SRIVASTAVA KUMAR & CO.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of **PLN Construction Limited**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of PLN ConstructionLimited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone 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 (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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.

Srivastava Kumar & Co. Chartered Accountants

21-A NANGLI RAJAPUR, NEAR SARAI KALE KHAN, NIZAMUDDIN EAST, NEW DELHI - 110013
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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 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. 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 purposes of our audit.
   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the balance sheet, the statement of profit and loss, the statement of cash flows 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 Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder
   e. on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
   f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

Srivastava Kumar & Co. * Chartered Accountants *

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 in its financial statements, if any.

ii. the Company does not have any long-term contracts including derivative contracts, for which provision is required for any foreseeable losses;

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

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

for Srivastava Kumar & Co.
Chartered Accountants
Firm Registration No: 011204N

Srivastava Kumar & Co. Chartered Accountants

M.K Jain
Partner
Membership No: 088223

Place: Gurgaon
Date : 17.04.2017

Annexure - A to the Auditors' Report

Referred to in paragraph 1 under the heading report on other legal and regulatory requirements of the Auditors' Report of even date

Re: PLN Construction Limited

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties are held in the name of the company.

ii. (a) The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees and securities in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75& 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the service rendered by the Company.

vii. (a)According to information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee's State Insurance, Service Tax, cess and Income Tax though, and any other Statutory dues, as applicable, with the appropriate authorities. No such statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial intuitions/ banks. The company did not have any outstanding dues in respect of debenture during the year.

Srivastava Kumar & Co. ★ Chartered Accountants ★

ix. According to the records of the company examined by us and the information and explanations given to us, during the year no money were raised by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the information and explanations given by the management, that the company has utilized the monies raised by way of terms of loans for the purposes for which they were raised.

x. According to the audit procedures performed and the information and explanations given to us by management, no fraud noticed by the Company, or its officers, or employees during the year.

xi. According to the records of the company examined by us and the information and explanations given to us, no managerial remuneration paid during the year, hence provisions of section 197 read with schedule V to the Companies Act not applicable.

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

xiii. According to the information and explanations given to us by management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

xiv. According to the information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xv. According to the audit procedures performed and the information and explanations given to us by management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

for Srivastava Kumar & Co.
Chartered Accountants
Firm Registration No: 011204N

Srivastava Kumar & Co. Chartered Accountants

M.K.Jain
Partner
Membership No. 088223

Place: Gurgaon
Date : 17.04.2017

Annexure - B to the Auditors' Report

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 **PLN Construction Limited** ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Srivastava Kumar & Co. Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Srivastava Kumar & Co.
Chartered Accountants
Firm Registration No: 011204N

Srivastava Kumar & Co. Chartered Accountants

M.K.Jain
Partner
Membership No. 088223

Place: Gurgaon
Date : 17.04.2017

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

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
Non-current assets				
Property Plant and Equipments	3	188,155,380	209,064,500	233,242,152
Deferred tax assets (net)	4	-	-	486,756
Other Assets	5	56,138,059	71,530,319	68,594,803
Financial Assets:				
Loans	6	393,820,264	376,497,914	337,047,914
Current assets				
Unbilled revenue (work-in-progress)		-		
Other Assets	5	10,741,151	4,256,688	4,564,028
Financial Assets				
Trade receivables	7	386,521,370	370,915,448	402,609,763
Cash and bank balances	8	23,976,466	12,827,455	5,301,659
Loans	6	201,541,775	157,792,681	120,516,378
`Total Assets		**1,260,894,465**	**1,202,885,005**	**1,172,363,453**
Equity				
Equity Share Capital	9	20,000,000	20,000,000	20,000,000
Other Equity				
Retained Earnings	10	153,092,136	153,730,549	148,930,172
Other reserves	10	2,210,000	2,210,000	2,210,000
Total Equity		**175,302,136**	**175,940,549**	**171,140,172**
Non-current liabilities				
Deferred tax liabilities (net)	4	4,316,949	2,429,645	-
Financial Liabilities				
Borrowings	11	-	-	66,336,944
Other liabilities	12	1,000,202,896	964,099,406	838,966,364
Current liabilities				
Financial Liabilites				
Short-term borrowings	13	340,199	14,445,200	19,420,982
Trade payables		67,916,003	42,811,458	35,683,242
Others	14	-	-	38,103,924
Other non financial liabilities	15	12,816,282	3,158,746	2,711,826
Total Liabilites		**1,085,592,329**	**1,026,944,455**	**1,001,223,282**
Total equity and liabilities		**1,260,894,465**	**1,202,885,005**	**1,172,363,453**
Summary of significant accounting policies	2.1			

The accompanying notes form integral part of the financial statements

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

For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No: 011204N

per M K Jain
Partner
Membership No. : 088223

Place: New Delhi
Date : 17.04.2017

For and on behalf of the Board of Directors of
PLN Construction Limited

Director
Din 02208079

Director
Din 03227629

PLN Construction 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		272,675,289	180,054,314
Other income	16	47,803,389	42,149,377
Total income (I)		**320,478,678**	**222,203,691**
Expenses			
Cost of components and spares consumed		57,860,898	41,559,950
Employee benefits expense	17	23,840,812	22,111,770
Other expenses	18	211,928,777	108,926,229
Total expenses (II)		**293,630,487**	**172,597,948**
Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		**26,848,191**	**49,605,743**
Depreciation	3	20,909,120	24,177,652
Finance costs	19	4,690,181	17,711,312
Profit/ (loss) before tax		**1,248,891**	**7,716,778**
Tax expenses			
Current tax		237,976	1,709,816
MAT credit entitlement		(237,976)	(1,709,816)
Deferred tax credit		1,887,304	2,916,401
Total tax expenses		**1,887,304**	**2,916,401**
Profit/ (loss) for the year		**(638,414)**	**4,800,377**
Other Comprehensive Income		-	-
Total comprehensive Income for the year attributable to equity holders of the parent		**(638,414)**	**4,800,377**
Earnings per share (nominal value per share Rs.10 each (previous year Rs.10))			
Basic and diluted	20	(0.32)	2.40
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

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

For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No: 011204N

per M K Jain
Partner
Membership No. : 088223

Place: New Delhi
Date : 17.04.2017

For and on behalf of the Board of Directors of
PLN Construction Limited

Director
Din
02208079

Director
Din
03227629

PLN Construction Limited
Cash flow statements for the year ended March 31, 2017
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from/ (used in) operating activities		
Profit /(Loss) before tax	**1,248,891**	**7,716,778**
Non-cash adjustment to reconcile Profit /(Loss) before tax to meet cash flow		
Depreciation	20,909,120	24,177,652
Expected Credit Loss Provision	3,087,505	1,256,279
Interest expense	2,850,118	17,033,564
Interest income	(47,803,389)	(41,687,465)
Operating profit before working capital changes	**(19,707,756)**	**8,496,808**
Movement in working capital:		
Decrease in trade payables	25,104,544	7,128,216
Increase in other current liabilities	9,657,536	(37,657,004)
Increase in trade receivables	(18,693,427)	30,438,037
Decrease in Unbilled revenue (work-in-progress)	-	-
Decrease/(Increase) in loans and advances	(66,797,782)	(73,426,522)
Cash generated from/ (used in) operations	(70,436,885)	(65,020,465)
Direct taxes paid (net of refunds)	14,634,135	(5,927,957)
Net cash flow from/ (used in) operating activities (A)	**(55,802,750)**	**(70,948,422)**
Cash flow from investing activities		
Purchase of fixed assets	-	
Increase in margin money deposits	(116,827)	(400,000)
Interest received	47,803,389	41,687,465
Net cash flow from investing activities (B)	**47,686,563**	**41,287,465**
Cash flow from (used in) financing activities		
Proceeds/ (Repayment) from long -term borrowings (net)	36,103,490	58,796,098
(Repayment)/Proceeds from short-term borrowings (net)	(14,105,001)	(4,975,782)
Interest paid	(2,850,118)	(17,033,564)
Net cash flow from (used in) financing activities (C)	**19,148,371**	**36,786,752**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**11,032,184**	**7,125,796**
Cash and cash equivalents at the beginning of the year	11,786,175	4,660,379
Cash and cash equivalents at the end of the year	**22,818,359**	**11,786,175**
Components of cash and cash equivalents		
Cash on hand	262,257	1,038,722
Balances with banks:		
On current accounts	22,556,102	10,747,453
Total cash and cash equivalents (also refer note 11)	**22,818,359**	**11,786,175**

The accompanying notes form integral part of the financial statements
This is the cash flow statement referred to in our report of even date

For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No: 011204N

per M K Jain
Partner
Membership No. : 088223

Place: New Delhi
Date : 17.04.2017

For and on behalf of the Board of Directors of
PLN Construction Limited

Director
Din
02208079

Director
Din
03227629

PLN Construction Limited
Standalone Statement of Changes in Equity for the period ended March 31, 2017
(All amounts in INR, unless otherwise stated)

	Numbers	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
At 1, April 2015	**2,000,000**	**20,000,000**
At 31, March 2016	**2,000,000**	**20,000,000**
At 31, March 2017	**2,000,000**	**20,000,000**

Other Equity

For the year ended March 31, 2016

Description	Reserves and Surplus		OCI	Total
	General Reserve	Retained earning		
As at April 01, 2015	2,210,000	148,930,171	-	151,140,171
Profit for the year	-	4,800,377	-	4,800,377
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	**2,210,000**	**153,730,549**	-	**155,940,549**
	-	-	-	-
As at March 31, 2016	**2,210,000**	**153,730,549**	-	**155,940,549**

For the year ended Mar 31, 2017

Description	Reserves and Surplus		OCI	Total
	General Reserve	Retained earning		
As at March 31, 2016	2,210,000	153,730,549	-	155,940,549
Profit for the year	-	(638,414)	-	(638,414)
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	2,210,000	153,092,135	-	155,302,135
	-	-	-	-
As at Mar 31, 2017	**2,210,000**	**153,092,135**	-	**155,302,135**

Srivastava Kumar & Co. Chartered Accountants

PLN Construction Limited
Standalone notes to financial statements for the year ended March 31, 2017

1. Corporate information

PLN Construction Limited the Company ("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 a subsidiary of Punj Lloyd Limited and is primarily engaged in the business of lying of pipelines by Horizontal Directional Drilling (HDD) Method.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS). For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2016. These financial statements for the year ended 31 March 2016 are the first the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on a historical cost basis, except for the fowling assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities measured at fair value.

2.1. Summary of significant accounting policies

(a) Use of estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

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

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

(b) Property, Plant and Equipments

Plant and Equipments are stated at cost, net off accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the 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.

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

(c) Depreciation on Property, Plant and Equipments

Depreciation on tangible fixed assets is calculated on a straight line basis, at the rates prescribed under Schedule II to the Companies Act, 2013, which are based on estimated useful life of the assets.

Individual assets costing upto Rs. 5,000 are depreciated @ 100%.

(d) Financial Instruments

A financial instrument is any contract that gives raise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial instruments : Initial Recognition

All the financial asset are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial assets. Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Financial instruments : Subsequent measurement

All equity investments are measured at fair value. For the purpose of subsequent measurement, Equity Investments are measured at fair value through other comprehensive income (FVTOCI) category.

Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at fair value through profit and loss.

Srivastava Kumar & Co. Chartered Accountants

Financial instruments : Derecognition

All financial asset is primarily derecognized when right to receive cash flows from the asset have expired or the company has transferred its rights to receive cash flow from the asset or the company has transferred control of the asset.

Impairment of financial assets

Recognition of impairment loss:

1.Trade receivables and advances (*other than from Group Companies*):

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables and advances (*other than from Group Companies*).

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses separate provision matrices to determine impairment loss allowance on portfolio of its trade receivables and advances (*other than Group Companies*).

Provision matrix for trade receivables (*other than Group Companies*):

The Company estimates the ECL on contractually due trade receivables for completed projects, based on following provision matrix, on a cumulative basis. The company does not evaluate trade receivables for impairment on its on-going projects.

	Upto 3 Years	Upto 4 Years	Upto 5 Years	Upto 6 Years	Beyond 6 Years
Default rate	0%	10%	35%	65%	100%
Other criteria	(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses. (ii) The trade receivables against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.				

The above matrix is based on historically observed default rates over their expected life and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated.

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Provision matrix for *(non-trade)* advances (*other than Group Companies*):

	Upto 5 Yrs	Upto 6 Years	Upto 7 Years	Beyond 7 Years
Default rate	0%	20%	50%	100%
Other criteria	(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses. (ii) The advances against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.			

The above matrix is based on historically observed default rates and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated.

Trade receivables and advances *(from Group Companies)*:

Trade receivables and advance from group companies are assessed in conjunction with fair valuation of Company's investment therein. Where, futuristic intent or fair valuation cast a doubt on recoverability of the amounts receivables, the same are provided for in the statement of profit and loss.

2. Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company first determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Accounting and presentation of ECL:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- *Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables*: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- *Loan commitments and financial guarantee contracts*: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI*: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Financial liabilities are classified at initial reorganization at fair value. Interest bearing loans are subsequently measured at amortized cost using the EIR method, gain and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance cost in the statement of profit and loss. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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 fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(g) Unbilled revenue (Work-in-progress)

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

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(h) 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:

i. Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized 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. Contract revenue earned in excess of billing has been classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue has been classified as "Other current liabilities" in the financial statements. Claims on construction contracts are inched based on management's estimate of the probability that they will result in additions revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Company assesses the carrying value of various claims periodically, and makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers. The Company collects service tax and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

ii. 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.

(i) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 they occur.

(j) Foreign currency transaction

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

i. Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the translation settlement of foreign currency monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(k) Income taxes

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

Deferred tax is provided using the liability method on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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

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

(l) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(m) Earnings per share:

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

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

(o) Cash and cash equivalents

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

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully 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.

(q) Contingent Assets

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable

(r) Operating cycle

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

(s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

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3 Property, Plant and Equipments

Particulars	Plant and equipment	Office equipment	Vehicles	Total
Cost				
At April 01, 2015	557,567,765	957,798	1,117,260	559,642,823
Additions during the year	-	-	-	-
Disposals	-	-	-	-
At March 31, 2016	557,567,765	957,798	1,117,260	559,642,823
Additions during the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2017	557,567,765	957,798	1,117,260	559,642,823
Depreciation				
At April 01, 2015	324,581,485	957,798	861,388	326,400,671
Charge for the year	24,051,254	-	126,398	24,177,652
Disposals	-	-	-	-
At March 31, 2016	348,632,739	957,798	987,786	350,578,323
Charge for the year	20,853,783	-	55,337	20,909,120
Disposals	-	-	-	-
As at March 31, 2017	369,486,522	957,798	1,043,123	371,487,443
Net block				
At March 31, 2016	208,935,026	0	129,474	209,064,500
As at March 31, 2017	188,081,243	0	74,137	188,155,380

4 Deferred tax liabilities (net)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	15,752,773	(14,921,906)
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis	-	-	-
Unabsorbed losses/carried forward losses	-	13,323,128	15,408,662
Net Deferred Tax Asset /(Liability)	4,316,949	2,429,645	(486,756)

5 Other Assets

Particulars	Long-term As at March 31, 2017	Long-term As at March 31, 2016	Long-term As at April 01, 2015	Short-term As at March 31, 2017	Short-term As at March 31, 2016	Short-term As at April 01, 2015
a. Advance recoverable in kind or for value to be received						
Unsecured, considered good	-	-	-	7,026,508	3,940,059	4,247,399
	-	-	-	7,026,508	3,940,059	4,247,399
b. Other advances						
Advance income-tax (net of provision for taxation)	28,045,242	42,679,377	36,751,420	-	-	-
VAT/Sales tax recoverable	23,083,377	23,083,377	27,785,634	-	-	-
MAT credit entitlement	5,009,440	5,767,565	4,057,749	-	-	-
Balances with statutory/ government authorities	-	-	-	3,714,643	316,629	316,629
	56,138,059	71,530,319	68,594,803	3,714,643	316,629	316,629
	56,138,059	71,530,319	68,594,803	10,741,151	4,256,688	4,564,028

6 Financial Assets: Loans

Particulars	Long-term As at March 31, 2017	Long-term As at March 31, 2016	Long-term As at April 01, 2015	Short-term As at March 31, 2017	Short-term As at March 31, 2016	Short-term As at April 01, 2015
Security deposits						
Unsecured, considered good	-	-	-	8,413,798	404,527	600,863
	-	-	-	8,413,798	404,527	600,863
Loans to related parties						
Unsecured, considered good	393,820,264	376,497,914	337,047,914	193,127,977	157,388,154	119,915,515
	-					
	393,820,264	376,497,914	337,047,914	201,541,775	157,792,681	120,516,378

7 **Financial Assets : Trade receivables**

Particulars	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good	391,859,257	373,165,830	403,603,867
Less: Provision for Expected Credit Loss	(5,337,887)	(2,250,382)	(994,104)
	386,521,370	370,915,448	402,609,763
	386,521,370	370,915,448	402,609,763

8 **Financial Assets : Cash and bank balances**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cash and cash equivalents			
Cash on hand	262,257	1,038,722	1,238,688
Balances with banks:			
On current accounts	22,556,102	10,747,453	3,421,691
	22,818,359	11,786,175	4,660,379
Other bank balances			
Margin money deposits	1,158,107	1,041,280	641,280
	1,158,107	1,041,280	641,280
	23,976,466	12,827,455	5,301,659

9 **Equity**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised shares			
5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	50,000,000	50,000,000	50,000,000
Issued, subscribed and fully paid-up shares			
2,000,000 (previous year 2,000,000) equity shares of Rs. 10 each	20,000,000	20,000,000	20,000,000
	20,000,000	20,000,000	20,000,000

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

Equity shares

Particulars	As at March 31, 2017 Nos.	Amount	As at March 31, 2016 Nos.	Amount	As at April 01, 2015 Nos.	Amount
At the beginning of the year	2,000,000	20,000,000	2,000,000	20,000,000	2,000,000	20,000,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**2,000,000**	**20,000,000**	**2,000,000**	**20,000,000**	**2,000,000**	**20,000,000**

(b) **Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) **Shares held by holding company**

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Punj Lloyd Limited, the holding company 2,000,000 (previous year 2,000,000) equity shares of Rs. 10 each	20,000,000	20,000,000	2,000,000

(d) **Details of shareholders holding more than 5% of the equity share capital of the Company**

Name of Shareholder	As at March 31, 2017 Nos.	% of Holding	As at March 31, 2016 Nos.	% of Holding	As at April 01, 2015 Nos.	% of Holding
Punj Lloyd Limited	2,000,000	100%	2,000,000	100%	2,000,000	100%

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

10 **Other Reserves**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
General reserve	2,210,000	2,210,000	2,210,000
Surplus in the statement of profit and loss			
Balance as per last financial statements	153,730,549	148,930,172	145,104,211
Depreciation Reserve	-	-	(18,304.00)
Profit /(Loss) for the year	(638,414)	4,800,377	3,844,264
Net surplus in the statement of profit and loss	153,092,136	153,730,549	148,930,172
Total reserves and surplus	155,302,136	155,940,549	151,140,172

11 **Financial Liabilities :Long Term Borrowings**

Particulars	Non Current Portion As at March 31, 2017	Non Current Portion As at March 31, 2016	Non Current Portion As at April 01, 2015	Current Maturities As at March 31, 2017	Current Maturities As at March 31, 2016	Current Maturities As at April 01, 2015
From financial institutions (secured)	-	-	17,570,584	-	-	38,103,924
The above amount includes						
Amount disclosed under the head "other current liabilities" (note 7)	-	-	-	-	-	(38,103,924)
Unsecured						
(a) Loans and advances to related parties 11% loan from Holding Co	-	-	48,766,360	-	-	-
	-	-	66,336,944	-	-	-

12 Financial Liabilities: Other liabilities

Particulars	Non Current Portion			Current Maturities		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Due to Holding Co	1,000,202,896	964,099,406	838,966,364	-	-	-
	1,000,202,896	964,099,406	838,966,364		-	-

13 Financial Liabilities: Short-term borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cash credit from a bank (secured)	340,199	14,445,200	19,420,982
	340,199	14,445,200	19,420,982
The above amount includes			
Secured borrowings	340,199	14,445,200	19,420,982
	340,199	14,445,200	19,420,982

Cash credit from a bank is secured by hypothecation of trade receivables of the Company. The cash credit is repayable on demand and carries interest @ Base rate + 4.50%.

14 Financial Liabilities: Others

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Other liabilities			
Current maturities of long term borrowings (note 5)	-	-	38,103,924
	-	-	38,103,924

15 Other non financial liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Others	9,343,222	1,164,705	601,190
TDS payable	3,473,060	1,994,041	2,110,636
	12,816,282	3,158,746	2,711,826

16 Other income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on others	47,803,389	41,687,465
Exchange difference (net)	-	461,912
	47,803,389	42,149,377

17 Employee benefit expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	23,077,252	21,605,796
Staff welfare expenses	763,560	505,974
	23,840,812	22,111,770

18 Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Contractor charges	54,100,503	13,889,323
Site expenses	7,427,166	24,271,227
Freight and cartage	18,935,876	16,217,249
Diesel and fuel	71,287,956	15,040,989
Rent	2,974,200	1,410,000
Hire charges	34,630,890	28,525,455
Rates and taxes	7,460,180	1,973,976
Insurance	1,205,694	750,959
Expected Credit Loss Provision	3,087,505	1,256,279
Repairs and maintenance Plant and machinery	2,493,205	2,018,379
Payment to auditors (refer details below)	100,000	100,000
Consultancy and professional charges	1,986,781	700,247
Travelling and conveyance	4,648,758	1,718,781
Miscellaneous expenses	1,590,063	1,053,365
	211,928,777	108,926,229

Payment to auditors:		
As auditors:		
Audit fee	100,000	100,000
	100,000	100,000

19 Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense	2,850,118	17,033,564
Bank charges	1,611,116	570,462
Other Borrowing costs	228,947	107,286
	4,690,181	17,711,312

20 Earnings per share

Basic and diluted earnings

		As at March 31, 2017	As at March 31, 2016
a)	Calculation of weighted average number of equity shares of Rs. 10 each		
	Number of equity shares at the beginning of the year	2,000,000	2,000,000
	Equity shares at the end of the year	2,000,000	2,000,000
	Weighted average number of equity shares outstanding during the year	2,000,000	2,000,000
b)	Net (loss)/ profit after tax available for equity share holders (Rs.)	(638,414)	4,800,377
c)	Basic and diluted (loss)/earnings per share (Rs.)	(0.32)	2.40
d)	Nominal value of share (Rs.)	10	10

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21 **Segment Reporting**

Business Segment:
The Company's business activity falls within a single business segment i.e. Laying of Pipelines by Horizontal Directional Drilling (HDD) Method. Therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable.

Geographical Segment
The Company's operations are within India and does not operate in any other Country and hence there are no geographical segments.

22 The disclosures as per provisions of Clause 39, 40 and 42 of Ind AS 11 issued by Institute of Chartered Accountants of India are as under:

Particulars	As at March 31, 2017	As at March 31, 2016
a) Contract revenue recognised as revenue in the period (Clause 39 (a))	272,675,289	180,054,314
b) Aggregate amount of costs incurred and recognised profits up to the reporting date Contracts under progress (Clause 40 (a))	-	-
c) Advance received on Contracts under progress (Clause 40 (b))	-	-
d) Retention amount on Contract under progress (Clause 40 (c))	-	-
e) Gross amount due from customers for contract work as an asset (Clause 42 (a))	-	-
f) Gross amount due from customers for contract work as a liability (Clause 42 (b))	-	-

23 **Related party disclosures**

Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not
Holding company — Punj Lloyd Limited

Related parties with whom transactions have taken place during the year
Holding company — Punj Lloyd Limited
Fellow subsidiaries — Punj Lloyd Upstream Limited
Punj Lloyd Aviation Limited
Indraprastha Renewables Pvt Ltd

Key Managerial Personnel
Atul Kumar Jain — Director
Shiv Punj — Director
Vineet Gupta — Director

Related party transactions

Particulars	Holding company		Fellow subsidiaries		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
INCOME						
Job Revenue						
Punj Lloyd Limited	-	152,611,814	-	-	-	152,611,814
Interest Income						
Punj Lloyd Upstream Limited	-	-	33,916,935	40,519,278	33,916,935	40,519,278
Punj Lloyd Aviation Limited	-	-	5,785,907	1,116,987	5,785,907	1,116,987
Indraprastha Renewables Pvt Ltd	-	-	7,266	-	7,266	-
EXPENSES						
Hire Charges						
Punj Lloyd Limited	-	10,354,047	-	-	-	10,354,047
Rent						
Punj Lloyd Limited	-	1,322,400	-	-	-	1,322,400
Interest						
Punj Lloyd Limited	-	88,180	-	-	-	88,180
Balance outstanding as at end of the year Receivable/(payable)						
Punj Lloyd Limited	(697,904,335)	(645,190,846)	-	-	(697,904,335)	(645,190,846)
Punj Lloyd Upstream Limited	-	-	526,266,021	494,580,780	526,266,021	494,580,780
Punj Lloyd Aviation Limited	-	-	58,362,604	39,416,987	58,362,604	39,416,987
Indraprastha Renewables Pvt. Ltd. - India	-	-	1,307,266	-	1,307,266	-
Punj Lloyd Aviation Limited	-	-	58,362,604	39,416,987	58,362,604	39,416,987

24 Disclosure of specified bank notes (NBS), as required in Part I in Division II in Schedule III.
Cash transactions from 8th November 2016 to 30th December 2016

Paritulars	SBNs		SBNs		Other	Total
Closing Cash in hand as on 08.11.2016	1000		500			
Closing Cash in hand as on 8th November 2016	Nos.	Amount	Nos.	Amount		
	1469	1,469,000	1,256	628,000	195,153	2,292,153
(+) Permitted receipts	-	-	-	-	610,000	610,000
(-) Permitted payments	-	-	-		(665,700)	(665,700)
(-) Amount deposited in Banks	(1,469)	(1,469,000)	(1,256)	(628,000)	-	(2,097,000)
Closing Cash in hand as on 30.12.2016	-	-	-	-	139,453	139,453

25 The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 outstanding as at March 31, 2017.

26 **Fair Value**

The management assessed that cash and cash equivalents, trade payables, borrowings and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

Trade receivables and loans and advances recoverable from related parties are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

27 **Financial risk management objectives and policies**

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

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

Credit Risk

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

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

Trade receivable : Customer credit risk is managed with the Companies established policy, procedures and control relating to customer credit risk management, such as the outstands from customer receivables are regularly monitored. As at March 31, 2017 the Company has three numbers of customers having outstanding of Rs. 1 crore or more.

The Company does not hold collateral as security against these receivables, however it evaluates the concentration of risk with respect to trade receivables as low, as the customers operate in largely independent market.

Market Risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2017 the Company has only one borrowing at floating interest rate.

Srivastava Kumar & Co. Chartered Accountants

28 Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholders value.

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

	Mar-17	Mar-16	Mar-15
Borrowings	340,199	14,445,200	85,757,926
Trade payables	-	-	38,103,924
Other Payables	1,013,019,178	967,258,152	841,678,190
Less:			
Cash and cash equivalents	(23,976,466)	(12,827,455)	(5,301,659)
Net Debts	**989,382,911**	**968,875,897**	**960,238,382**
Equity	175,302,136	175,940,549	171,140,172
Capital & net debts	1,164,685,047	1,144,816,446	1,131,378,553
Gearing Ratio	85%	85%	85%

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company policy is to keep the gearing ration between 80% and 100%. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

29 First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. For period up to end including the year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under sect 133 of the companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP)

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's data of transition to Ind AS. Following are the principal adjustments made by the Company in restating its Indian GAAP financial statement, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

a. 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.

b. 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.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

Reconciliation of equity as at April 1, 2015 - Transition to Ind AS

(All amounts in INR, unless otherwise stated)

	As At April 1, 2015			As At March 31, 2016		
	IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
Assets						
Non-current assets						
Property Plant and Equipments	233,242,152	-	233,242,152	209,064,500	-	209,064,500
Deferred tax assets (net)	486,756	-	486,756	-	-	-
Other Assets	-	-	68,594,803	71,530,319	-	71,530,319
Financial Assets : Loans	405,642,717	(68,594,803)	337,047,914	376,497,914	-	376,497,914
Total non current assets	639,371,625		639,371,625	657,092,733		657,092,733
Current assets						
Other Assets	4,564,028	-	4,564,028	4,256,688	0	4,256,688
Financial Assets						
Trade receivables	403,603,867	(994,104)	402,609,763	373,165,830	(2,250,382)	370,915,448
Cash and bank balances	5,301,659	-	5,301,659	12,827,455	-	12,827,455
Loans	120,516,378	-	120,516,378	157,792,681	-	157,792,681
Total Current Assets	533,985,932	(994,104)	532,991,828	548,042,654	(2,250,382)	545,792,272
Total Assets	1,173,357,557	(994,104)	1,172,363,453	1,205,135,387	(2,250,382)	1,202,885,005
Equity and liabilities						
Equity						
Share capital	20,000,000	-	20,000,000	20,000,000	-	20,000,000
Other Equity	152,134,275	(994,103)	151,140,172	158,190,932	(2,250,383)	155,940,549
Equity attributable to equity holders of the paren	172,134,275	(994,103)	171,140,172	178,190,932	(2,250,383)	175,940,549
Non-current liabilities						
Deferred Tax Liability	-	-	-	2,429,645	-	2,429,645
Financial Liabilities						
Long-term borrowings	66,336,944	-	66,336,944	-	-	-
Other liabilities	838,966,364	0	838,966,364	964,099,406	-	964,099,406
	905,303,308		905,303,308	966,529,051		966,529,051
Current liabilities						
Financial Liabilities						
Short-term borrowings	19,420,982	-	19,420,982	14,445,200	-	14,445,200
Trade payables	35,683,242	(0)	35,683,242	42,811,458	-	42,811,458
Other Payable	38,103,924	-	38,103,924	-	-	-
Other current liabilities	2,711,826	-	2,711,826	3,158,746	-	3,158,746
	95,919,974	(0)	95,919,974	60,415,404	-	60,415,404
Total Equity and Liabilities	1,173,357,557	(994,104)	1,172,363,453	1,205,135,387	(2,250,383)	1,202,885,005

Group reconciliation of profit for the year ended March 31, 2016

	Year ended March 31, 2016		
	Indian GAAP	**Adjustments**	**Ind AS**
Income			
Revenue from operations	180,054,314	-	180,054,314
Other income	42,149,377	-	42,149,377
Total income (I)	222,203,691		222,203,691
Expenses			
Cost of components and spares consumed	41,559,950	-	41,559,950
Employee benefits expense	22,111,770	-	22,111,770
Other expenses	107,669,950	1,256,279	108,926,229
Total expenses (II)	171,341,670		172,597,948
Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)	50,862,021		49,605,743
Depreciation	24,177,652	-	24,177,652
Finance costs	17,711,312	-	17,711,312
Profit/ (loss) before tax	8,973,058		7,716,778
Tax expenses			
Current tax	1,709,816	-	1,709,816
MAT credit entitlement	(1,709,816)	-	(1,709,816)
Deferred tax credit	2,916,401	-	2,916,401
Total tax expenses	2,916,401		2,916,401
Profit/ (loss) for the year	6,056,657	(1,256,279)	4,800,377
Other Comprehensive Income	-	-	-
Total comprehensive income for the year (net of taxes)	6,056,657	(1,256,279)	4,800,377

Trade Receivables under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for inured losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its trade receivable by Rs.994,104/- on April 1, 2015, which has been adjusted in retained earnings. The impact of Rs.2,250,382 for the year ended on March 31, 2016 has been recognized in the statement of profit and loss.

As per our report of even date

For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No. 011204N

per M.K.Jain
Partner
Membership No.: 088223

Place: New Delhi
Date: 17.04.2017

For and on behalf of the Board of Directors of
PLN Construction Limited

Director
Din 02208079

Director
Din 03227629