

# *G. S. Mathur & Co.*

Chartered Accountants

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## **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 Construction Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, 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.



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.

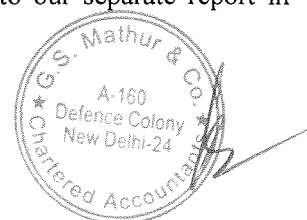
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **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, 2018, 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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.

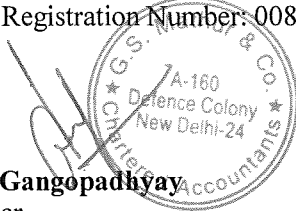
ii. the Company does not have any long-term contracts including derivative contracts, for which provision is required for any foreseeable losses;

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

**FOR G.S. MATHUR & CO.**

Chartered Accountants

Firm Registration Number: 008744N



**K.K. Gangopadhyay**

Partner

Membership No. 013442

Place: New Delhi

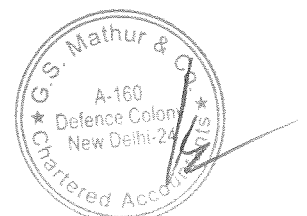
Date: May 11, 2018

**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 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: 008744N

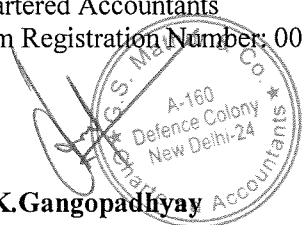
**K.K.Gangopadhyay**

Partner

Membership No. 013442

Place: New Delhi

Date: May 11, 2018



## **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, 2018, 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**

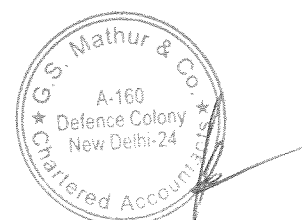
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.



## **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.

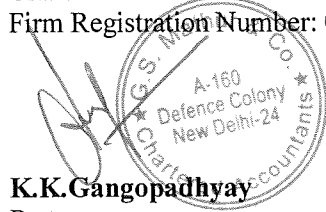
## **Opinion**

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, 2018, 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: 008744N



**K.K. Gangopadhyay**

Partner

Membership No. 013442

Place: New Delhi

Date: May 11, 2018

**PLN Construction Limited**  
**Standalone Balance Sheet as at March 31, 2018**  
(All amounts in INR, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property Plant and Equipments	3	164,218,086	188,155,380
Other Assets	4	34,590,178	28,092,817
<b>Financial Assets:</b>			
Loans	5	-	-
<b>Current assets</b>			
Other Assets	4	4,807,310	10,741,151
Current tax receivable (net)	4	36,910,991	28,045,242
<b>Financial Assets</b>			
Trade receivables	6	411,097,358	386,521,370
Cash and bank balances	7	18,203,119	23,976,466
Loans	5	635,951,538	595,362,039
<b>Total Assets</b>		<b>1,305,778,580</b>	<b>1,260,894,465</b>
<b>Equity</b>			
Equity Share Capital	8	20,000,000	20,000,000
<b>Other Equity</b>			
Retained Earnings	9	151,700,055	153,092,136
Other reserves	9	2,210,000	2,210,000
<b>Total Equity</b>		<b>173,910,055</b>	<b>175,302,136</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	10	4,316,949	4,316,949
<b>Financial Liabilities</b>			
Other liabilities	11	1,072,729,732	1,000,202,896
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Short-term borrowings	12	-	340,199
Trade payables		33,171,901	67,916,003
Other non financial liabilities	13	21,649,944	12,816,282
<b>Total Liabilities</b>		<b>1,131,868,526</b>	<b>1,085,592,329</b>
<b>Total equity and liabilities</b>		<b>1,305,778,580</b>	<b>1,260,894,465</b>
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 **G. S. Mathur & Co**  
Chartered Accountants  
Firm registration number: 008744N

per **K. K. Gangopadhyay**  
Partner  
Membership No. : 013442

Place: New Delhi  
Date : May 11, 2018

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

  
Director  
Din - 02208079

  
Director  
Din - 07871866



PLN Construction Limited  
 Standalone Statement of Profit and Loss for the year ended March 31, 2018  
 (All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
Revenue from operations	14	226,657,121	272,675,289
Other income	15	41,160,967	47,803,389
<b>Total income (I)</b>		<b>267,818,088</b>	<b>320,478,678</b>
<b>Expenses</b>			
Cost of components and spares consumed		76,312,239	57,860,898
Employee benefits expense	16	17,741,475	23,840,812
Other expenses	17	149,290,863	211,928,777
<b>Total expenses (II)</b>		<b>243,344,577</b>	<b>293,630,487</b>
<b>Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)</b>			
Depreciation	3	24,473,511	26,848,191
Finance costs	18	25,122,045	20,909,120
<b>Profit/ (loss) before tax</b>		<b>(1,392,081)</b>	<b>1,248,891</b>
<b>Tax expenses</b>			
Current tax		-	237,976
MAT credit entitlement		-	(237,976)
Deferred tax credit		-	1,887,304
<b>Total tax expenses</b>		<b>-</b>	<b>1,887,304</b>
<b>Profit/ (loss) for the year</b>		<b>(1,392,081)</b>	<b>(638,414)</b>
<b>Other Comprehensive Income</b>			
<b>Total comprehensive Income for the year attributable to equity holders of the parent</b>		<b>(1,392,081)</b>	<b>(638,414)</b>
<b>Earnings per share (nominal value per share Rs.10 each (previous year Rs.10))</b>			
Basic and diluted	19	(0.70)	(0.32)
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 G. S. Mathur & Co  
 Chartered Accountants  
 Firm registration number: 008744N

per K. K. Gangopadhyay  
 Partner  
 Membership No. : 013442

Place: New Delhi  
 Date : May 11, 2018

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

  
 Director  
 Din - 02208079

  
 Director  
 Din - 07871866

PLN Construction Limited  
Cash flow statements for the year ended March 31, 2018  
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from/ (used in) operating activities</b>		
Profit/(Loss) before tax	(1,392,081)	1,248,891
Non-cash adjustment to reconcile Profit/(Loss) before tax to meet cash flow		
Depreciation	25,122,045	20,909,120
Expected Credit Loss Provision	4,616,703	3,087,505
Irrecoverable Balance written Off	1,012,350	-
Interest expense	615,997	2,850,118
Interest income	(40,618,018)	(47,803,389)
<b>Operating profit before working capital changes</b>	<b>(10,643,005)</b>	<b>(19,707,755)</b>
Movement in working capital:		
Decrease in trade payables	(34,744,102)	25,104,544
Increase in other current liabilities	8,833,661	9,657,536
Increase in trade receivables	(30,205,041)	(18,693,427)
Decrease in Unbilled revenue (work-in-progress)	-	-
Decrease/(Increase) in loans and advances	(41,153,019)	(66,797,782)
<b>Cash generated from/ (used in) operations</b>	<b>(107,911,506)</b>	<b>(70,436,884)</b>
Direct taxes paid (net of refunds)	(8,865,749)	14,634,135
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(116,777,255)</b>	<b>(55,802,749)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(1,184,751)	-
Increase in margin money deposits	(13,684,491)	(116,827)
Interest received	40,618,018	47,803,389
<b>Net cash flow from investing activities (B)</b>	<b>25,748,777</b>	<b>47,686,562</b>
<b>Cash flow from (used in) financing activities</b>		
Proceeds/(Repayment) from long-term borrowings (net)	72,526,836	36,103,490
(Repayment)/Proceeds from short-term borrowings (net)	(340,199)	(14,105,002)
Interest paid	(615,997)	(2,850,118)
<b>Net cash flow from (used in) financing activities (C)</b>	<b>71,570,640</b>	<b>19,148,371</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(19,457,838)</b>	<b>11,032,184</b>
Cash and cash equivalents at the beginning of the year	22,818,359	11,786,175
<b>Cash and cash equivalents at the end of the year</b>	<b>3,360,521</b>	<b>22,818,359</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	402,638	262,257
<b>Balances with banks:</b>		
On current accounts	2,957,883	22,556,102
<b>Total cash and cash equivalents (also refer note 7)</b>	<b>3,360,521</b>	<b>22,818,359</b>

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 G. S. Mathur & Co  
Chartered Accountants  
Firm registration number: 008744N  
A-160  
Defence Colony  
New Delhi-24  
per K. K. Gangopadhyay  
Partner  
Membership No. : 013442

Place: New Delhi  
Date : May 11, 2018

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

Director  
Din - 02208079  
Director  
Din - 07871866

PLN Construction Limited  
 Standalone Statement of Changes in Equity for the year ended March 31, 2018  
 (All amounts in INR, unless otherwise stated)

	Numbers	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
At 31, March 2017	2,000,000	20,000,000
At 31, March 2018	2,000,000	20,000,000

Other Equity

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	153,730,550	-	155,940,550
Profit for the year	-	(638,414)	-	(638,414)
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	2,210,000	153,092,136	-	155,302,136
As at Mar 31, 2017	2,210,000	153,092,136	-	155,302,136

For the year ended Mar 31, 2018

Description	Reserves and Surplus		OCI	Total
	General Reserve	Retained earning		
As at March 31, 2017	2,210,000	153,092,136	-	155,302,136
Profit for the year	-	(1,392,081)	-	(1,392,081)
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	2,210,000	151,700,055	-	153,910,055
As at March 31, 2018	2,210,000	151,700,055	-	153,910,055



**3 Property, Plant and Equipments**

Particulars	Plant and equipment	Office equipment	Vehicles	Total
<b>Cost</b>				
At April 01, 2016	557,567,765	957,798	1,117,260	559,642,823
Additions during the year	-	-	-	-
Disposals	-	-	-	-
<b>At March 31, 2017</b>	<b>557,567,765</b>	<b>957,798</b>	<b>1,117,260</b>	<b>559,642,823</b>
Additions during the year	-	-	1,184,751	1,184,751
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>557,567,765</b>	<b>957,798</b>	<b>2,302,011</b>	<b>560,827,574</b>
<b>Depreciation</b>				
At April 01, 2016	348,632,739	957,798	987,786	350,578,323
Charge for the year	20,853,783	-	55,337	20,909,120
Disposals	-	-	-	-
<b>At March 31, 2017</b>	<b>369,486,522</b>	<b>957,798</b>	<b>1,043,123</b>	<b>371,487,443</b>
Charge for the year	25,067,435	-	54,610	25,122,045
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>394,553,957</b>	<b>957,798</b>	<b>1,097,733</b>	<b>396,609,488</b>
<b>Net block</b>				
<b>At March 31, 2017</b>	<b>188,081,243</b>	<b>0</b>	<b>74,137</b>	<b>188,155,380</b>
<b>As at March 31, 2018</b>	<b>163,013,808</b>	<b>0</b>	<b>1,204,278</b>	<b>164,218,086</b>

**4 Other Assets**

Particulars	Long-term		Short-term	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>a. Advance recoverable in kind or for value to be received</b>				
Unsecured, considered good	-	-	1,092,667	7,026,508
	-	-	1,092,667	7,026,508
<b>b. Other advances</b>				
Advance income-tax (net of provision for taxation)	36,910,991	28,045,242	-	-
WCT Recoverable	23,083,377	23,083,377	-	-
GST Recoverable	6,497,361	-	-	-
MAT credit entitlement	5,009,440	5,009,440	-	-
Balances with statutory/ government authorities	-	-	3,714,643	3,714,643
	71,501,169	56,138,059	3,714,643	3,714,643
	71,501,169	56,138,059	4,807,310	10,741,151

**5 Financial Assets: Loans**

Particulars	Long-term		Short-term	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Security deposits</b>				
Unsecured, considered good	-	-	3,607,700	8,413,798
	-	-	3,607,700	8,413,798
<b>Loans to related parties</b>				
Unsecured, considered good	-	-	632,343,838	586,948,241
	-	-	632,343,838	586,948,241
	-	-	635,951,538	595,362,039



6 Financial Assets : Trade receivables

Particulars	Current	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	421,051,948	391,859,257
Less: Provision for Expected Credit Loss	(9,954,590)	(5,337,887)
	<u>411,097,358</u>	<u>386,521,370</u>
	<u>411,097,358</u>	<u>386,521,370</u>

7 Financial Assets : Cash and bank balances

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>Cash and cash equivalents</b>		
Cash on hand	402,638	262,257
Balances with banks:		
On current accounts	2,957,883	22,556,102
	<u>3,360,521</u>	<u>22,818,359</u>
<b>Other bank balances</b>		
Margin money deposits	14,842,598	1,158,107
	<u>14,842,598</u>	<u>1,158,107</u>
	<u>18,203,119</u>	<u>23,976,466</u>

8 Equity

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>Authorised shares</b>		
5,000,000 (previous year 5,000,000) equity shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, subscribed and fully paid-up shares</b>		
2,000,000 (previous year 2,000,000) equity shares of Rs. 10 each	<u>20,000,000</u>	<u>20,000,000</u>
	<u>20,000,000</u>	<u>20,000,000</u>

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
	At the beginning of the year	2,000,000	20,000,000	2,000,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,000,000</b>	<b>20,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>

(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

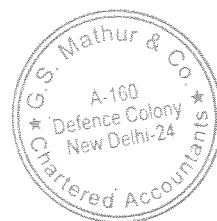
Out of equity shares issued by the Company, shares held by its holding company and its nominees are as below:

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Punj Lloyd Limited, the holding company	20,000,000	20,000,000
2,000,000 (previous year 2,000,000) equity shares of Rs. 10 each		

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	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.



9 Other Reserves

Particulars	As at	As at
	March 31, 2018	March 31, 2017
General reserve	2,210,000	2,210,000
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	153,092,136	153,730,549
Depreciation Reserve	-	-
Profit/(Loss) for the year	(1,392,081)	(638,414)
<b>Net surplus in the statement of profit and loss</b>	<b>151,700,055</b>	<b>153,092,136</b>
<b>Total reserves and surplus</b>	<b>153,910,055</b>	<b>155,302,136</b>

10 Deferred tax liabilities (net)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	16,680,542	16,680,542
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	12,363,593	12,363,593
<b>Net Deferred Tax Asset/(Liability)</b>	<b>4,316,949</b>	<b>4,316,949</b>

11 Financial Liabilities: Other liabilities

Particulars	Non Current Portion		Current Maturities	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Due to Holding Co	1,072,729,732	1,000,202,896	-	-
	<b>1,072,729,732</b>	<b>1,000,202,896</b>	-	-

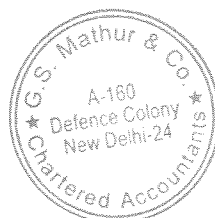
12 Financial Liabilities: Short-term borrowings

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Cash credit from a bank (secured)	-	340,199
<b>The above amount includes</b>		
Secured borrowings	-	340,199
	-	<b>340,199</b>

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%.

13 Other non financial liabilities

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Unaccrued billing	15,966,609	-
Others	5,203,063	9,343,222
TDS payable	480,272	3,473,060
	<b>21,649,944</b>	<b>12,816,282</b>



14 Revenue from operations

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Job Revenue	242,623,730	272,675,289
Less: Unaccrued Billing	(15,966,609)	-
	<u>226,657,121</u>	<u>272,675,289</u>

15 Other income

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Interest income on others	40,618,018	47,803,389
Exchange difference (net)	542,949	-
	<u>41,160,967</u>	<u>47,803,389</u>

16 Employee benefit expenses

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Salaries, wages and bonus	16,990,639	23,077,252
Staff welfare expenses	750,836	763,560
	<u>17,741,475</u>	<u>23,840,812</u>

17 Other expenses

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Contractor charges	19,421,022	54,100,503
Site expenses	12,963,500	7,427,166
Freight and cartage	17,995,142	18,935,876
Diesel and fuel	62,718,663	71,287,956
Rent	-	2,974,200
Hire charges	16,630,804	34,630,890
Rates and taxes	7,972,017	7,460,180
Insurance	660,002	1,205,694
Expected Credit Loss Provision	4,616,703	3,087,505
Repairs and maintenance - Plant and machinery	1,529,921	2,493,205
Payment to auditors (refer details below)	100,000	100,000
Consultancy and professional charges	330,795	1,986,781
Irrecoverable Balance written off	1,012,350	-
Travelling and conveyance	1,933,577	4,648,758
Miscellaneous expenses	1,406,367	1,590,063
	<u>149,290,863</u>	<u>211,928,777</u>
Payment to auditors:		
As auditors:		
Audit fee	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

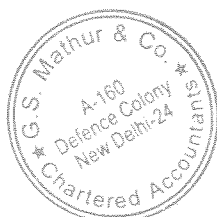
18 Finance costs

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Interest expense	615,997	2,850,118
Bank charges	127,551	1,611,116
Other Borrowing costs	-	228,947
	<u>743,548</u>	<u>4,690,181</u>

19 Earnings per share

Basic and diluted earnings

	As at	As at
	March 31, 2018	March 31, 2017
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.)	(1,392,081)	(638,414)
c) Basic and diluted (loss)/earnings per share (Rs.)	(0.70)	(0.32)
d) Nominal value of share (Rs.)	10	10



20 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.

21 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	As at
	March 31, 2018	March 31, 2017
a) Contract revenue recognised as revenue in the period (Clause 39 (a))	226,657,121	272,675,289
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))	15,966,609	-
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))	-	-

22 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  
 D N Mishra Director

**Related party transactions**

Particulars	Holding company		Fellow subsidiaries		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>INCOME</b>						
<b>Job Revenue</b>						
Punj Lloyd Limited	5,000,000	-	-	-	5,000,000	-
<b>Interest Income</b>						
Punj Lloyd Upstream Limited	-	-	33,935,790	33,916,935	33,935,790	33,916,935
Punj Lloyd Aviation Limited	-	-	6,054,151	5,785,907	6,054,151	5,785,907
Indraprastha Renewables Pvt Ltd	-	-	130,000	7,266	130,000	7,266
<b>EXPENSES</b>						
<b>Interest</b>						
Punj Lloyd Limited	-	-	-	-	-	-
<b>Balance outstanding as at end of the year</b>						
<b>Receivable/(payable)</b>						
Punj Lloyd Limited	(783,678,384)	(697,904,335)	-	-	(783,678,384)	(697,904,335)
Punj Lloyd Upstream Limited	-	-	556,808,232	526,266,021	556,808,232	526,266,021
Punj Lloyd Aviation Limited	-	-	74,111,340	58,362,604	74,111,340	58,362,604
Indraprastha Renewables Pvt. Ltd.	-	-	1,424,266	1,307,266	1,424,266	1,307,266





23 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, 2018.

#### 24 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.

#### 25 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, 2018 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, 2018 the Company does not have any bank borrowing at floating interest rate.



## 26 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-18	Mar-17
Borrowings	-	340,199
Trade payables	33,171,901	67,916,003
Other Payables	1,094,379,676	1,013,019,178
Less:		
Cash and cash equivalents	(18,203,119)	(23,976,466)
<b>Net Debts</b>	<b>1,109,348,458</b>	<b>1,057,298,914</b>
Equity	173,910,055	175,302,136
<b>Capital &amp; net debts</b>	<b>1,283,258,512</b>	<b>1,232,601,049</b>
<b>Gearing Ratio</b>	<b>86%</b>	<b>86%</b>

## 27 Capital Commitments

There are no contracts remaining to be executed on capital account and not provided for in the accounts.

## 28 Employee Benefits

There are no employees on the role of the company. So, terms of IndAS-19 are not applicable.

- 29 In the opinion of the management, the current assets, loans 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 Balances of sundry debtors, sundry creditors, loans and advances and deposits are subject to balance confirmation and reconciliation thereof.

As per our report of even date

For G. S. Mathur & Co  
Chartered Accountants  
Firm registration number: 008744N

per K. K. Gangopadhyay  
Partner  
Membership No. : 013442

Place: New Delhi  
Date : May 11, 2018

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

Director

Din - 02208079

Director

Din - 07871866