks such as credit, liquidity and market risk. An experienced and qualified team ensures that all financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and other financial instruments.

A.1. Trade receivables

Trade receivables are contractual amounts due from these customers for works certified. Trade receivables are non-interest bearing and are generally on 30 to 45 days credit, depending upon contractual terms. The management evaluates the outstanding receivables on a periodic basis and provides for the impairment loss based on the established policy.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on its trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances, clubbed with, historical experience with the customer and/or the industry in which the customer operates and assessment of litigation, if applicable. Receivables are written off when they are no more deemed collectible.

Though the Company executes projects with repeat customers but there is no significant customer level concentration of the credit risk as at any of the reported periods. Further, there is no concentrated risk based on the location where the Company operates.

A.2. Other financial assets

Loans and receivable from related parties are periodically reviewed by the management in conjunction with the re-measured fair values of the Company's investments in those parties. Where the carrying amount of any receivable exceeds the re-measured fair value of investment, an impairment loss, to that extent, is provided for in the financial statements.

Cash and bank balances are managed by the Company's treasury department. Concentration risk is constantly monitored to mitigate financial loss.

The Company's maximum exposure to credit risk for the components of the financial assets as at March 31, 2017, March 31, 2016 and April 01, 2015 is to the extent of their respective carrying amounts as disclosed in notes 6, 7, 10, 11 and 12.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements, both immediate and long-term. The finance needs are monitored and managed by the Company's treasury department, in consultation with the project teams and management. The Company takes support from its secured lenders to finance and support the Company's operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans (long-term and working capital loans), including debentures. The working capital loans are generally revolving in nature and linked with the current assets of the projects. Of the total long-term debts Rs.1,413,033, approximately 41% is payable in less than one year at March 31, 2017 (March 31, 2016: 59% of Rs.3,387,630; April 01, 2015: 44% of Rs.5,972,885) based on the carrying value of such borrowings reflected in the financial statements.

Other financial liabilities, like trade and other payables, matures predominantly within one year.

C .Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk.

The sensitivity analysis as shown below relates to the position as at March 31, 2017 and March 31, 2016. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

C.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to cash flow interest rate risk. As at March 31, 2017 and March 31, 2016, the Company's borrowings at variable rate were mainly denominated in INR and USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying mount nor the future cash flows will fluctuate because of a change in market interest rates.

C.1.1. Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total borrowings *	36,252,907	123,076,223	255,115,643
Less:Fixed rate borrowings	(1,413,033)	(3,387,630)	(5,972,885)
Variable rate borrowings	**34,839,874**	**119,688,593**	**249,142,758**

*excluding interest accrued on borrowings.

C.1.2. Interest rate sensitivity

With all other variables held constant, increase of 50 basis points (bps) will result in a loss of Rs. 174,199 before tax (Previous year: Rs. 598,443) and a decrease of 50 bps will result in a gain of Rs. 174,199 before tax (Previous year: Rs. 598,443).

C.2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's un-hedged foreign currency exposure of its Indian operations and Company's net investment in its foreign operations.

C.2.1. Foreign currency risk exposure

The Company's significant exposure to foreign currency risk at the end of the reported periods, expressed in INR, are as follows:

As at March 31, 2017

Particulars	**USD**	**GBP**	**SGD**	**MYR**	**EUR**
Financial assets	478,351,211	-	-	-	26,790,749
Financial liabilities	(228,081,391)	(2,442)	-	(137,994)	-
Net exposure	**250,269,820**	**(2,442)**	**-**	**(137,994)**	**26,790,749**

As at March 31, 2016

Particulars	**USD**	**GBP**	**SGD**	**MYR**	**EUR**
Financial assets	533,804,502	-	-	-	-
Financial liabilities	(314,379,061)	(12,433,400)	(629,373)	(39,178)	-
Net exposure	**219,425,441**	**(12,433,400)**	**(629,373)**	**(39,178)**	**-**

As at April 01, 2015

	USD	**GBP**	**SGD**	**MYR**	**EUR**
Financial assets	441,505,324	1,060,749	-	-	-
Financial liabilities	(237,244,308)	(8,523,985)	(362,748)	137,994	-
Net exposure	**204,261,016**	**(7,463,236)**	**(362,748)**	**137,994**	**-**

C.2.2. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in currency exchange rate	Profit/(loss) effect before tax	
		March 31, 2017	March 31, 2016
USD	+5%	12,513,491	10,971,272
GBP	+5%	(122)	(621,670)
SGD	+5%	-	(31,469)
MYR	+5%	(6,900)	(1,959)
EUR	+5%	1,339,537	-

A decrease of 5% in the above currency's exchange rates would result in an equivalent reciprocal effect.

42 .Capital Management

Risk management:

For the purpose of the capital management, capital includes the issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company monitors capital on the basis of a gearing ratio, which is, net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet) plus net debt. Borrowings include long-term borrowings, current maturities of long-term borrowings, short-term borrowings and interest accrued thereon. The Company's strategy is to maintain a gearing ratio within 100%. The gearing ratios were as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Borrowings other than convertible preference shares	35,676,560	121,083,575	252,501,256
Less :- Cash and cash equivalents	21,899,687	143,023	403,529
Net Debts	**13,776,873**	**120,940,552**	**252,097,727**
Equity	507,201,556	642,176,099	708,634,588
Equity & Net Debt	**520,978,429**	**763,116,652**	**960,732,315**
Gearing Ratio	**3%**	**16%**	**26%**

Loan covenants:

Under the terms of some borrowing facilities,the company is required to comply certain financial covenant. The company is meeting its financial convenants attached to the interest bearing loans & borrowing that define capital structure requirements

43. Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both hanges arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect of the amendment on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cashsettled awards and awards that include a net settlement feature in respect of thholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the endment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxe to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect of the amendment on the financial statements is being evaluated by the Company.

44.Specified Bank Notes (SBN) disclosure

In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, details of SBN and Other Denomination Notes (ODN), held and transacted during the period from November 08, 2016 to December 30, 2016 are given below:

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 08, 2016	14,000	418	14,418
(+) Non permitted receipts	-	-	-
(+) Permitted receipts	-	142,000	142,000
(-) Permitted payments	5,000	38,418	43,418
(-) Amount deposited in banks	9,000	0	9,000
Closing cash on hand as on December 30, 2016	-	104,000	104,000

45.First time adoption of Ind AS

Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS.
The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in preparation of an opening Ind AS balance sheet as at April 01, 2015 (the transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 (as amended) (previous GAAP or Indian GAAP). This note explains how the transition from previous GAAP to Ind AS has been effected by the Company and how the same has affected the reported financial position, financial performance and cash flows of the Company:

A.1 Ind AS optional exceptions availed:
The Company has carried out the previous GAAP cost as deemed cost at the date of transition. The Company believes revaluation of these property, plant & equipments are not necessary, as the deemed cost will not materially differ from fair value of these PPE.

A.2 Ind AS mandatory exceptions availed:
(a) Estimates
The estimates as at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP expecept impairment of financial assets based on expected credit loss model.

Ind AS estimates as at April 01, 2015 and March 31, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the said dates as these were not required under previous GAAP:

• Investment in equity instruments carried at FVPL or FVTOCI; and
• Impairment of financial assets based on expected credit loss model.

(b) De-recognition of financial assets and liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 – 'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has elected to apply the same.

(c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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PL Engineering Limited

Notes to financial statements year ended March 31, 2017

(All amounts in INR, unless otherwise stated)

B. Reconciliation between previous GAAP and Ind AS

The following tables represent the reconciliation of equity, total comprehensive income and cash flows for prior periods from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at March 31, 2016 and the date of transition, i.e., April 01, 2015:

	Notes to First Time Adoption	As At March 31, 2016			As At April 1, 2015		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Assets							
Non-current assets							
Property Plant and Equipments		9,107,760	-	9,107,760	17,526,158	-	17,526,158
Other intangible assets		23,060,474	-	23,060,474	35,910,219	-	35,910,219
Other non current assets		472,831	-	472,831	1,137,764	-	1,137,764
Financial Assets							
Non-current investments	(i)	12,772,120	104,942,282	117,714,402	12,772,120	99,164,082	111,936,202
Loans and advances		25,830,000	-	25,830,000	26,174,000	-	26,174,000
		71,243,185	**104,942,282**	**176,185,467**	**93,520,261**	**99,164,082**	**192,684,343**
Current assets							
Unbilled revenue (work-in-progress)		474,163,359	-	474,163,359	575,123,168	-	575,123,168
Financial Assets			-	-			
Trade receivables		650,691,241	-	650,691,241	636,992,204	(345,584)	636,646,620
Investments held for sale	(i)	745,000	(579,624)	165,376	745,000	(568,599)	176,401
Cash and cash equivalents		143,023	-	143,023	403,529	-	403,529
Loans and advances	(ii)	105,233,118	(15,972,599)	89,260,519	76,745,072	(16,281,985)	60,463,087
Current tax asset (net)		45,602,195	-	45,602,195	53,369,447	-	53,369,447
Other current assets	(ii)	18,167,441	(6,477,130)	11,690,311	18,252,206	(6,477,130)	11,775,076
		1,294,745,377	**(23,029,352)**	**1,271,716,024**	**1,361,630,626**	**(23,673,298)**	**1,337,957,328**
Total Assets		**1,365,988,561**	**81,912,930**	**1,447,901,491**	**1,455,150,887**	**75,490,784**	**1,530,641,671**
Equity and liabilities							
Equity							
Share capital		262,300,000	(200,050,000)	62,250,000	262,300,000	(200,050,000)	62,250,000
Other Equity		297,961,969	281,964,130	579,926,099	370,842,804	275,541,784	646,384,588
		560,261,969	**81,914,130**	**642,176,099**	**633,142,804**	**75,491,784**	**708,634,588**
Non-current liabilities							
Other long term provisions		28,971,786	-	28,971,786	13,545,886	-	13,545,886
Financial Liabilities			-	-			-
Borrowings		1,394,982	-	1,394,982	3,358,498	-	3,358,498
		30,366,768	**-**	**30,366,768**	**16,904,384**	**-**	**16,904,384**
Current liabilities							
Financial Liabilities							
Borrowings		119,688,593	-	119,688,593	249,142,758	-	249,142,758
Trade payables		529,364,396	-	529,364,396	392,577,179	-	392,577,179
Other current liabilities		96,368,089	-	96,368,089	119,952,666	-	119,952,666
Provisions		29,938,746	(1,200)	29,937,546	43,431,096	(1,000)	43,430,096
		775,359,824	**(1,200)**	**775,358,624**	**805,103,699**	**(1,000)**	**805,102,699**
Total Equity and Liabilities		**1,365,988,561**	**81,912,930**	**1,447,901,491**	**1,455,150,887**	**75,490,784**	**1,530,641,671**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.2 Reconciliation of total comprehensive income for the year ended March 31, 2016:

	Notes to First Time Adoption	Previous GAAP*	Adjustments	Ind AS
Income				
Revenue from operations		798,546,324	-	798,546,324
Other income	(ii)	10,889,030	345,584	11,543,997
Total income		**809,435,354**	**345,584**	**810,090,321**
Expenses				
Employee benefits expense	(iii)	630,754,906	(1,672,966)	629,081,940
Other expenses		197,842,672	-	197,842,672
Depreciation		19,845,273	-	19,845,273
Finance costs		33,873,134	-	33,873,134
Total Expense		**882,315,985**	**(1,672,966)**	**880,643,019**
Profit before tax		**(72,880,631)**	2,327,933	**(70,552,698)**
Tax expenses		**-**	**-**	**-**
Loss for the year		**(72,880,631)**	**2,327,933**	**(70,552,698)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss.				
Remeasurement of post employment benefit obligations	(iii)	-	(1,672,966)	(1,672,966)
Fair value net (loss)/ gain on equity instruments through OCI	(i)	-	5,767,175	5,767,175
Total other comprehensive income for the year		**-**	**4,094,209**	**4,094,209**
Total comprehensive income for the year, net of tax		**(72,880,631)**	**6,422,142**	**(66,458,489)**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.3 Reconciliation of total equity as at March 31, 2016 and April 01, 2015:

	Notes to first-time adoption	March 31, 2016	April 01, 2015
Total equity (shareholders fund) as per previous GAAP		560,261,968	633,142,800
Impact on account of:			
Fair value net (loss)/ gain on equity instruments through OCI	(i)	104,362,655	98,595,480
Accounting of dividend as per Ind-AS		1,200	1,000
Expected credit loss	(ii)	(22,449,724)	(23,104,692)
Total equity (shareholders fund) as per Ind-AS		**642,176,099**	**708,634,588**

B.4 Reconciliation of total comprehensive income for the year ended March 31, 2016:

	Notes to first-time adoption	March 31, 2016
Loss after tax as per previous GAAP		(72,880,632)
Adjustments on account of:		
Re-measurement of post employment benefit obligations	(iii)	1,672,966
Expected credit loss	(ii)	654,968
Loss after tax as per Ind AS		**(70,552,698)**
Other comprehensive income	(i) & (v)	4,094,209
Total comprehensive income as per Ind AS		**(66,458,489)**

B.5 Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016:

There were no reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS for the year ended March 31, 2016.

C .Notes to first time adoption to Ind AS

(i) Fair valuation of investments

Under the previous GAAP, the long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, as per the policy adopted by the Company, these investments are required to be measured at fair value. The resulting fair value changes of these investments in equity instruments, mainly designated as at FVTOCI, have been recognized in FVTOCI reserve as at the transition date and subsequently in the other comprehensive income for the year ended March 31, 2016. This increased other reserve by Rs. 104,362,655 as at March 31, 2016 (April 01, 2015: Rs. 98,595,480). Consequent to the above, other comprehensive income for the year ended March 31, 2016 increased by Rs. 5,767,175.

(ii) Receivables:

(including related parties receivables and payables classified under respective heads of financial assets and liabilities)

As per Ind AS 109 – 'Financial Instruments', the Company is required to apply expected credit loss (ECL) model for recognizing allowance for doubtful debts. Due to ECL model, the Company impaired its receivables by Rs.654,967 on April 1, 2015, which has been adjusted in retained earnings. The reversal of opening ECL provision of Rs. 654,967 for the year ended on March 31, 2016 has been recognized in the statement of profit and loss.

(iii) Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurement, i.e., actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 decreased by Rs. 1,672,966. There is no impact on the total equity as at March 31, 2016

(iv) Retained earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

(v) Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income or expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurement of defined benefit plans, foreign currency translation differences arising on translation of foreign operations and fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

For BGJC & Associates LLP
(Formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

For and on behalf of the board of directors of
PL Engineering Limited

Darshan Chhajer
Partner
Membership Number: 088308
Place : Gurugram
Date : May 26, 2017

Atul Kumar Jain
Director
DIN: 02208079

Atul Punj
Director
DIN: 00005612

Badri Krishnan
CEO

Sameer P Sashidharan
Company Secretary
M. No: A13600