



M S GUPTA & ASSOCIATES

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of **PL Engineering Limited**

Report on the audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **PL Engineering Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), the cash flow statement, and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note no. 02 (a) (iii) in the financial statements, which indicates that the Company incurred a net loss of Rs.4,623,527/- during the year ended March 31, 2019 and, as of that date; the Company's current liabilities exceeded its total assets by Rs.39,118,791/- as stated in said note these events or conditions, along with other matters as indicate that a material uncertainty exists that may cast significant doubt on the



Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. 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 appears from our examination of those books.





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- c. the balance sheet, the statement of profit and loss including other comprehensive income, cash flow statement and the statement of changes in Equity dealt with by this report are in agreement with the books of account:
- d. in our opinion, the aforesaid Ind AS standalone financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014
- e. on the basis of written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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-A"; and

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

- i. the Company does not have any pending litigations which would impact its financial position in its standalone financial statements.
 - 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 of the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- B a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable

For M S Gupta & Associates

Chartered Accountants

Firm Registration No: 033070N

Mohit Gupta

Proprietor

Membership No. 535451



Place: Delhi

Date: 28.06.2019



M S GUPTA & ASSOCIATES

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Annexure-B to the Independent Auditors' Report

(Referred to in our Independent Auditors' Reports to the members of **PL Engineering Limited** on the standalone financial statements for the year ended March 31, 2019), we report that:

- I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and as informed, no material discrepancies were not noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable property in its name hence paragraph I (c) of the Order is not applicable.
- II. The Company did not have any inventory during the year under review. Therefore, clause 3 (ii) of the Order is not applicable
- III. (a) The Company has not granted any loans, secured / unsecured to companies, firms, Limited Liability Partnerships or other parties covered under register maintained under section 189 of the Act.

(b) As the company has not granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered under register maintained under section 189 of the Act, accordingly, paragraph III (a), III (b) and III (c) of the Order are not applicable to the Company.
- IV. According to the information and explanations given to us, The Company has not given loan to directors directly or indirectly, neither made investments nor given any guarantee and security in contravention of section 185 and 186 of the Companies Act, 2013. Hence, paragraph IV of the Order is not applicable to the Company during the year.
- V. The Company has not accepted any deposits during the year and does not have any unclaimed deposit as on March 31, 2019, hence, paragraph V of the Order is not applicable to the Company. Further, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or any other tribunal on the Company.
- VI. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company.



- VII. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Customs duty and any other statutory dues with the appropriate authorities as applicable to it.
- (b) Since company has no disputed tax liability, so this Para is not applicable.
- VIII. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year; accordingly paragraph VIII of the Order is not applicable.
- IX. The Company has neither raised money by way of initial public offer or further public offer nor has taken any term loan; hence paragraph IX of the Order is not applicable to the Company during the year.
- X. According to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- XII. In our opinion and according to the information given to us, the Company is not a Nidhi Company accordingly paragraph XII of the Order not applicable to the Company.
- XIII. In our opinion and according to the information and explanations given to us, transactions with the related parties if any, are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details of the same have been disclosed in note no.27 of the financial statement.
- XIV. According to the information and explanations given to us and based on the examinations of the books of account, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year accordingly paragraph XIV of the Order not applicable to the Company.
- XV. According to the information and explanations given to us and based on the examinations of the books of account the Company has not entered in to any non-cash transaction with directors or persons connected with him accordingly paragraph XV of the Order not applicable to the Company during the year.



XVI. In our opinion and according to the information and explanations given to us, neither the principal business of the company is financing activities nor it is engaged in business of financing activities, hence paragraph XVI of the Order not applicable to the Company.

For M S Gupta & Associates

Chartered Accountants

Firm Registration No: 033070N



Mohit Gupta

Proprietor

Membership No. 535451



Place: Delhi

Date: 28.06.2019



M S GUPTA & ASSOCIATES

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Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PL Engineering Limited of even date)

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

We have audited the internal financial controls over financial reporting of PL Engineering Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 31 March 2019, 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 M S Gupta & Associates

Chartered Accountants

Firm Registration No: 033070N



Mohit Gupta

Proprietor

Membership No. 535451



Place: Delhi

Date: 28.06.2019

PL Engineering Limited

Standalone Balance Sheet as at March 31, 2019

(All amount in INR, unless otherwise stated)

Particulars	Notes	As at	
		Mar 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment's	4	-	949,916
Intangible assets	5	-	5,858,436
Financial Assets			
Investments	6	2	32,633,245
Loans and advances	7	-	-
Other non current assets	9	-	-
		2	39,441,597
Current assets			
Inventories - Unbilled revenue (work-in-progress)		-	26,511,540
Financial Assets			
Investment held for Sale	10	2	155,576
Trade receivables	11	-	56,964,464
Other Financial Assets	8	18,828,237	-
Cash and cash equivalents	12	17,887,071	23,558,298
Loans and advances	7	3,086,275	5,350,851
Current Tax Assets (Net)	13	23,844,127	20,034,469
Other current assets	9	3,626,798	3,295,209
		67,272,510	135,870,407
		67,272,512	175,312,004
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	14	62,250,000	62,250,000
Other Equity			
Equity component of Convertible Cumulative Preference Shares		200,050,000	200,050,000
Others reserves		(301,418,791)	(264,006,502)
Total Equity		(39,118,791)	(1,706,502)
Liabilities			
Non-current liabilities			
Provisions	15	-	2,112,114
		-	2,112,114
Current liabilities			
Financial Liabilities			
Trade payables	16		
(A) Total Outstanding dues of Micro enterprises & Small enterprises		-	-
(B) Total Outstanding dues of creditors other than Micro enterprises & Small enterprises		105,594,871	168,851,249
Other current liabilities	17	796,432	5,601,446
Provisions	15	-	453,697
		106,391,303	174,906,392
Total Liabilities			
Total Equity and Liabilities		67,272,512	175,312,004

Summary of significant accounting policies

1,2 & 3

The accompanying notes form an integral part of the financial statements

This is the Standalone Balance Sheet referred to in our report of even date.

For M S Gupta & Associates

Chartered Accountants

Firm Registration Number: 033070N

Mohit Gupta

Proprietor

Membership No:535451

Place:Delhi

Date : June 28, 2019

For and on behalf of the board of directors of

PL Engineering Limited

Rahul Maheshwari

Rahul Maheshwari

Director

DIN: 07345645

Atul Punj

Director

DIN: 00005612



Kaushalendra Pratap Singh
Chief Financial Officer

PL Engineering Limited

Standalone Statement of Profit and Loss for the year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

	Notes	Year ended	
		March 31, 2019	March 31, 2018
Income			
Revenue from operations			
Sale of services (including income from Service Exports from India Scheme)		45,198,148	65,559,893
Other income	18	2,849,142	16,344,466
Total income		48,047,290	81,904,359
Expenses			
Employee benefits expense	19	948,109	243,786,917
Finance costs	21	-	2,747,519
Depreciation and amortisation expense	4 & 5	6,808,360	8,191,872
Other expenses	20	59,017,193	323,155,682
Total expenses		66,773,662	577,881,990
Loss before tax		(18,726,372)	(495,977,631)
Tax expenses			
Current tax		-	-
Deferred tax			20,198,379
Tax for Previous Year		(14,102,848)	(6,113,734)
Total tax expense		(14,102,848)	14,084,645
Loss for the year		(4,623,524)	(510,062,276)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss.			
Remeasurement gains/(losses) on defined benefit plans		-	26,508,875
Loss on sale of Investment		(32,633,191)	-
Net (losses)/ gains on FVTOCI equity instruments		(155,574)	(25,354,657)
Total other comprehensive income for the year, net of tax		(32,788,765)	1,154,218
Total comprehensive income for the year, net of tax		(37,412,289)	(508,908,058)
Earnings per equity share [nominal value per share ` 10 each (Previous year ` 10)]			
Basic and Diluted (in `)	22	(0.74)	(81.94)

Summary of significant accounting policies

1,2 & 3

The accompanying notes form an integral part of the financial statements

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For M S Gupta & Associates

Chartered Accountants

Firm Registration Number: 033070N

For and on behalf of the board of directors of

PL Engineering Limited

Mohit Gupta

Proprietor

Membership No:535451

Place:Delhi

Date : June 28, 2019



Rahul Maheshwari

Rahul Maheshwari

Director

DIN: 07345645

Kaushalendra Pratap Singh

Chief Financial Officer

Atul Punj

Director

DIN: 00005612

PL Engineering Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2019
 (All amount in INR, unless otherwise stated)

a. Equity Share Capital:

Equity share of Rs. 10 each issued, subscribed and fully paid	Nos	Amount
As at March 31, 2018	6,225,000	62,250,000
As at March 31, 2019	6,225,000	62,250,000

b. Other Equity

	Equity component of convertible preference shares	Reserves and Surplus		Items of OCI		Total Other Equity
		Share Premium	Retained earning	FVT OCI Reserve	Others Reserve	
As at March 31, 2017	200,050,000	187,401,473	(120,684,936) (510,062,276)	178,185,019	-	444,951,556 (510,062,276)
Loss for the year						
Remeasurement of the net defined benefit liability/ asset						
Change in fair value of investments				(25,354,657)	26,508,875	26,508,875 (25,354,657)
OCI reclassified to retained earnings			26,508,875	(26,508,875)		-
As at March 31, 2018	200,050,000	187,401,473	(604,238,337) (4,623,524)	152,830,362	-	(63,956,502) (4,623,524)
Loss for the year						
Remeasurement of the net defined benefit liability/ asset						
Change in fair value of investments				(32,788,765)	-	(32,788,765)
OCI reclassified to retained earnings			-		-	-
Mar 31, 2019	200,050,000	187,401,473	(608,861,861)	120,041,597	-	(101,368,791)

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

For M S Gupta & Associates

Chartered Accountants

Firm Registration Number: 033070N



Mohit Gupta
 Proprietor
 Membership No: 535451
 Place : Gurgaon
 Date : June 28, 2019

Rahul Maheshwari

Rahul Maheshwari

Director

DIN:

Kaushalendra Pratap Singh
 Chief Financial Officer

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

Atul Punj
 Director
 DIN: 00005612

PL Engineering Limited

The Standalone Statement of Cash Flow for the year ended March 31, 2019

(All amount in INR, unless otherwise stated)

	Year ended	
	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Loss before tax	(18,726,372)	(495,977,631)
Non-cash adjustment to reconcile (loss)/profit before tax to net cash flows		
Depreciation and amortisation expense	6,808,360	8,191,872
Loss/ (Gain) on sale of fixed assets (net)	-	164,744
Loss on Sale of Investment	-	-
Provision for contract losses	-	-
Bad debts written off	37,775,160	227,018,293
Gain on sales foreign currency transactions	-	(79,999)
Interest expense	-	2,231,212
Operating profit before working capital changes	25,857,148	(258,451,509)
Changes in working capital :		
Increase in trade payables	(63,256,378)	(330,479,036)
Increase/(Decrease) in provisions	(2,565,811)	(25,894,109)
(Decrease)/ Increase in other current liabilities	(4,805,014)	(79,144,144)
Increase in trade receivables	45,700,834	486,744,568
Decrease in loans and advances	2,264,576	86,644,124
Decrease/(Increase) in unbilled revenue (work-in-progress)	-	130,969,538
Decrease in other current assets	(19,159,826)	13,169,534
Cash generated from operations	(15,964,471)	23,558,967
Direct taxes refunded/ (paid)	10,293,190	15,629,440
Net cash from operating activities (A)	(5,671,281)	39,188,406
Cash flows from investing activities		
Purchase of fixed assets	-	(1,082,151)
Proceeds from sale of investment in Subsidiaries	52	-
Release of Bank Margin	5,390,423	-
Proceeds from sale of fixed assets	-	888,163
Net cash flow from/ (used in) investing activities (B)	5,390,475	(193,988)
Cash flows from financing activities		
Repayment of long-term borrowings	-	(1,413,033)
(Repayment of)/ Proceeds from short-term borrowings (net)	-	(34,839,874)
Interest paid	-	(2,245,048)
Net cash used in financing activities (C)	-	(38,497,955)
Net decrease in cash and cash equivalents (A + B + C)	(280,806)	496,463
Cash and cash equivalents at the beginning of the year (Refer note no. 12)	835,450	338,987
Cash and cash equivalents at the end of the year	554,644	835,450

The accompanying notes form an integral part of the financial statements

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

For M S Gupta & Associates

Chartered Accountants

Firm Registration Number: 033070N

Mohit Gupta
Proprietor
Membership No:535451



Place: Delhi

Date : June 28, 2019

For and on behalf of the board of directors of

PL Engineering Limited

Rahul Maheshwari

Rahul Maheshwari

Director

DIN: 07345645

Atul Punj

Director

DIN: 00005612



Kaushalendra Pratap Singh
Chief Financial Officer

PL Engineering Limited

Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in INR, unless stated otherwise)

1. Corporate Information

PL Engineering Limited (the Company) is a public limited company domiciled in India and incorporated on December 13, 2006. The Company is engaged in the business of rendering Engineering and Design Consultancy Services. The company caters to both domestic and international Market. The company is a Subsidiary of Punj Lloyd Limited, a company incorporated in India.

Pursuant to an order dated March 08, 2019 of the National Company Law Tribunal (NCLT), Principal Bench, New Delhi, India, Corporate Insolvency Resolution Process (CIRP) has been initiated for Punj Lloyd Limited (The Holding Company) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). An Interim Resolution Professional (IRP) and thereafter Resolution Professional (RP) have been appointed for carrying out the CIRP of Punj Lloyd Limited. Upon initiation of CIRP, the powers of the Board of Directors of Punj Lloyd Limited have been suspended and shall be exercised by the IRP/RP.

2. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Basis of measurement

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
 - certain items of property, plant and equipment's which have been fair valued on the transition date
- Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) As at March 31 2019, the Company has incurred losses of Rs. 46, 23,527/- and does not have any projects to be executed. Further, Corporate Insolvency Resolution Process has been initiated for the Holding Company (Punj Lloyd Limited) under the Indian Insolvency and Bankruptcy Code 2016 (IBC) with effect from March 08, 2019.

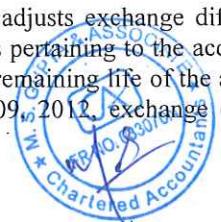
The present conditions indicate that a material uncertainty exists that cast significant doubt on the Company ability to continue as a going concern. However, the Company is hopeful to generate sustainable cash flows through its new projects and other operating activities which would enable the Company to discharge its short term and long term liabilities and continue as a going concern and hence the financials statements of the Company have been prepared on a going concern basis.

(b) Property, plant and equipment

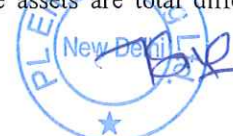
Property, plant and equipment, excluding freehold land, but including capital work-in-progress are stated at cost, less accumulated depreciation and impairment losses, if any. Freehold land is carried at historical cost. The cost includes the purchase price and expenditure that is directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with Ministry of Corporate Affairs ("MCA") circular dated August 09, 2012, exchange differences adjusted to the cost of tangible assets are total differences,



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arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Depreciation method estimated useful lives and de-recognition

Depreciation is calculated using the straight-line method to allocate the cost, net of the residual values, over the estimated useful lives as follows:

Particulars	Useful Life (In Years)
Computer Hardware	3
Network and Servers	6
Furniture and Fixtures	10
Vehicle*	5
Office Equipment's	5
Computer Software	6

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

The property, plant and equipment acquired under finance leases, including assets acquired under sale and lease back transactions, is depreciated over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use thereof. Any gain or loss arising on de-recognition of the assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of profit and loss when the asset is derecognized.

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

(c) Intangible assets

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

Development expenditures are recognized as an intangible asset when the Company is able to demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use
- its intention to complete and its ability and intention to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during development

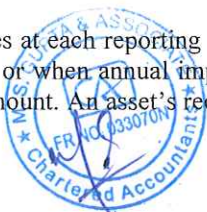
The Company amortizes intangible assets with finite lives using the straight-line method over the period of licenses or based on the nature and estimated useful economic life, i.e., six years, whichever is lower.

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.

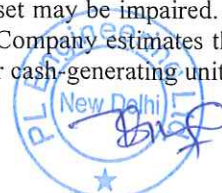
The amortization period and the method is reviewed at each financial year end and adjusted prospectively.

(d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's



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(CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

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

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as an investment property. Investment properties are measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives, i.e., 60 years.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

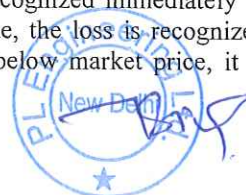
(f) Sale and lease back transactions

If a sale and leaseback transaction results in a finance lease, the profit or loss, i.e., excess or deficiency of sale proceeds over the carrying amounts is deferred and amortized over the lease term in proportion to the depreciation of the leased asset. The unamortized portion of the profit is classified under "Other liabilities" in the financial statements.

If a sale and leaseback transaction results in an operating lease, profit or loss is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, the loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is



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deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the profit is deferred and amortized over the period for which the asset is expected to be used.

(g) Leases

Where the Company is the lessee

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

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

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

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating lease is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are classified in the balance sheet based on their nature.

(h) Inventories

Project materials are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the materials to their present location and condition. Cost is determined on weighted average basis.

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of taxes or duties collected on behalf of third parties. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Company and specific criteria, as described below, are met for each of the Company's activities.

- i) Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- iii) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.



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- iv) Revenue from management services is recognized pro-rata over the period of the contract as and when the services are rendered.

Ind AS 115 "Revenue from Contracts with Customers", mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The Company has elected the option of using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, comparatives have not been retrospectively adjusted. Further, the applicability of Ind AS 115 did not have any material impact on recognition and measurement of revenue and related items in these financial results.

Accordingly, the policy for Revenue is amended as under:

The Company derives revenue primarily from construction contracts. To recognize revenue, the Company applies the following five step approach:

- i. identify the contract with a customer,
- ii. identify the performance obligations in the contract,
- iii. determine the transaction price,
- iv. allocate the transaction price to the performance obligation in the contract, and
- v. recognize revenue when a performance obligation is satisfied.

At contract inception, the company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. For performance obligations where control is transferred over time, revenue are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. The method for recognizing revenues and cost depends on the nature of the services rendered.

Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate. Fair value gains on current investments carried at fair value are included in other income. Dividend income is recognized when the right to receive the same is established by the reporting date. Other items of income are recognized as and when the right to receive arises.

(j) Borrowing costs

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

(k) Foreign currencies

i) Functional and presentation currency

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

ii) Transaction and balances

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

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



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- a. Exchange differences are deferred in equity if they are attributable to part of the net investment in a foreign operation. They are recognized initially in other comprehensive income (OCI) and reclassified to statement of profit and loss on disposal of the net investment, as part of gain or loss on disposal.
- b. Exchange differences arising on long-term foreign currency monetary items (recognized upto 31 March 2016), related to acquisition of a depreciable asset are capitalized and depreciated over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

iii) Translation of foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate of exchange at the reporting date,
- Income and expenses are translated at quarterly average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- All resulting exchange differences are recognized in OCI.

On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, i.e. 01 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but comprises only translation differences arising after the transition date.

(l) Financial instruments

Financial Instruments (assets and liabilities) are recognized when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

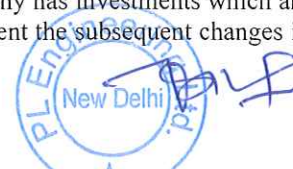
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in statement of profit and loss.

A. Financial assets

(i) Subsequent measurement

Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets.

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.
- **Fair value through other comprehensive income (FVTOCI):** The Company has investments which are not held for trading. The Company has elected an irrevocable option to present the subsequent changes in



fair values of such investments in other comprehensive income. Amounts recognized in OCI are not subsequently reclassified to the statement of profit and loss.

- **Fair value through profit and loss (FVTPL):** FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category also includes derivative financial instruments, if any, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(ii) Impairment of financial assets

The Company applies Ind AS 109 for recognizing impairment losses using Expected Credit Loss (ECL) model. Impairment is recognized for all financial assets subsequent to initial recognition, other than financial assets in FVTPL category. The impairment losses and reversals are recognized in statement of profit and loss.

(iii) De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

B. Financial liabilities

(i) Subsequent measurement

There are two measurement categories into which the Company classifies its financial liabilities.

- **Amortised cost:** After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
- **Financial liabilities at FVTPL:** Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

(ii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

C. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(n) Fair value measurement

The fair value of an asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Where fair value is based on quoted prices from active market.

Level 2 – Where fair value is based on significant direct or indirect observable market inputs.

Level 3 – Where fair value is based on one or more significant input that is not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfer is required between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances or (b) at the end of each reporting period.

(o) Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income.

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

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and pension fund

Gratuity obligations

The Company operates a defined benefit gratuity plan for employees employed in India. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the balance sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

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

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

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



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Defined contribution plans

The Company makes contribution to statutory provident fund and pension funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee benefits in overseas locations

In overseas branches and unincorporated joint venture operation, provision for retirement and other employee benefits are recognized as prescribed in the local labour laws of the respective country, for the accumulated period of service at the end of the financial year.

(p) Income taxes

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set-off current tax assets against liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

(q) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(r) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year, adjusted for the



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events such as bonus issue, share split or otherwise that have changed the number of equity shares outstanding without a corresponding change in resources.

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

(s) Cash and cash equivalents

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

(t) Contingent liabilities

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

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

(u) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

(v) Operating cycle

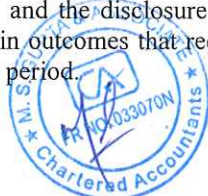
The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the management considers this to be the project period.

(w) Measurement of EBITDA

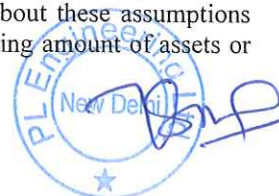
As permitted by the Guidance Note on the Division II of Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company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

3. (a) Significant accounting judgements, estimates and assumptions:

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



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Critical estimates and judgements

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

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

Fair valuation of unlisted securities:

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

Impairment of financial assets:

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

Impairment of non-financial assets:

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

Defined benefit plan (employee benefits):

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

Taxes:

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

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



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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

4. Property, Plant and Equipments

Particulars	Computer hardware	Furniture and fixtures	Vehicles	Office equipment	Total
Gross block					
As at March 31, 2017	43,703,591	2,478,717	16,328,120	6,289,113	68,799,541
Additions during the year	-	-	-	-	-
Disposals during the year	-	-	(16,328,120)	-	(16,328,120)
As at March 31, 2018	43,703,591	2,478,717	-	6,289,113	52,471,421
Additions during the year	-	-	-	-	-
Disposals during the year	-	-	-	-	-
As at March 31, 2019	43,703,591	2,478,717	-	6,289,113	52,471,421

Accumulated depreciation

As at March 31, 2017	41,955,654	1,676,898	14,670,921	5,881,244	64,184,717
Charge for the year	1,513,050	451,291	604,292	43,369	2,612,002
Disposals during the year	-	-	(15,275,213)	-	(15,275,213)
As at March 31, 2018	43,468,704	2,128,189	-	5,924,613	51,521,506
Charge for the year	234,888	350,528	-	364,500	949,915
Disposals during the year	-	-	-	-	-
As at March 31, 2019	43,703,591	2,478,717	-	6,289,113	52,471,421

Net block

As at March 31, 2017	1,747,937	801,819	1,657,199	407,869	4,614,824
As at March 31, 2018	234,888	350,528	-	364,500	949,916
As at March 31, 2019	-	-	-	-	-

5. Intangible assets

Gross block

	Software	Total
As at March 31, 2017	129,440,903	129,440,903
Additions during the year	-	-
As at March 31, 2018	129,440,903	129,440,903
Additions during the year	-	-
As at March 31, 2019	129,440,903	129,440,903

Accumulated amortisation

As at March 31, 2017	118,001,030	118,001,030
Charge for the year	5,581,437	5,581,437
As at March 31, 2018	123,582,467	123,582,467
Charge for the year	5,858,436	5,858,436
As at March 31, 2019	129,440,903	129,440,903

Net block

As at March 31, 2017	11,439,873	11,439,873
As at March 31, 2018	5,858,436	5,858,436
As at March 31, 2019	-	-



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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

6. Non-current investments

Particulars	As at March 31, 2019	As at March 31, 2018
Fair Value through Othes Comprehensive Income (Fully Paidup)		
Investment in subsidiaries (unquoted equity)		
Punj Lloyd Engineering Pte Limited	-	32,633,243
Nil (previous year: 1) equity shares of SGD 1 each		
AeroEuro Engineering India Private Limited	1	1
2,500,000 (March 31, 2018: 2,500,000 April 1, 2017: 1,250,000) equity shares of ₹ 10 each		
Investment in joint ventures		
PLE TCI Engenharia LTDA.		
24,500 (March 31, 2018: 24,500, April 1, 2019: 24,500) equity shares of ₹ 10 each	1	1
Total	2	32,633,245
Aggregate carrying value of unquoted investments	2	32,633,245

7. Loans & Advances

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Loan and advances to related parties				
Unsecured, considered good				
Advances to subsidiaries	-	-	-	2,264,576
Unsecured, considered doubtful				
Advances to subsidiaries				
Advance to Subsidiaries	-	14,640,676	-	14,640,676
Less - Expected Credit Loss		(14,640,676)	-	(14,640,676)
Interest receivable on loan given to subsidiaries		6,428,098		6,428,098
Less - Expected Credit Loss		(6,428,098)		(6,428,098)
Loan and advances to others				
Unsecured, considered good				
Security deposits	-	3,086,275	-	3,086,275
Total	-	3,086,275	-	5,350,851

8. Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Receivable against Service Exports from India Scheme Licence*	18,828,237	-

*Export Benefit under the Duty Free Credit Entitlement accounted for in the year to the extent, there is certainty of its realisation.



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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

9. Other Assets (Non Current/Current)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Other loans and advances				
Prepaid expenses	-	-	-	181,739
Balances with statutory/ government authorities	-	3,626,798	-	3,029,247
Advances recoverable in cash or kind				
Advance to employees	-	-	-	84,223
Total	-	3,626,798	-	3,295,209

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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

10. Investment held for sale:

Particulars	As at March 31, 2019	As at March 31, 2018
Investments held for sale		
PL Delta Technologies Limited 50,000 (March 31, 2018: 50,000, April 1, 2017: 50,000) equity shares of ₹ 10 each.	1	1
PLE TCI Engineering Limited 24,500 (March 31, 2018: 24,500, April 1, 2017: 24,500) equity shares of ₹ 10 each.	1	155,575
Total	2	155,576
Aggregate carrying value of unquoted investments	2	155,576

11. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured , Considered Good		
Receivable from related parties	-	1,274,660
Receivable from others	-	55,689,804
Unsecured , considered doubtful		
Receivable from related parties	-	-
Receivable from others	-	-
Less: Provision for expected credit loss	-	-
Total	-	56,964,464

12. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
– in current accounts	554,419	802,220
– in exchange earner's foreign currency account	173	163
Cash on hand	52	33,065
	554,644	835,448
Other bank balances		
Fixed Deposit with Bank*	44,927	6,430,351
Deposit in Escrow account on account of SCEL sale consideration	17,287,500	16,292,499
Total	17,887,071	23,558,298

*Deposit of 100% margin is given to bank for issuing the various Bank Guarantees.

13. Current Tax Asset - Net

Particulars	As at March 31, 2019	As at March 31, 2018
Advance tax	23,844,127	20,034,469
Total	23,844,127	20,034,469



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14. Equity Share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
10,000,000 (March 31, 2018: 10,000,000) equity shares of ₹ 10 each	100,000,000	100,000,000
20,005 (March 31, 2018: 20,005) 0.0001% Cumulative Convertible Preference Shares (CCPS) of ₹ 10,000 each	200,050,000	200,050,000
	300,050,000	300,050,000
Issued, subscribed and fully paid-up share capital		
6,225,000 (March 31, 2018: 6,225,000) equity shares of ₹ 10 each	62,250,000	62,250,000
20,005 (March 31, 2018 : 20,005) 0.0001% CCPS of ₹ 10,000 each	200,050,000	200,050,000
	262,300,000	262,300,000
Total issued, subscribed and fully paid-up share capital	262,300,000	262,300,000

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

	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount	Nos.	Amount
Equity shares				
At the beginning and at the end of the year	6,225,000	62,250,000	6,225,000	62,250,000
Cumulative Convertible Preference share (CCPS)				
At the beginning and at the end of the year	20,005	200,050,000	20,005	200,050,000

(b) Terms/ rights attached to equity shares

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

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

(c) Terms of conversion / redemption of CCPS

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

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

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

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

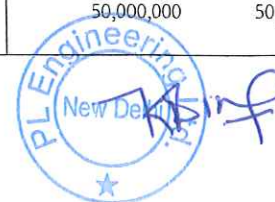
The Investor shall have the option to convert any number of preference shares into equity shares during the term of this agreement. However, on 2 November 2020 (i.e., at the expiry of 180 days from the tenth anniversary of the Completion Date), without any approval of the shareholders, prior to or at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

(d) Shares held by Holding company

Particulars	As at March 31, 2019	As at March 31, 2018
Punj Lloyd Limited (Holding Company)	50,000,000	50,000,000
5,000,000 (2018: 5,000,000) equity shares of ₹ 10 each fully paid up		



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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid up				
Punj Lloyd Limited	5,000,000	80.32%	5,000,000	80.32%
FIL Capital Management (Mauritius) Limited	1,066,955	17.14%	1,066,955	17.14%
CCPS of ₹ 10,000 each fully paid up				
FIL Capital Management (Mauritius) Limited	19,855	99.25%	19,855	99.25%

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

(f) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately

(g) Refer Note 23 for details on employee stock option plans.



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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

15. Provisions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits	-	-	2,112,113	453,698
Provision for Benefits	-	-	2,112,113	453,697

16. Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
- Due to MSME (refer Note 35 for details of dues to Micro and Small Enterprises)	-	-
- Due to Others	96,055,851	168,851,249
- Due to Related Party	9,539,020	-
Total	105,594,871	168,851,249

The company has not received required information from supplier /Parties regarding their status under the Micro small and medium enterprises development act 2006. Company believe that they have not entered any transaction with the parties covered under Micro, Small and Medium Enterprises Development Act 2006. Hence required disclosure have been given to the extent information available with the company.

17. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	796,432	4,038,913
Advance from customers	-	1,562,533
Total	796,432	5,601,446



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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

18. Other income

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Scrap Sale	58,136	437,521
Net gain on foreign currency transactions and translations	1,221,312	9,519,792
Interest on Fixed Deposits	253,930	425,119
Interest on income tax refund	1,315,764	5,962,034
	2,849,142	16,344,466

19. Employee benefits expense

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	816,647	233,256,955
Contribution to provident and other funds	131,462	7,880,279
Gratuity expense	-	1,775,150
Staff welfare expenses	-	874,533
	948,109	243,786,917

20. Other expenses

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Rent	-	40,000,000
Insurance	-	5,104,348
Repair and maintenance	-	68,400
Software maintenance cost	-	12,639,193
Office expenses	-	87,784
Travelling and conveyance	398,190	1,847,048
Printing and stationery	-	1,946,337
Consultancy and professional	12,995,507	32,352,652
Payment to auditor (refer details below)	150,000	737,492
Irrecoverable balance written off (Net)	11,263,620	70,363,428
Contractor charges	591,286	104,921
Rates and taxes	7,036,252	478,740
Loss on sale of fixed assets (net)	-	164,744
Unbilled Revenue Written off	26,511,540	156,654,865
Postage and telegram	-	576,474
Miscellaneous Expenses	70,799	545,564
	59,017,193	323,671,990

Payment to auditor (excluding service tax)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
As auditor:		
Audit fee for standalone & consolidated financial statements	150,000	700,000
Certification	-	30,000
Reimbursement of expenses	-	7,492
	150,000	737,492



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PL Engineering Limited

Notes to financial statements year ended Mar 31, 2019

(All amount in INR, unless otherwise stated)

21. Finance costs

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Interest expense on:		
-Cash credit	-	1,344,472
-Others	-	886,740
Other borrowing cost	-	-
	-	2,231,212

22. Earning per share (EPS)

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

Particulars	March 31, 2019	March 31, 2018
Loss for the Year	(4,623,524)	(510,062,276)
Less : Dividends on convertible preference shares and tax thereon	200	200
Net loss for calculation of basic and diluted EPS	(4,623,724)	(510,062,476)
	Number	Number
Weighted average number of equity shares in calculating basic and diluted EPS	6,225,000	6,225,000
EPS - Basic and Diluted (in ₹)	(0.74)	(81.94)

The potential equity shares resulting from conversion of CCPS are anti-dilutive in nature, as the company has incurred losses during the years ended March 31, 2019 and March 31, 2018.



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23. Employee Stock Option Plans (ESOP)

The Company has provided various share based payment schemes to its employees. During the year ended 31 March 2019, the relevant details of the scheme are as follows:

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

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

Particulars	2018-19		2017-18	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	-	-	-	-
	-	-	-	-
	-	-	78,000	100
	-	-	102,028	105
Granted during the year	-	-	-	105
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
	-	-	78,000	100
	-	-	102,028	105
Outstanding/exercisable at the end of the year	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

The weighted average share price at the date of exercise for stock options was Rs. Nil (previous year Rs. Nil).

The weighted average share price for the year over which stock options were exercised was Rs. Nil (previous year Rs. Nil).

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

For the purpose of valuation of the options granted under ESOP 2008 upto the year ended 31 March 2019, the compensation cost relating to employee stock options, calculated as per the intrinsic value method, is Nil.

In March 2005, the Institute of Chartered of India (ICAI) has issued a Guidance Note on "Accounting for employees share based payments" applicable to 'employee share based plans, the grant date in respect of which falls on or after 1 April 2005. The said Guidance Note requires the proforma disclosure of the impact of the fair value method of accounting of employee stock compensation in the Financial Statements. As the Company has used the intrinsic value method and the management has obtained fair value of the options at the date of grant from a valuer, using the 'Black Scholes Option Pricing Model', there is no impact on the reported profit and EPS.



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24. Interest in other entities

(a) Subsidiaries

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

Name of entity	Country of incorporation	Ownership interest as at	
		31-Mar-19	31-Mar-18
Subsidiaries		%	%
Punj Lloyd Engineering Pte. Limited*	Singapore	-	100
PL Delta Technologies Limited	India	100	100
AeroEuro Engineering India Private Limited	India	100	100

*sold during the year.

(b) Interest in Joint Ventures

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

Name of entity	Nature of operations	Ownership interest as at	Ownership interest as at	
			31-Mar-19	31-Mar-18
			%	%
PLE TCI Engineering Limited	Engineering and design consultancy services	India	50	50
PLE TCI Engenharia Ltda	Engineering and design consultancy services	Brazil	49	49

25. Interest in joint ventures

The Company holds 50% interest in PLE TCI Engineering Limited, a jointly controlled entity which is involved in providing engineering and design consultancy services. The joint venture company was incorporated on 09 March 2010.

The Company holds 49% interest in PLE TCI Engenharia LTDA, jointly controlled entity which is involved in providing engineering and design consultancy services.

The Company's share of the assets, liabilities, income and expenses of PLE TCI Engineering Limited and PLE TCI Engenharia LTDA at the year end are as follows:

Particulars	PLE TCI Engineering Limited		PLE TCI Engenharia LTDA*	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current assets	303,706	330,299	-	129,866
Non-current assets	-	-	-	-
Current liabilities	(45,622)	(35,447)	-	-
Non-current liabilities	-	-	-	-
Equity	258,084	294,852	-	129,866
Revenue	-	-	-	-
Depreciation and amortisation	-	-	-	-
Employee benefits expense	-	-	-	-
Finance and other expenses	(36,768)	(21,650)	-	-
Loss for the year	(36,768)	(21,650)	-	-

* Audit financial statement of PLE TCI Engenharia LTDA for the financials for the year 2018-19 is not available hence current year figures have not been given.

26. Segment information

Business segment

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

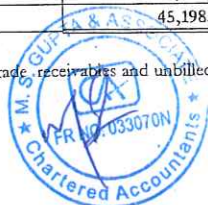
Geographical segments*

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

The following table presents revenue from operations, trade receivable and unbilled revenue(work-in-progress) regarding geographical segments as at 31 March 2019 and 31 March 2018:

Particulars	Revenue		Unbilled revenue (work in progress)		Trade receivables	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
India	29,280,227	54,074,042	-	25,307,715	-	45,001,163
Other countries	15,917,921	11,485,851	-	1,203,825	-	11,963,301
Total	45,198,148	65,559,893	-	26,511,540	-	56,964,464

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



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PL Engineering Limited

Notes to financial statements year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

27. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

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

*The entity has been sold during the year

Key management personnel:

Chairman	Mr. Atul Punj
Director	Mr. Rahul Maheshwari (w.e.f. 30/05/2018)

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

Holding Company	Punj Lloyd Limited
Subsidiaries	Punj Lloyd Engineering Pte Limited* (Till December 24, 2018)
Fellow subsidiaries	Punj Lloyd Construction Contracting Company Limited Punj Lloyd Sdn Bhd

(a) Transaction with related parties

	2018-19	2017-18
Sales and purchase of goods and services		
<i>With Holding Company:</i>		
Contract revenue	9,776,989	9,955,705
Rental income	-	-
Consultancy expense	-	-
Rental Expense	-	(40,000,000)
Interest Expense	-	-
<i>With subsidiaries:</i>		
Contract revenue	14,724,738	19,906,934
Software Expense	-	-
<i>With Fellow subsidiaries:</i>		
Contract revenue	-	8,979,898
<i>With KMP</i>		
Employee benefit expenses	-	14,003,166

(b) Outstanding balances

	March 31, 2019	March 31, 2018
Holding Company:		
Trade receivable	-	-
Other payable (Due to related parties)	-	-
Mobilization advance	-	(1,079,086)
Subsidiaries		
Loan receivable	-	2,264,576
Trade receivable	-	-
Other payable (Due to related parties)	-	-
Investment	2	32,633,243
Mobilization advance	-	-
Fellow Subsidiaries		
Loan receivable	-	1,274,660
Trade receivable	-	-
Other payable (Due to related parties)	9,539,020	-
Joint Ventures		
Investment held for sale	2	155,576



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28. Operating Lease

The Company has no operating lease agreement during the year. Hence lease payment charged to statement Of profit and loss account during the year amounted to Rs. Nil (Previous year Rs.40,000,000/-)

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

Particulars	2018-19	2017-18
a) Contract revenue recognised as revenue in the period (clause 38 (a))	-	65,559,893
b) Aggregate amount of costs incurred and recognised profits upto the reporting date on contract under progress (clause 39 (a))	-	858,100,295
c) Advance received on contract under progress (clause 39 (b))	-	1,562,533
d) Retention amounts on contract under progress (clause 39 (c))	-	-
e) Gross amount due from customers for contract work as an asset (clause 41 (a))	-	26,511,540
f) Gross amount due to customers for contract work as a liability (clause 41 (b))	-	-

30. The Company has invested a sum of ₹ 25,000,000 in the equity shares of a company Aero euro Engineering India Private Limited. Further, the Company has receivables by way of loans and advances of ₹ 2,10,68,774 (previous year ₹ 2,10,68,774) from the said company. As per the latest audited financial statements of the said company, accumulated losses of the said company have resulted in erosion of its net worth completely. The company has made necessary provision against the same.

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

32. Employee benefit expenses has been accounted for on actual basis.

33. 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 are no dues to micro and small enterprises that are reportable as per the Micro, Small and Medium Enterprises Development Act, 2006 as at the year end.

34. Financial Instruments**(a) Financial Instrument by category**

Particulars	March 31, 2019		March 31, 2018	
	FVTOCI	Amortized Cost	FVTOCI	Amortized Cost
Financial Assets				
Non-Current Investment	2	-	32,633,245	-
Investment held for sale	2	-	155,576	-
Trade receivable	-	-	-	56,964,464
Loans	-	-	-	5,330,851
Cash and cash equivalent	-	17,887,061	-	23,558,298
	4	17,887,061	32,788.821	85,873,613
Financial Liabilities				
Borrowings	-	-	-	2,112,114
Trade Payable	-	105,594,871	-	168,851,249
Other Financial Liabilities	-	-	-	-
	-	105,594,871	-	170,963,363

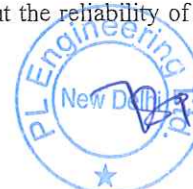
(b) Fair Value Hierarchy

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

The categories used are as follows:



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Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in INR, unless stated otherwise)

Level 1 – Where fair value is based on quoted prices from active market.

Level 2 – Where fair value is based on significant direct or indirect observable market inputs.

Level 3 – Where fair value is based on one or more significant input that is not based on observable market data.

	Level1	Level2	Level3	Total
As at March 31, 2019				
Non-Current Investments				
Unquoted			2	2
Investment held for sale				
Unquoted			2	2
Total			4	4
As at March 31, 2018				
Non-Current Investments				
Unquoted	-	-	32,633,245	32,633,245
Investment held for sale				
Unquoted	-	-	155,576	155,576
Total			32,788,821	32,788,821

There is no transfer between any level during the year

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

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

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

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

(e) Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement.

Investments - Unquoted

As at	Fair value	Significant unobservable inputs*	
		Earnings growth rate (%)	Risk adjusted discount rate (%)
March 31, 2019	2	0 - 4.00	10
March 31, 2018	32,788,821	0 - 4.00	10

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

(f) Reconciliation of financial instruments categorized under Level 3

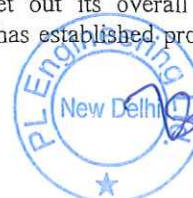
Particulars	March 31, 2019	March 31, 2018
Opening	32,788,821	58,143,478
Addition	-	-
Disposal	(32,633,243)	-
Gains/(losses) recognized in OCI	(155,574)	(25,354,657)
Closing	4	32,788,821

35. Financial risk management objective 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 for risk and its general risk management philosophy and has established processes to



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Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in INR, unless stated otherwise)

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 not exposed to credit risk as the commercial operation has not been commenced.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Foreign currency risk

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

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

Particulars	As at March 31, 2019		
	USD	QAR	EUR
Financial assets	2.5	-	-
Financial liabilities	(187,438)		
Net investment in foreign operations			
Net exposure	(187,435.5)		

Particulars	As at March 31, 2018		
	USD	QAR	EUR
Financial assets	33	49,133	122,331
Financial liabilities	(230,104)		
Net investment in foreign operations			
Net exposure	(230,072)	49,133	122,331

36. Capital Management**Risk management:**

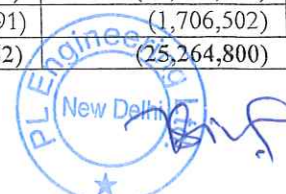
For the purpose of the capital management, capital includes the issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings other than convertible preference shares	-	-
Less :- Cash and cash equivalents	17,887,071	23,558,298
Net Debts	(17,887,071)	(23,558,298)
Equity	(39,118,791)	(1,706,502)
Equity & Net Debt	(57,005,862)	(25,264,800)



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PL Engineering Limited

Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in INR, unless stated otherwise)

37. Amounts in the financial Statement Statements are presented in INR value otherwise stated.

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

As per our report of even date

For MS Gupta & Associates

Chartered Accountants

Firm Registration No. 033070N

Mohit Gupta

Proprietors

Membership No. 535451

Place: Delhi

Date: June 28, 2019



Rahul Maheshwari

Rahul Maheshwari

Director

DIN : 07345645



Kaushalendra Pratap Singh

Chief Financial Officer

For and on behalf of the Board of Directors of

PL Engineering Limited

Atul Punj

Director

DIN : 00005612