

G. S. Mathur & Co.

Chartered Accountants

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Independent Auditor's Report

To the Members of Punj Lloyd Aviation Ltd

Report on the Financial Statements

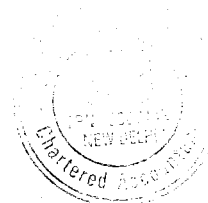
- 1) We have audited the accompanying financial statements of **Punj Lloyd Aviation Ltd** ("the **Company**") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3) Our responsibility is to express an opinion on these financial statements based on our audit.
- 4) We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
- 5) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



- 6) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 7) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Opinion

- 8) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 9) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 10) As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

A handwritten signature in black ink is written over a circular stamp. The stamp is mostly illegible but appears to contain text around its perimeter. The signature is a stylized, cursive mark.

- e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G.S. MATHUR & CO.

Chartered Accountants

Firm Registration Number: 8744N.



K.K.Gangopadhyay

Partner

Membership No. 013442.



Place: Gurgaon

Date: **23** MAY 2016

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of **Punj Lloyd Aviation Ltd** on the financial statements as of and for the year ended March 31, 2016:

- 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.

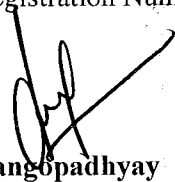
(c) The Company does not have any immovable property. Therefore, the provisions of Clause 1(c) of the said Order are not applicable to the Company
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company 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. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of 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 institutions/ banks. The company did not have any outstanding dues in respect of debenture during the year.
- 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 G.S. MATHUR & CO.
Chartered Accountants
Firm Registration Number: 8744N.


K.K. Gangopadhyay
Partner
Membership No. 013442.

Place: Gurgaon
Date: 23 May, 2016

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Punj Lloyd Aviation Ltd.

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

- i. We have audited the internal financial controls over financial reporting of **Punj Lloyd Aviation Ltd (“the Company”)** as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

- ii. The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

- iii. 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.
- iv. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

- vi. 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 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

- vii. 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.

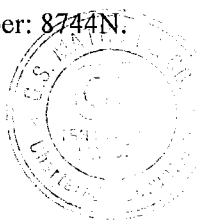
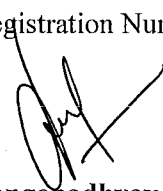
Opinion

- viii. 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, 2016, 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 G.S. MATHUR & CO.

Chartered Accountants

Firm Registration Number: 8744N.



K.K. Gangopadhyay

Partner

Membership No. 013442.

Place: Gurgaon

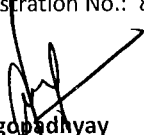
Date:


Punj Lloyd Aviation Limited
Balance Sheet as at March 31st, 2016
 (All amounts in INR, unless otherwise stated)

	Notes	As at March, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' fund			
Share capital	3	637,987,100	637,987,100
Reserves and surplus	4	(706,309,734)	(546,677,793)
Non-current liabilities			
Long-term borrowings	5	123,679,000	123,679,000
Provisions	6	4,394,531	4,323,626
Current liabilities			
Short-term borrowings	7	150,688,041	150,688,041
Trade payables	8	35,708,839	19,075,419
Other current liabilities	8	559,697,782	565,459,795
Provisions	6	-	88,529
		805,845,559	954,623,716
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	263,552,122	403,584,383
Intangible assets	10	-	-
Non-current investments	11	529,987,500	529,987,500
Loans and advances	12	5,899,441	6,762,177
Current assets			
Trade receivables	13	38,448	1,729,764
Cash and bank balances	14	1,650,166	7,577,652
Loans and advances	12	4,717,883	4,981,182
Other assets	15	-	1,059
		805,845,559	954,623,716
Summary of significant accounting policies	2.1		

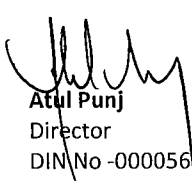
The accompanying notes from an integral part of these Financial statements
 This is the balance sheet referred to in our report of even date

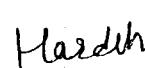
For **G S Mathur & Co.**
 Chartered Accountants
 Firm Registration No.: 8744N


K.K. Gangopadhyay
 Partner
 Membership No. : 013442


 Company Secretary

For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited


Atul Punj
 Director
 DIN No -00005612


Hardik S. Hundia
 Director
 DIN No -02022246

Place: Gurgaon

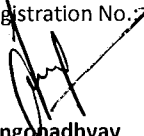
Date: **23 MAY 2016**

Punj Lloyd Aviation Limited
Statement of Profit and Loss for the year ended March 31st, 2016
 (All amounts in INR, unless otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
Income			
Revenue from operations	16	27,151,250	38,290,000
Other income	17	65,630	11,889,042
Total income (I)		27,216,880	50,179,042
Expenses			
Project material consumed			
Employee benefits expense	18	2,808,916	10,358,711
Other expenses	19	33,117,541	25,616,438
Total expenses (II)		35,926,457	35,975,150
Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)			
		(8,709,577)	14,203,892
Depreciation and amortization expense	9 & 10	140,032,256	140,073,563
Finance costs	20	10,890,108	9,779,727
Loss for the year		(159,631,940)	(135,649,397)
Earning per equity share			
Basic earning per share	21	(2.50)	(2.13)
Diluted (in Rs)		(2.50)	(2.13)
Summary of significant accounting policies	2.1		

The accompanying notes from an integral part of these Financial statements
 This is the balance sheet referred to in our report of even date

For **G S Mathur & Co.**
 Chartered Accountants
 Firm Registration No.: 78744N

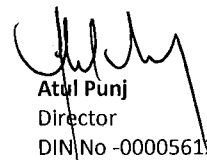

K.K. Gangopadhyay
 Partner
 Membership No. : 013442

Place: Gurgaon
 Date: **23 MAY 2016**




 Company Secretary

For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited


Atul Punj
 Director
 DIN No -00005612


Hardik S. Hundia
 Director
 DIN No -02022246

Punj Lloyd Aviation Limited
Notes to financial statements for the year ended March 31st, 2016
(All amounts in INR, unless otherwise stated)

3 Share capital

Particulars	As at	As at
	Mar 31st, 2016	Mar 31, 2015
Authorised shares 65,000,000 (previous year 65,000,000) equity shares of Rs. 10 each	650,000,000	650,000,000
Issued, subscribed and fully paid-up shares 63,798,710 (previous year 63,798,710) equity shares of Rs. 10 each	637,987,100	637,987,100
	<u>637,987,100</u>	<u>637,987,100</u>

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

Particulars	As at March 31st, 2016		As at March 31, 2015	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	63,798,710	637,987,100	63,798,710	637,987,100
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>63,798,710</u>	<u>637,987,100</u>	<u>63,798,710</u>	<u>637,987,100</u>

(b) Terms/ 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 and their subsidiaries

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

Particulars	As at	As at
	March 31st, 2016	Mar 31, 2015
Punj Lloyd Limited, the holding company 5,399,871 (Previous year 5,399,871) equity shares of Rs. 10 each fully paid	539,987,100	539,987,100
Punj Lloyd Industries Limited, fellow subsidiary 980,000 (Previous year 980,000) equity shares of Rs. 10 each fully paid	98,000,000	98,000,000

(d)

Details of shareholders holding more than 5% of the equity shares in the Company:

Name of Shareholder	As at March 31st 2016		As at March 31, 2014	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	53,998,710	84.64%	53,998,710	84.64%
Punj Lloyd Industries Limited	9,800,000	15.36%	9,800,000	15.36%

(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.

4 Reserve and surplus

Particulars	As at	As at
	March 31st, 2016	March 31, 2015
Deficit in the statement of profit and loss		
Balance as per last financial statements	(546,677,793)	(411,020,805)
Loss for the year	(159,631,940)	(135,649,397)
Adjustment of Depreciation as per change in Co Act	-	(7,592)
Net deficit in the statement of profit and loss	<u>(706,309,734)</u>	<u>(546,677,793)</u>
Total reserves and surplus	<u>(706,309,734)</u>	<u>(546,677,793)</u>

5 Long-term borrowings

Particulars	Non-current		Current	
	As at March 31st 2016	As at March 31, 2015	As at March 31st 2016	As at March 31, 2015
Term loans				
From a financial Institutions (secured) (Loan taken from GE Capital Services India carries interest of 3 Month FIMMDA-Reuters Commercial Paper Benchmark plus 150 bps. The loan is repayable in monthly installments of Rs 6,766,667/- and interest in addition to the principal. Secured By way of hypothecation of Aircraft and further secured by corporate guarantee of holding Company M/s Punj Lloyd Ltd.)				
The above amount includes				
Secured borrowings				
Unsecured considered good Loans and advances from related parties (carrying rate of interest of 14% p.a repayable within 5 years from the disbursement of loan)	123,679,000	123,679,000		
	<u>123,679,000</u>	<u>123,679,000</u>		

6 Provisions

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31st, 2016	Mar 31, 2015	March 31st 2016	Mar 31, 2015
Provision for employee benefits				
Provision for gratuity (note 22)	2,457,571	2,407,492	-	50,079
Provision for compensated absences	1,936,960	1,916,134	-	38,450
	<u>4,394,531</u>	<u>4,323,626</u>	-	<u>88,529</u>
	<u>4,394,531</u>	<u>4,323,626</u>	-	<u>88,529</u>

7 Short-term borrowings

Particulars	As at	As at
	March 31st, 2016	Mar 31, 2015
Interest free loan from Punj Lloyd Limited repayable on demand	150,688,041	150,688,041
	<u>150,688,041</u>	<u>150,688,041</u>

8 Other current liabilities

Particulars	As at	As at
	March 31st, 2016	Mar 31, 2015
Trade payables (including acceptances) (refer note 33 for details of dues to micro and small enterprises)	35,708,839	19,075,419
Other liabilities		
Current maturities of long-term borrowings (refer note 5)		
Interest accrued and not due on borrowings		
Advance recd from Customer	6,000,000	
Tax Deducted at Source payable	4,738,055	3,181,082
	(132,414)	490,379
Provision for doubtful debts	(6,937,078)	(6,937,078)
Due to related party	556,029,218	568,725,412
	<u>559,697,782</u>	<u>565,459,795</u>
	<u>595,406,621</u>	<u>584,535,214</u>

9 Fixed assets : Tangible assets

Particulars	Land	Plant and Machinery	Office equipments	Vehicles	Others (Computer)	Total
At March 31, 2012	62,534,594	805,816,661	119,425	3,744,000	115,456	872,330,136
Additions during the year	-	-	-	-	-	-
Disposals during the year	62,534,594	-	-	2,000,000	-	64,534,594
At March 31, 2013	-	805,816,661	119,425	1,744,000	115,456	807,795,542
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	2,418,750	-	-	-	2,418,750
At March 31, 2014	-	803,397,911	119,425	1,744,000	115,456	805,376,792
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	-	-	1,744,000	-	1,744,000
At March 31, 2015	-	803,397,911	119,425	-	115,456	803,632,792
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
At March 31, 2016	-	803,397,911	119,425	-	115,456	803,632,792
Depreciation						
At March 31, 2012	2,262,442	169,968,070	119,425	971,303	75,593	173,396,833
Charge for the year	639,209.73	45,125,733	-	312,475	18,715	46,096,133
Disposal during the year	2,901,652	-	-	569,480	-	3,471,132
At March 31, 2013	-	215,093,803	119,425	714,298	94,308	216,021,834
Charge for the year		45,001,416		165,680	13,556	45,180,652
Disposal during the year		313,947		-	-	313,947
At March 31, 2014		259,781,272	119,425	879,978	107,864	260,888,539
Charge for the year		140,032,256		41,307		140,073,563
Disposal during the year		-		921,284		921,284
Adjustment as per Co. Act					7,592	7,592
At March 31, 2015		399,813,528	119,425	1	115,456	400,048,410
Charge for the year		140,032,256		-	-	140,032,256
Disposal during the year		-		-	-	-
Adjustment as per Co. Act					-	-
At March 31, 2016		539,845,784	-	-	-	540,080,666
Net block						
At March 31, 2012	60,272,152	635,848,591	-	2,772,697	39,863	698,933,303
At March 31, 2013	-	590,722,858	-	1,029,702	21,148	591,773,708
At March 31, 2014	-	543,616,639	-	864,022	7,592	544,488,253
At March 31, 2015	-	403,584,384	-	(1)	(0)	403,584,383
At March 31, 2016	-	263,552,128	-	-	-	263,552,127

10 Fixed assets : Intangible assets

Particulars	Computer softwares	Total
At March 31, 2012	33,352	33,352
Additions during the year	-	-
At November 30, 2014	33,352	33,352
Additions during the year	-	-
Disposals during the year	-	-
At March 31st, 2016	33,352	33,352
Amortization		
At March 31, 2012	27,795	27,795
Charge for the year	5,557	5,557
At March 31, 2013	33,352	33,352
Amortization		
At April 01, 2013	-	-
Charge for the year	-	-
At March 31, 2014	33,352	33,352
Net block		
At March 31, 2015	-	-
at March 31, 2016	-	-

11 Non-current Investments

Particulars	As at March 31st 2016	As at Mar 31, 2015
Non-trade Investments (valued at cost)		
<i>Unquoted equity instruments</i>		
Investment in associate company		
Air Works India Engineering Limited	529,987,500	529,987,500
17,516,100 shares of Re 1 each (Previous year 17,516,100 shares of Re 1 each)		
	<u>529,987,500</u>	<u>529,987,500</u>
Aggregate amount of unquoted Investments		<u>529,987,500</u>

12 Loans and advances

Particulars	Non-current		Current	
	As At March 31st, 2016	As at Mar 31, 2015	As at March 31st, 2016	As at Mar 31, 2015
Security deposits				
Unsecured, considered good	-	-	3,496,000	3,380,000
			<u>3,496,000</u>	<u>3,380,000</u>
Advance recoverable in cash or kind or for value to be received				
Unsecured, considered good	-	-	507,499	844,966
			<u>507,499</u>	<u>844,966</u>
Other loans and advances				
Advance income-tax (net of provision for taxation)	5,899,440.74	6,762,177	-	-
Inter-corporate deposits	-	-	-	78,486
Loans to employees	-	-	-	-
Balances with statutory/ government authorities	-	-	-	-
Prepaid expenses	-	-	714,383.84	677,730
	<u>5,899,441</u>	<u>6,762,177</u>	<u>714,383.84</u>	<u>756,216.30</u>
	<u>5,899,441</u>	<u>6,762,177</u>	<u>4,717,883</u>	<u>4,981,182</u>

13 Trade receivables

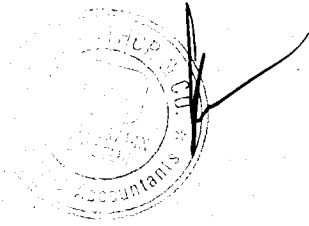
Particulars	Current	
	As at March 31st, 2016	As at Mar 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	(311,914)
		<u>(311,914)</u>
Other receivable		
Unsecured, considered good	38,448	2,041,678
	<u>38,448</u>	<u>2,041,678</u>
	<u>38,448</u>	<u>1,729,764</u>

14 Cash and bank balances

Particulars	As at	As at
	March, 31st, 2016	Mar 31, 2015
Cash and cash equivalents		
Cash on hand	72	50,342
Balances with banks:		
On current accounts	1,650,094	7,527,310
	<u>1,650,166</u>	<u>7,577,652</u>
	<u>1,650,166</u>	<u>7,577,652</u>

15 Other assets

Particulars	As at	As at
	March 31st, 2016	Mar 31, 2015
Interest receivable	-	1,059
Accrued Income	-	-
Service Tax	-	-
Puni Llovd Ltd- Recoverable	-	-
Puni Llovd Pte Ltd- Recoverable	-	-
	<u>-</u>	<u>1,059</u>



Punj Lloyd Aviation Limited
Notes to financial statements for the year ended March 31st, 2016
(All amounts in INR, unless otherwise stated)

16 Revenue from operations	As at March 31st,	
	2016	Mar 31, 2015
Particulars		
Revenue from operations		
Charter Income	27,151,250	38,290,000
	<u>27,151,250</u>	<u>38,290,000</u>

17 Other Income	As at March 31st,	
	2016	Mar 31, 2015
Particulars		
Interest income on others	-	231,542
Others non-operating income	65,630	11,657,500
Profit on sale of fixed asset (net)	-	-
	<u>65,630</u>	<u>11,889,042</u>

18 Employee benefit expenses	As at March	
	31st, 2016	Mar 31, 2015
Particulars		
Salaries, wages and bonus	2,808,916	10,473,582
Gratuity expense (also refer note 22)	-	(224,055)
Compensated absences	-	87,747
Staff welfare expenses	-	21,437
	<u>2,808,916</u>	<u>10,358,711</u>

19 Other expenses	As at	
	March 31st 2016	Mar 31, 2015
Particulars		
Freight and cartage	-	-
Rent	978,025	909,150
Operational expenses	2,933,511	(723,213)
Travelling and conveyance	56,640	1,943,900
Rates and taxes	-	228,591
Insurance	1,701,500	1,835,625
Power and fuel	1,273,399	5,615,222
Training expenses	133,026	627,453
Repairs and maintenance:		
Plant and machinery	24,859,504	10,392,377
Payment to auditors (refer details below)	90,000	90,000
Consultancy and professional charges	890,836	2,982,750
Exchange difference (net)	73,061	-
Interest on late deposit of Statutory Dues		
Interest on TDS late deposit	40,252	404,704
Late Filing fees	-	-
Miscellaneous expenses	87,787	1,309,879
	<u>33,117,541</u>	<u>25,616,438</u>
Payment to auditors:		
As auditor:		
Audit fees	90,000	90,000
Certification fees	-	-
Professional Charges	-	-
	<u>90,000</u>	<u>90,000</u>

20 Finance costs	As at	
	March 31st 2016	Mar 31, 2015
Particulars		
Interest expense	10,858,152	3,756,888
Interest expense - GE Loan	-	4,342,101
Bank charges	31,955	1,680,737
Other borrowing costs	-	-
	<u>10,890,108</u>	<u>9,779,727</u>

21 Earnings per share	Basic and diluted earnings	
	As at March 31st 2016	March 31, 2015
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the beginning of the year	63,798,710	63,798,710
Equity shares at the end of the year	63,798,710	63,798,710
Weighted average number of equity shares outstanding during the year	63,798,710	63,798,710
b) Net (loss)/ profit after tax available for equity share holders (Rs.)	(159,631,940)	(135,649,397)
c) Basic and diluted (loss)/earnings per share	(2.50)	(2.13)
d) Nominal value of share (Rs.)	10	10

Punj Lloyd Aviation Limited

Cash flow statements for the year ended March 31st, 2016

(All amounts in INR, unless otherwise stated)

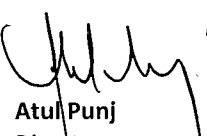
	Year ended March 31st, 2016	As at Mar 31, 2015
Cash flow from/ (used in) operating activities		
(Loss)/ profit before tax	(159,631,940)	(135,649,397)
Adjustments for:		
Depreciation and amortization	140,032,256	140,073,563
Profit/Loss on sale of fixed assets	-	-
Provision for doubtful debts	-	-
Unspent liabilities written back	-	-
Finance costs	10,890,108	9,779,727
Interest income	-	(231,542)
Operating profit before changes in operating assets and liabilities	(8,709,577)	13,972,350
Movement in working capital:		
(Decrease)/ increase in trade payables	16,633,420	3,593,189
(Decrease)/ increase in provisions	(17,624)	(256,566)
Decrease in other current liabilities	(5,762,013)	(74,663,892)
Decrease/ (increase) in trade receivables	1,691,316	11,117,064
Decrease/ (increase) in Other current assets	1,059	15,956
Decrease/ (increase) in loans and advances	1,126,033	12,628,684
Cash generated from/ operations	4,962,615	(33,593,215)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ operating activities (A)	4,962,615	(33,593,215)
Cash flow used in investing activities		
Proceeds from sale of fixed assets	-	822,716
Interest received	-	231,542
Net cash flow investing activities (B)	-	1,054,258
Cash flow (used in)/ from financing activities		
Repayment of long-term borrowings	-	42,790,516
(Repayment)/proceeds from short-term borrowings (net)	-	-
Interest paid	(10,890,108)	(9,779,727)
Net cash flow /from financing activities (C)	(10,890,108)	33,010,789
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(5,927,492)	471,833
Cash and cash equivalents at the beginning of the year	7,577,652	7,105,819
Cash and cash equivalents at the end of the year	1,650,160	7,577,652
Components of cash and cash equivalents		
Cash on hand	72	50,342
Balances with banks:		
On current accounts	1,650,094	7,527,310
Total cash and cash equivalents (also refer note 14)	1,650,166	7,577,652

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

For **G S Mathur & Co.**
Chartered Accountants
Firm Registration No.: 8744N

K.K. Gangopadhyay
Partner
Membership No. : 013442


Company Secretary


Atul Punj
Director
DIN No -00005612


Hardik S. Hundia
Director
DIN No -02022246

23 MAY 2016

Particular Sl. No. s	Description	Location	Date	Year	Rate of Dep.	No. of Days	No. of Items	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
								As on 01.04.2014	Additions	Deletions	As on 31.03.2015	As on 01.04.2014	For the year	Deletions	As on 31.03.2014	As on 31.03.2015	As on 01.04.2014
1	Laptop	B 1950 TU (SI No. CNC Rohit Kapur	30-Jul-2007	2007-08	16.21%	365	1	53956	-	-	53956	53956	-	-	53956	0	0.20
2	Printer	HP Officejet 7380 Rohit Kapur	5-Oct-2007	2007-08	16.21%	365	1	14250	-	-	14250	14250	-	-	14250	0	0.23
4	Laptop	Compaq Accessories w/ S K Sharma	26-Jan-2009	2008-09	16.21%	365	1	47250	-	-	47250	39660	-	7,592.00	47252	(2)	7,590.10
								115456	0	0	115456	107865	0	7592	115457	(1)	7591

Particular Sl. No. s	Description	Location	Date	Year	Rate of Dep.	No. of Days	No. of Items	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
								As on 01.04.2014	Additions	Deletions	As on 31.03.2015	As on 01.04.2014	For the year	Deletions	As on 31.03.2014	As on 31.03.2015	As on 01.04.2014
1	VT-PLA Aeroplane	Airport Office	28-May-2008	08-09	17.43%	365	1	803397911	0	0	803397911	259761272	140,032,255.89	-	399813528	403584383	543616639
2	Helicopter	Airport Office	4-Jan-2011	10-11	5.6%	365	1	2115936	0	0	2115936	313947	0	0	-	-	0
								805513847	0	0	805513847	260095219	1,40,03,22,55	0	399813528	403584383	543616639

Depreciation As on 31 Jan, 2016

Particular Sl. No. s	Description	Location	Date	Year	Rate of Dep.	No. of Days	No. of Items	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
								As on 01.04.2015	Additions	Deletions	As on 30.4.2015	Upto 01.04.2015	For the year	Deletions	As on 31.03.2016	As on 31.03.2016	As on 01.04.2015
1	VT-PLA Aeroplane	Airport Office	28-May-2008	08-09	17.43%	365	1	803397911	0	0	803397911	399813528	140,032,255.89	-	539845784	263552122	403584383
								803397911	0	0	803397911	399813528	1,40,03,22,55	0	539845784	263552122	403584383



Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

1. Corporate information

Punj Lloyd Aviation Limited (the Company) is a public limited company domiciled in India and incorporated under the provision of the Companies Act, 2013. The Company is engaged in the business of Airlines and Helicopter Operators for transporting passengers, mail, cargo, freight to Indian and International tourists and also to provide charter services to Indian and international companies and to provide consultancy in the area of aircraft / helicopter procurement.

2. Basis of preparation

These financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2015, (as amended) and the relevant provisions of the Companies Act, 2013 (the "Act"). The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

2.1. A. Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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.

A circular stamp, likely a company seal, is partially visible on the right side of the page. To its right is a handwritten signature in black ink.

Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

c) Intangible fixed assets

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

Gains or losses arising from de-recognition of an intangible asset 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.

d) Impairment of tangible and intangible 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.

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

e) Depreciation on tangible fixed assets and amortization of intangible assets

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

In case of aircraft, life of the assets is considered on the basis of certificate of chartered engineer which is 15 years whereas in schedule II of the companies act, 2013 is as 20 years.

- b. Individual assets costing up to Rs 5,000 are depreciated @100%.
- c. Leasehold land is amortised on a straight line basis over the period of lease i.e. 30 years, except for leasehold land which is under perpetual lease.



Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016
(All Amounts in INR, Unless otherwise stated)

f) 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 are incurred.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Revenue recognition

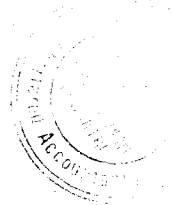
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- a. Revenue from charter and other miscellaneous services like rendering of Pilot support services is accounted after rendering of service to customers in accordance with the terms of agreement with customers.
- b. Interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.

i) Foreign currency transactions and balances

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.



Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

Conversion

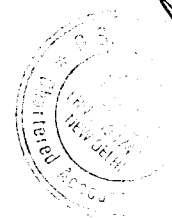
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which 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.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise, except those arising from investments in non-integral foreign operations.

j) Employee benefits

- a. The Company makes contribution to statutory provident fund and pension funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- b. Gratuity liability is a defined benefit obligation. The scheme is non-funded by the Company. The amount paid/payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method at the end of each financial year.
- c. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- d. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.



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.

Deferred income taxes reflect the impact of timing differences between taxable income and income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date.

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

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

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

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

l) Segment reporting policies

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.



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Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

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

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) Leases

Where the Company is the lessee

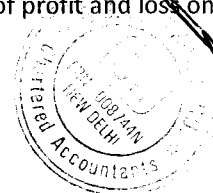
Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the 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 recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term; the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013

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.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a



Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the statement of profit and loss.

p) 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.

q) Contingent Liability

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

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

r) Measurement of EBITDA

As permitted by the Guidance Note on the Schedule III 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. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expenses, finance costs and tax expense.

22 Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Under the plan, every employee who has completed at years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The Company has a defined benefit gratuity plan. Under the plan, every employee who has completed at years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss amounts recognized in the balance sheet for the plan.

A circular stamp is located in the bottom right corner of the page. The text within the stamp is partially obscured but appears to include the company name and some numerical information. To the right of the stamp, there is a handwritten signature in black ink.

Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

Statement of profit and loss**Net employee benefit expense recognised in the employee cost**

Particulars	March 31, 2016	March 31, 2015
Current service cost	NIL	438,642
Interest cost on benefit obligation	NIL	236,882
Expected return on plan assets	NIL	
Net actuarial (gain)/loss	NIL	(899,579)
Net benefit expenses	NIL	(224,055)

Balance sheet**Benefit asset/liability**

Particulars	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	NIL	2457,571
Fair value of plan assets	NIL	-
Less : Unrecognized past service cost	NIL	-
Net defined benefit obligation		2,786,852

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2016	March 31, 2015
Opening defined benefit obligation	NIL	2,786,852
Interest cost	NIL	236,882
Current service cost	NIL	4,38,642
Benefits paid	NIL	(105,226)
Actuarial (gain)/losses on obligation	NIL	(8,99,579)
Closing defined benefit obligation	NIL	2,457,571

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

Particulars	Gratuity	
	March 31, 2016	March 31, 2015
Discount rate	NIL	7.75%
Future salary increase	NIL	5.25%
Employee turnover up to 30 years	NIL	3.00%
Above 30 years but up to 44 years	NIL	2.00%
Above 44 years	NIL	1.00%

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.

Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

Amounts for the current period are as follows:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	NIL	2,457,571	2,786,852	2,917,361	1,960,308
Plan assets				-	-
Surplus/(deficit)	NIL	(2,457,571)	(2,786,852)	(2,917,361)	(1,960,308)
Experience adjustments on plan liabilities - (loss)/gain	NIL	(899,579)	210,367	(105,805)	48,296
Experience adjustments on plan assets - (loss)/gain	-	-	-	-	-

Further company has not made actuarial valuation as on 31.03.2016 in terms of AS-15 issued by ICAI and provisions against employee benefits has been made on estimated basis according to the GRATUITY ACT 1972.

23 In accordance with the required Accounting Standard (AS-18) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

List of related parties

- a. Holding Company:
 1. Punj Lloyd Limited - Holding Company
 2. Punj Lloyd Industries Limited, the associate company

- b. Related parties with whom transactions have taken place during the year.
 1. Punj Lloyd Limited - Holding Company
 2. Punj Lloyd Industries Limited, Fellow Subsidiary
 3. Air Works India Engineering Ltd., Associate Company
 4. Punj Lloyd infrastructure Limited, Fellow Subsidiary
 5. Punj Lloyd Pte Ltd, Fellow Subsidiary
 6. PLN CONSTRUCTION LTD, Fellow Subsidiary
 7. Spectra Punj Lloyd Ltd, Fellow Subsidiary

- c. Key managerial personnel
 1. Atul Punj - Director
 2. Luv Chhabra – Director (upto 18 th May 15)
 3. J.P Chalasani– Director
 4. Hardik S. Hundia-Director
 5. Sameer P. shashidharan – Company secretary
 6. Harvinder singh- CFO(upto 22March2015)



Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

Particulars	Holding Company		Fellow Subsidiary company		Associate Companies	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Share Holders Funds						
Unsecured Loans						
Loans						
Punj Lloyd Limited	150,688,041	150,688,041	-	-	-	-
Current Liabilities						
Other current liabilities						
Punj Lloyd Limited	517,179,404	641,844,056	-	-	-	-
Punj Lloyd Pte Limited	-	-	(11,251,724)	50,560,355	-	-
PLN CONSTRUCTION LTD.			39,305,288			
Spectra Punjlloyd			10,796,250			
Airworks						5,575,349
Current Assets						
Loans & Advances						
Airworks	-	-	-	-	-	-
Income :						
Operational Income						
Punj Lloyd Limited	23,200,000	23200000				
Reimbursement of Expenses						
Punj Lloyd Limited	-	-	-	-	-	-
Punj Lloyd Pte Limited			84,723,899.64	100,986,242.73		
Expenses :						
Rent						
Punj Lloyd limited	978,025	909,150.00				
Repair & Maintenance (G200)						
Airworks					1,22,01,850	11,133,070
Repair & Maint (VTPLS)	-	-	-	-	-	-
Arrangement Fees						
Punj Lloyd	NIL	2,842,000				



Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

Limited						
Re- imbursement of expenses	10,858,152	5,532,296				
Investments:						
Share Capital						
Airworks					529,987,500	529,987,500
Corporate Guarantee on our behalf						
Punj Lloyd Limited	NIL	572,144,000				
Bank Guarantee on our behalf						
Punj Lloyd Limited	179,000,000	179,000,000				

24 Contingent Liability

	2015-16	2014-15
Interest on loan (Contingent on profitability of the company as such cannot be quantified)	120,946,254	105,877,450
Custom Duty (against import of aircraft)	178,923,346	178,923,346

25 Capital Commitments

There are no contracts remaining to be executed on capital account and not provided for in the accounts, as at the end of the reporting period.

26 Segment information

The Company is engaged in the business of providing Airlines, Helicopter Operations, Transportation of Goods and Passengers, Chartering of all type of Aircraft for the same purposes in India or otherwise, which constitutes a single business segment, and accordingly, additional disclosure requirements of Accounting Standard 17- "Segment Reporting" as per Companies Accounting Standard Rules 2015, notified u/s 2(2) of the Companies Act, 2013 are not applicable.

27 Investments

The Company has entered into Shareholders agreement with Air Works India Engineering Private Limited on Nov. 21, 2007. As per this agreement the company has acquired 23.24% stake in the company. Investment in Air Works India Engineering Private Limited has been treated as Long term investments.

Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

28 Deferred Tax Asset (Net)

Particulars	Deferred Tax Asset/(Liability) as at March 31, 2016	Deferred Tax Asset/(Liability) as at March 31, 2015
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of Fixed assets as per Income Tax & Financial Books	(20,505,893)	(54,471,277)
Deferred Tax Assets		
Effect of expenditure debited to profit & Loss Account in the current year but allowable in following years under Income Tax	14,46,555	1,447,670
Unadjusted Loss / Depreciation allowable as per Income Tax Act	231,861,519	204,045,279
Deferred Tax Liability/(Asset) (Net)	(212,802,181)	(151,021,673)

However the deferred tax asset has not been recognized in accounts in accordance with the policy mentioned in note 2 (l) above.

29 The opinion of the management, the current assets, loan and advances appearing in the balance sheet have a value equivalent to the amount stated therein if realized during the ordinary course of business and all known liabilities have been provided.

30 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, 2016.

31 Supplementary statutory information**Expenditure in foreign currency**

Particular	Year ended march 31, 2016	Year Ended march 31, 2015
Repair and maintenance – Plant and equipment	NIL	149098.91
	NIL	149098.91

32 Provision for the impairment loss as required under Accounting Standard – 28 on impairment of Assets is not necessary as in the opinion of management there is no impairment of the company's assets in terms of AS – 28 during the year



Punj Lloyd Aviation Limited

Notes to financial statements for the year ended March 31, 2016

(All Amounts in INR, Unless otherwise stated)

33 Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

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As at March 31, 2016, though the company's liabilities are in excess of its assets by 6.83 crores and also the net worth is eroded, but based on the future projections of the company and fair value of the strategic investments held by the company, the management is confident of favorable turnaround of the current temporary phase and consequent recoupment of accumulated losses resulting in strengthened financial position of the company.

For **G S Mathur & Co.**

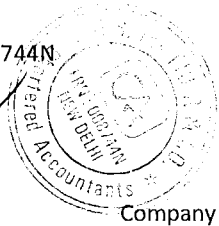
Chartered Accountants

Firm Registration No.: 8744N

per **K.K. Gangopadhyay**

Partner

Membership No. : 013442



Company Secretary

For and on behalf of the Board of Directors of
Punj Lloyd Aviation Limited

Atul Punj

Director

DIN No -00005612

Hardik

Hardik S. Hundia

Director

DIN No -02022246

Place: Gurgaon

Date: MAY 23 2016