INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PUNJ LLOYD INFRASTRUCTURE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Punj Lloyd Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

   e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company has not required to made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

FOR G.S. MATHUR & CO.
Chartered Accountants
Firm Registration Number: 8744N.

K.K.Gangopadhyay.
Partner
Membership No. 013442.

Place: Gurgaon
Date: May 11, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of **Punj Lloyd Infrastructure Limited** on the financial statements as of and for the year ended March 31, 2015

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

b) The Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, and or value added tax or cess which have not been deposited on account of any dispute.

c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

viii. The Company has no accumulated losses at the end of the financial year and it has incurred cash losses in the current and immediately preceding financial year.

ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

FOR G.S. MATHUR & CO.
Chartered Accountants
Firm Registration Number: 8744N.

K.K.Gangopadhyay.
Partner
Membership No. 013442.

Place: Gurgaon
Date: May 11, 2015

Punj Lloyd Infrastructure Limited
Balance Sheet as at March 31, 2015
(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' fund			
Share capital	3	226,500,000	226,500,000
Reserves and surplus	4	13,475,665	38,580,759
Non-current liabilities			
Long-term borrowings	5	3,155,142,566	2,268,742,566
Long-term provisions	8	3,680,935	2,438,328
Current liabilities			
Short-term borrowings	6	25,012,671	-
Trade payables	7	1,588,073	788,380
Other current liabilities	7	175,445,817	73,094,978
Short-term provisions	8	130,478	104,867
TOTAL		**3,600,976,204**	**2,610,249,878**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	-	30,053
		-	-
Deferred tax assets (net)	10	28,873,941	16,813,282
Non-current investments	11	1,082,052,000	976,552,000
Loans and advances	12	2,928,665	9,887,503
Current assets			
Cash and bank balances	13	1,260,862	872,430
Loans and advances	12	2,485,860,736	1,606,094,610
TOTAL		**3,600,976,204**	**2,610,249,878**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **G. S. Mathur & Co**
Chartered Accountants
Firm registration number: 8744N

For and on behalf of Board of Directors of
Punj Lloyd Infrastructure Limited

per **K. K. Gangopadhyay**
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 11, 2015

Vinay Dalmia
Chief Financial Officer

Amit Gupta
Company Secretary

Dinesh Thairani
Director

Luv Chhabra
Director

Punj Lloyd Infrastructure Limited
Statement of Profit and Loss for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Income			
Revenue from operations	14	10,489,490	41,958,499
Other income	15	451,993	260,453
Total income (I)		**10,941,483**	**42,218,952**
Expenses			
Employee benefits expense	16	30,781,974	25,981,071
Other expenses	17	17,212,461	20,387,811
Total expenses (II)		**47,994,435**	**46,368,882**
Earning before interest, tax, depreciation and amortizatio			
(EBITDA) (I-II)		**(37,052,952)**	**(4,149,930)**
Depreciation and amortization expense	9	30,053	7,922
Finance costs	18	82,748	2,687,067
(Loss)/profit before tax		**(37,165,753)**	**(6,844,919)**
Tax expenses			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		(12,060,658)	(1,658,611)
		(12,060,658)	(1,658,611)
(Loss)/profit for the year/perioc		**(25,105,095)**	**(5,186,308)**
Earnings per equity share			
Basic and diluted earning per share	19	(1.11)	(0.23)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **G. S. Mathur & Co**
Chartered Accountants
Firm registration number: 8744N

For and on behalf of Board of Directors of
Punj Lloyd Infrastructure Limited

per **K. K. Gangopadhyay**
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 11, 2015

Vinay Dalmia
Chief Financial Officer

Amit Gupta
Company Secretary

Dinesh Thairani
Director

Luv Chhabra
Director

Punj Lloyd Infrastructure Limited
Cash flow statement for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash flow from/ (used in) operating activities		
Loss before tax	**(37,165,753)**	**(6,844,919)**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	30,053	7,922
Unrealised foreign exchange loss/ (profit) (net)	-	
Interest expense	-	
Operating profit before working capital changes	**(37,135,700)**	**(6,836,997)**
Movement in working capital:		
Increase/ (decrease) in trade payables	799,693	(27,786)
Increase/ (decrease) in provisions	1,268,218	798,671
Increase/ (decrease) in other current liabilities	102,350,839	18,761,839
Decrease/ (increase) in trade receivables	6,958,838	(2,470,904)
Decrease/ (increase) in non current investments	(105,500,000)	(518,052,000)
Decrease/ (increase) in loans and advances	25,012,671	-
Cash generated from/ (used in) operations	(6,245,441)	(507,827,177)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	**(6,245,441)**	**(507,827,177)**
Cash flow used in investing activities		
Purchase of fixed assets, including CWIP and capital advances	-	-
Investment in wholly owned subsideries		-
Net cash flow used in investing activities (B)	**-**	**-**
Cash flow used in financing activities		
Proceeds from long-term borrowings	886,400,000	799,200,000
Repayment of long-term borrowings	-	-
Proceeds/ (Repayment) from short-term borrowings (net)	-	-
Proceeds from Issue of Capital		
Proceedsfrom unsecured loan	(879,766,126)	(292,318,422)
Interest paid	-	-
Net cash flow used in financing activities (C)	**6,633,874**	**506,881,578**
Net decrease in cash and cash equivalents (A + B + C)	**388,432**	**(945,599)**
Exchange difference		
Cash and cash equivalents at the beginning of the year	872,430	1,818,029
Cash and cash equivalents at the end of the year	**1,260,862**	**872,430**
Components of cash and cash equivalents		
Cash on hand	65,981	93,603
With banks		
- on current account	1,194,881	778,828
Total cash and cash equivalents (also refer note 12)	**1,260,862**	**872,431**

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

For **G. S. Mathur & Co**
Chartered Accountants
Firm registration number: 8744N

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

per **K. K. Gangopadhyay**
Partner
Membership No. : 013442
Place: Gurgaon
Date: May 11, 2015

Vinay Dalmia
Chief Financial Officer

Amit Gupta
Company Secretary

Dinesh Thairani
Director

Luv Chhabra
Director

3 Share capital

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised shares		
23,000,000 (previous year 23,000,000) equity shares of Rs. 10 each	**230,000,000**	**230,000,000**
Issued, subscribed and fully paid-up shares		
22,650,000 (previous year 22,650,000) equity shares of Rs. 10 each	226,500,000	226,500,000
	226,500,000	**226,500,000**

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
Equity shares outstanding at the beginning of the year	22,650,000	226,500,000	22,650,000	226,500,000
Add: Equity shares issued during the year/period	-	-		-
Outstanding at the end of the year/period	**22,650,000**	**226,500,000**	**22,650,000**	**226,500,000**

(b) Terms and rights attached to equity shares

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

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

(c) Share capital held by its holding company

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

	As at March 31, 2015	As at March 31, 2014
Punj Lloyd Limited, the holding company 22,650,000 (Previous year 22,650,000) equity shares of Rs. 10 each fully paid	226,500,000	226,500,000

(d) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting year including nominees:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	22,650,000	100%	22,650,000	100%

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

4 Reserve and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
Securities premium account		
Balance as per the last financial statements	75,000,000	75,000,000
Add: premium on issue of equity shares	-	
Closing balance	**75,000,000**	**75,000,000**
Deficit in the statement of profit and loss		
Balance as per the last financial statements	(36,419,241)	(31,232,933)
Profit for the year/period	(25,105,095)	(5,186,308)
Net deficit in the statement of profit and loss	**(61,524,335)**	**(36,419,241)**
Total reserves and surplus	**13,475,665**	**38,580,759**

5 Long -term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Interest free loan from Punj Lloyd Limited (unsecured)	3,155,142,566	2,268,742,566
	3,155,142,566	**2,268,742,566**

Punj Lloyd Infrastructure Limited
Notes to financial statements for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

6 Short-term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Cash credit from RBL (unsecured) (Interest @ 15% p.a)	25,012,671	-
	25,012,671	**-**

7 Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables (including acceptances) (refer note 23 for details of dues to micro and small enterprises)	1,588,073	788,380
Other liabilities		
Mobilization Advance	90,000,000	-
Others		
Due to Holding Co	82,406,707	67,951,981
TDS payable	971,145	1,101,077
PF Payable	204,354	178,678
Service tax payable	-	1,959,213
Others	1,863,611	1,904,029
	175,445,817	**73,094,978**
	177,033,890	**73,883,358**

8 Provisions

Particulars	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits				
Provision for gratuity	1,593,350	1,034,528	43,122	31,224
Provision for compensated absences	2,087,585	1,403,800	87,356	73,643
Provision for tax	-	-	-	-
	3,680,935	2,438,328	130,478	104,867
	3,680,935	**2,438,328**	**130,478**	**104,867**

9 Fixed assets : Tangible assets

Particulars	Office equipment	Total
Cost		
At April 01, 2013	48,870	48,870
At March 31, 2014	**48,870**	**48,870**
As at March 31, 2015	**48,870**	**48,870**
Depreciation		
At April 01, 2013	10,895	10,895
Charge for the year	7,922	7,922
At March 31, 2014	**18,817**	**18,817**
Charge for the year	30,053	30,053
As at March 31, 2015	**48,870**	**48,870**
Net block		
At March 31, 2014	**30,053**	**30,053**
As at March 31, 2015	**-**	**-**

10 Deferred tax assets (net)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(710)	7,975
Gross deferred tax liability	**(710)**	**7,975**
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis	1,277,377	862,796
Unabsorbed losses/carried forward losses	27,595,854	15,958,461
Gross deferred tax asset	**28,873,231**	**16,821,257**
Deferred tax asset (net)	**28,873,941**	**16,813,282**

11 Non-current investments

Particulars	As at March 31, 2015	As at March 31, 2014
Trade investments (valued at cost)		
Unquoted equity instruments		
Investment in subsidiaries		
Punj Lloyd Solar Power Limited	151,000,000	151,000,000
15,100,000 (previous year 15,100,000) equity shares of Rs 10 each, fully paid up.		
Khagaria Purnea Highway Project Limited	625,052,000	625,052,000
46,602,600 (previous year 46,602,600) equity shares of Rs 10 each, fully paid up and Securities Premium for Rs.15,90,26,000		
Indraprastha Metropolitan Development Limited	500,000	500,000
50,000 (previous year 50,000) equity shares of Rs 10 each, fully paid up.		
PL Surya Urja Limited	200,000,000	200,000,000
20,000,000 equity shares of Rs 10 each, fully paid up.		
PL Sunshine Limitec	105,500,000	-
10,550,000 equity shares of Rs 10 each, fully paid up.		
	1,082,052,000	**976,552,000**

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	1,082,052,000	976,552,000
Provision for dimunition in value of investments	-	-

12 Loans and advances

Particulars	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Loans and advances to related parties				
Unsecured, considered good	-	-	2,484,553,580	1,605,727,752
	-	-	2,484,553,580	1,605,727,752
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	520,397	366,858
	-	-	520,397	366,858
Other loans and advances				
Advance income-tax (net of provision for taxation)	2,928,665	4,931,796	-	-
MAT credit entitlement	-	4,955,707	-	-
Balances with statutory/ government authorities	-	-	786,759	
	2,928,665	9,887,503	786,759	-
	2,928,665	**9,887,503**	**2,485,860,736**	**1,606,094,610**
Loans and advances to related parties include				
Dues from Sembawang Infrastructure (India) Private Limited	-	-	450,830	450,830
Dues from Ramprastha Punj Lloyd Developers Private Limited	-	-	793,120,000	793,120,000
Punj Lloyd Solar Power Limited	-	-	108,121,872	111,772,441
PL Sunshine Ltd	-	-	17,362,751	-
Khagaria Purnea Highway Project Limited	-	-	565,527,264	484,741,854
Indraprastha Metropolitan Development Limited	-	-	775,143,613	206,403,613
PL Surya Urja Limited	-	-	224,827,250	9,239,014
	-	**-**	**2,484,553,580**	**1,605,727,752**

13 Cash and bank balances

Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Cash on hand	65,981	93,603
Balances with banks:		
On current accounts	1,194,881	778,828
	1,260,862	**872,430**

14 Revenue from operations

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Management services	10,489,490	41,958,499
	10,489,490	**41,958,499**

15 Other income

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest on refund of Income Tax	451,993	260,453
	451,993	**260,453**

16 Employee benefit expenses

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	28,034,995	23,706,553
Contribution to provident fund and LWF	1,295,041	1,310,933
Gratuity expense	570,720	396,055
Compensated absences	697,498	415,428
Staff welfare expenses	183,720	152,102
	30,781,974	**25,981,071**

17 Other expenses

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Consultancy and professional charges	1,506,994	3,086,252
Rent	5,950,800	5,647,750
Travelling and conveyance	1,066,773	3,250,036
Rates and taxes	498,587	443,102
Tender Fees	1,397,149	726,760
Insurance	324,117	88,246
Payment to auditors (refer details below)	50,000	50,000
Advertising and sales promotion	105,000	570,363
Office expenses	247,289	384,932
Printing and stationery	65,752	140,370
Management Fees	6,000,000	6,000,000
	17,212,461	**20,387,811**

Payment to statutory auditors:		
As auditors:		
Audit fees	50,000	50,000
	50,000	50,000

18 Finance costs

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Bank charges	2,577	17,175
Interest	12,671	-
Bank Guarantee Commission	67,500	2,669,892
	82,748	**2,687,067**

19 Earnings per share

Basic and diluted earnings

		Year ended March 31, 2015	Year ended March 31, 2014
a)	Calculation of weighted average number of equity shares of Rs. 10 each		
	Number of equity shares at the beginning of the year	22,650,000	22,650,000
	Equity shares at the end of the year	22,650,000	22,650,000
	Weighted average number of equity shares outstanding during the year	22,650,000	22,650,000
b)	Net (loss)/ profit after tax available for equity share holders (Rs.)	(25,105,095)	(5,186,308)
c)	Basic and diluted (loss)/earnings per share	(1.11)	(0.23)
d)	Nominal value of share (Rs.)	10	10

20 Gratuity

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

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

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

Particulars	March 31, 2015	March 31, 2014
Current service cost	1,636,472	1,065,752
Interest cost on benefit obligation	-	-
Expected return on plan assets		-
Net actuarial gain		-
Net benefit expenses		-

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

Particulars	March 31, 2015	March 31, 2014
Opening defined benefit obligation	1,065,752	669,697
Interest cost	90,589	54,915
Current service cost	298,475	242,935
Benefits paid	-	-
Actuarial gain on obligation	181,656	98,205
Closing defined benefit obligation	1,636,472	1,065,752

Changes in the fair value of plan assets are as follows :

	March 31, 2015	March 31, 2014
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains/(losses)	-	-
Closing fair value of plan assets	-	-

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

Particulars	Gratuity	
	March 31, 2015	March 31, 2014
Discount rate	8.00%	8.50%
Future salary increase	5.50%	6.00%
Employee turnover up to 30 years	3.00%	3.00%
Above 30 years but up to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

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

Amounts for the current period are as follows:

Particulars	March 31, 2015
Defined benefit obligation	1,636,472
Plan assets	-
Surplus/(deficit)	(1,636,472)
Experience adjustments on plan liabilities - (loss)/gain	
Experience adjustments on plan assets - (loss)/gain	-

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

This being the first year of adoption of Accounting Standard 15 (Revised), the information in relation to the actuarial valuation of gratuity for previous four annual period as required by Para 120(n) (i) is not provided.

21 Segment Reporting

Business Segment:

The Company's business activity falls within a single business segment i.e. "business of development, construction, management, marketing and operation of Special Economic Zones and investments in other infrastructure projects". Therefore, segment reporting in terms of Accounting Standard 17 on Segmental Reporting is not applicable.

Geographical Segment

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

22 Related party disclosures

A Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not

Holding company	Punj Lloyd Limited
Subsidiaries	Punj Lloyd Solar Power Limited
	Khagaria Purnea Highway Project Limited
	Indraprastha Metropolitan Development Limited
	PL Surya Urja Limited
	PL Sunshine Limited

B Related parties with whom transactions have taken place during the year

Holding company	Punj Lloyd Limited
Subsidiaries	Punj Lloyd Solar Power Limited
	Khagaria Purnea Highway Project Limited
	Indraprastha Metropolitan Development Limited
	PL Surya Urja Limited
	PL Sunshine Limited
Fellow subsidiary	Sembawang Infrastructure (India) Private Limited
Jointly controlled entity of holding company	Ramprastha Punj Lloyd Developers Private Limited

C Key management personnel

Atul Punj	Director
Luv Chhabra	Director
Dinesh Thairani	Director
Jayarama Prasad Chalasani	Additional Director
Amit Gupta	Company Secretary
Vinay Dalmia	CFO
Rajat Seksaria	CEO

Related party transactions

Particulars	**Holding company**		**Subsidiaries**		**Fellow Subsidiary**	
	March 31, 2015	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Income						
Punj Lloyd Solar Power Limited	-	-	2,042,990	3,558,499	-	-
Khagaria Purnea Highway Project Limited	-	-	-	38,400,000	-	-
PL Sunshine Limited	-	-	8,446,500		-	-
Expenses						
Rent	5,950,800	5,647,750	-	-	-	-
Balance outstanding at the end of the year						
Receivable/ (Payable)						
Punj Lloyd Limited	(3,237,549,273)	(2,336,694,547)	-	-	-	-
Punj Lloyd Solar Power Limited		-	108,121,872	111,772,441	-	-
Khagaria Purnea Highway Project Limited	-	-	565,527,264	484,741,854	-	-
Indraprastha Metropolitan Development Limited	-	-	775,143,613	206,403,613	-	-
PL Surya Urja Limited	-	-	224,827,250	9,239,014	-	-
PL Sunshine Limited	-	-	17,362,751	-	-	-
Sembawang Infrastructure (India) Private Limited	-	-	-	-	450,830	450,830
Ramprastha Punj Lloyd Developers Private Limited	-	-	-	-	793,120,000	793,120,000

23 The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 outstanding as at March 31, 2015.

24 Expenditure in foreign currency (accrual basis)

Particulars	**March 31, 2015**	**March 31, 2014**
Travelling and conveyance	100,804	896,425
Consultancy and professional charges	-	-
	100,804	**896,425**

25 Impact due to change in accounting policy

With effects from April 01, 2014 the company has changed the method of providing depreciation based on the useful life of the fixed assets as prescribed in schedule II to the companies Act, 2013, as against the rates prescribed in schedule XIV of the erstwhile companies Act, 1956.

As a result of the change, the depreciation for the financial year 2014-15 is increased by Rs. 22,131/-

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

27 Balances of sundry debtors, sundry creditors, loans and advances and deposits are subject to balance confirmation and reconciliation thereof.

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

29 There is no inventory in the company as such accounting policy on inventories is not required.

30 In view of there not being any virtual certinity, at the balance sheet date, of the realisation of unadjusted losses under the Income Tax Act 1961 against sufficient future taxable income, the defered tax asset (net) has not been recogonised in the book of account.

31 Previous year figures

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

For **G. S. Mathur & Co**
Chartered Accountants
Firm registration number: 8744N

For and on behalf of Board of Directors of
Punj Lloyd Infrastructure Limited

per K. K. Gangopadhyay
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 11, 2015

Vinay Dalmia
Chief Financial Officer

Amit Gupta
Company Secretary

Dinesh Thairani
Director

Luv Chhabra
Director

1. Corporate Information

Punj Lloyd Infrastructure Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of development, construction, management, marketing and operation of Special Economic Zones and to build, own, operate and invest in infrastructural projects and to improve, manage, cultivate, develop, exchange, let on lease, transfer or otherwise sell, dispose off, charge, mortgage such projects.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Company and are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Use of estimates

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

(b) Tangible assets

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

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

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

(c) Depreciation on tangible assets

(i) Depreciation on tangible assets is calculated on a straight-line basis, at the rates prescribed under Schedule II to the Companies Act, 2013.

(ii) Individual assets costing up to Rs. 5,000 are depreciated @100% in the year of purchase.

(d) Leases

Where the Company is the lessee

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

(e) Investments

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

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

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

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

(f) Revenue recognition

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

1. Revenue from management services is accounted for in accordance with the terms of agreements with the customers. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

2. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(g) Borrowing Costs

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

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Retirement and other employee benefits

i) Retirement benefits in the form of provident and pension funds are defined contribution schemes. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Gratuity liability is a defined benefit obligation. The amount paid/payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of each financial year. Actuarial gains/losses are recognised in full in the period in which they occur in the statement of profit and loss.

iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(i) Income taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in Shareholders' funds is recognised in Shareholders' funds and not in the statement of profit and loss.

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

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

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

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

(j) Segment reporting

Identification of segments

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

Unallocated items

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

Segment accounting policies

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

(k) Earnings per share

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

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

(l) Provisions

A provision is recognized when the Company has a present 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. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(m) Cash and Cash equivalents

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

(n) 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. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(o) Operating Cycle

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

(p) Measurement of EBITDA

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