

# *G. S. Mathur & Co.*

Chartered Accountants

A-160, Defence Colony, New Delhi-110 024

Tel. : 41554880, 41554881, 24331503 • Fax : 24331502

E-Mail : office@gsmco.net.in/gsmco.gsmco@gmail.com

Website : gsmco.net.in

## **Independent Auditor's Report**

### **To the Members of PUNJ LLOYD UPSTREAM LIMITED**

#### **Report on the Financial Statements**

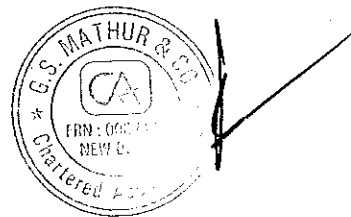
- 1) We have audited the accompanying financial statements of **Punj Lloyd Upstream Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other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

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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



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

### Opinion

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

### Other Matter

- 9) We did not audit total assets of Rs. 42,16,62,029/- as at March 31, 2016 and net cash outflows amounting to Rs. 3,17,54,554/- for the year then ended, included in the accompanying consolidated financial statements in respect of Libya Branch, whose financial statements and other financial information have been audited by other auditors and whose report(s) has been furnished to us. Our opinion, in so far as it relates to the affairs of such branch, is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- 10) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 11) As required by section 143 (3) of the Act, we report that:
- 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;
  - 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;
  - 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 written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm Registration Number: 8744N.



**K.K. Gangopadhyay**

Partner

Membership No. 013442.

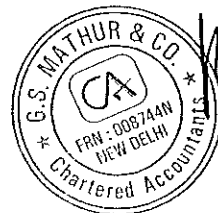
Place: Gurgaon

Date: May 13, 2016

**“Annexure A” to the Independent Auditors’ Report**

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) The title deeds of immovable properties are held in the name of the company.
- ii. (a) The inventory has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable  
  
(b) In our opinion, the procedure of physical verification of inventory, followed by the management, is reasonable and adequate in relation to the size of the company and nature of its business.  
  
(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees and securities in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee’s State Insurance, Service Tax, cess and Income Tax though, and any other Statutory dues, as applicable, with the appropriate authorities except TDS of Rs. 77,68,019/- for FY 2013-14 and Rs.1,62,39,918/- for FY 2014-15 which have remained outstanding as at March 31, 2016 for a period of more than six months from the date they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



- viii. The Company has defaulted in the repayment of loan and interest amounted to Rs. 7.89 crores and Nil respectively for the FY 2013-14, Rs. 15.77 crores and Rs. 3.02 crores respectively for the FY 2014-15, Rs. 15.77 crores and Rs. 3.04 crores respectively for the FY 2015-16 to International Finance Corporation. The company did not have any outstanding dues in respect of debenture.
- ix. According to the records of the company examined by us and the information and explanations given to us, during the year no money were raised by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the information and explanations given by the management, that the company has utilized the monies raised by way of terms of loans for the purposes for which they were raised.
- x. According to the audit procedures performed and the information and explanations given to us by management, no fraud noticed by the Company, or its officers, or employees during the year.
- xi. According to the records of the company examined by us and the information and explanations given to us, no managerial remuneration paid during the year, hence provisions of section 197 read with schedule V to the Companies Act not applicable.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us by management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- xiv. According to the information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the audit procedures performed and the information and explanations given to us by management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

Chartered Accountants

Firm Registration Number: 8744N.



**K.K. Gangopadhyay**

Partner

Membership No. 013442

Place: Gurgaon

Date: May 13, 2016

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Punj Lloyd Upstream Limited**

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

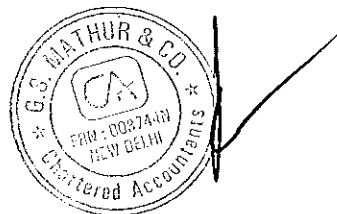
- i. We have audited the internal financial controls over financial reporting of **Punj Lloyd Upstream Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

- iii. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- iv. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

- viii. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Chartered Accountants

Firm Registration Number: 8744N.



**K.K. Gangopadhyay**

Partner

Membership No. 013442.

Place: Gurgaon

Date: May 13, 2016

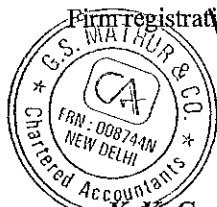
**Punj Lloyd Upstream Limited**  
**Balance Sheet as at March 31, 2016**  
(All amounts in INR, unless otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	62,69,40,000	62,69,40,000
Reserves and surplus	4	(76,33,04,808)	(22,10,47,428)
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	15,03,09,503
Deferred tax liabilities (net)	6	1,63,73,366	1,63,73,366
Long-term provisions	7	11,72,830	1,02,75,180
<b>Current liabilities</b>			
Short-term borrowings	8	90,63,82,914	89,77,47,914
Trade payables	9	22,41,89,484	7,10,51,873
Other current liabilities	9	1,28,74,92,045	95,54,07,547
Short-term provisions	7	13,47,412	10,68,619
		<b>2,30,05,93,243</b>	<b>2,50,81,26,574</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	1,88,08,36,555	1,93,35,59,000
Intangible assets	10	-	-
<b>Current assets</b>			
Inventories	16	7,47,21,907	7,47,21,907
Trade receivables	11	30,90,65,320	47,04,16,841
Cash and bank balance	12	3,30,09,058	93,01,915
Loans and advances	13	29,60,403	2,01,26,912
		<b>2,30,05,93,243</b>	<b>2,50,81,26,574</b>
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

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

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



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

For and on behalf of the Board of Directors of  
**Punj Lloyd Upstream Limited**

Chief Financial  
Officer

Director  
DIN

Director  
DIN

Place: Gurgaon  
Date: May 13, 2016



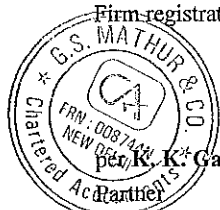
**Punj Lloyd Upstream Limited**  
**Statement of profit and loss for the year ended March 31, 2016**  
 (All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
<b>Income</b>			
Revenue from operations	14	-	81,58,39,103
Other Income	15	13,19,956	-
<b>Total Income (I)</b>		<b>13,19,956</b>	<b>81,58,39,103</b>
<b>Expenses</b>			
Cost of raw material and components consumed	16	-	27,80,64,887
Employee benefits expense	17	2,60,52,520	14,86,75,114
Other expenses	18	16,44,15,011	33,17,84,479
<b>Total expenses (II)</b>		<b>19,04,67,531</b>	<b>75,85,24,480</b>
<b>Earning before interest, tax, depreciation and amortization (EBITDA)</b>			
<b>(I)-(II)</b>		<b>(18,91,47,575)</b>	<b>5,73,14,624</b>
Depreciation and amortization expense	9	7,79,75,643	8,17,24,474
Finance costs	19	14,60,20,869	15,42,51,184
<b>Loss before tax</b>		<b>(41,31,44,088)</b>	<b>(17,86,61,034)</b>
<b>Tax expenses</b>			
Deferred tax charge /(credit)		-	(1,50,44,002)
Total tax expense		-	(1,50,44,002)
<b>Loss for the period</b>		<b>(41,31,44,088)</b>	<b>(16,36,17,032)</b>
<b>Earnings per equity share [nominal value per share Rs.10 each (previous year Rs. 10)]</b>			
Basic and diluted earning per share	20	(6.59)	(2.61)
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

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

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



Per **K. K. Gangopadhyay**  
 Chartered Accountant  
 Membership No. : 013442

Place: Gurgaon  
 Date: May 13, 2016

For and on behalf of the Board of Directors of  
**Punj Lloyd Upstream Limited**

Chief Financial  
 Officer

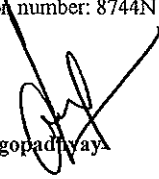
Director  
 DIN

Director  
 DIN

**Punj Lloyd Upstream Limited**  
**Cash flow statement for the year ended March 31, 2016**

	Year ended March 31, 2016	Year ended March 31, 2015
<b>Cash flow from operating activities</b>		
Loss before tax	(41,31,44,088)	(17,86,61,034)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Depreciation/ amortization	7,79,75,643	8,17,24,474
Unrealised foreign exchange loss/ (profit) (net)		
Interest expense	14,28,13,556	14,84,00,122
<b>Operating profit before working capital changes</b>	<b>(19,23,54,889)</b>	<b>5,14,63,562</b>
Movement in working capital:		
Increase/ (decrease) in trade payables	15,31,37,611	1,34,13,869
Increase/ (decrease) in provisions	2,87,977	7,36,080
Increase/ (decrease) in other current liabilities	12,53,25,958	8,77,56,784
Decrease/ (increase) in trade receivables	16,13,51,521	(7,08,98,472)
Decrease/ (increase) in inventories	-	5,95,63,559
Decrease/ (increase) in loans and advances	52,61,448	(55,51,109)
Cash generated from operations	25,30,09,626	13,64,84,274
Direct taxes paid (net of refunds)	8,160	9,698
<b>Net cash flow from operating activities (A)</b>	<b>25,30,17,786</b>	<b>13,64,93,972</b>
<b>Cash flow used in investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	8,51,462	83,25,783
<b>Net cash flow used in investing activities (B)</b>	<b>8,51,462</b>	<b>83,25,783</b>
<b>Cash flow used in financing activities</b>		
Proceeds from long-term borrowings		
Repayment of long-term borrowings	-	-
Proceeds/ (Repayment) from short-term borrowings (net)	86,35,000	6,50,000
Interest paid	(11,23,95,077)	(13,11,82,514)
<b>Net cash flow used in financing activities (C)</b>	<b>(10,37,60,077)</b>	<b>(13,05,32,514)</b>
<b>Net increase /(decrease) in cash and cash equivalents (A + B + C)</b>	<b>15,01,09,171</b>	<b>1,42,87,241</b>
Exchange difference	(12,64,02,028)	(3,74,98,789)
Cash and cash equivalents at the beginning of the year	93,01,915	3,25,13,463
<b>Cash and cash equivalents at the end of the year</b>	<b>3,30,09,058</b>	<b>93,01,915</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2,833	99,231
With banks		
- on current account	3,30,06,225	92,02,683
<b>Total cash and cash equivalents (also refer note 12)</b>	<b>3,30,09,058</b>	<b>93,01,915</b>

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

For G. S. Mathur & Co  
Chartered Accountants  
Firm registration number: 8744N  
  
per K. K. Gangopadhyay  
Partner  
Membership No. : 13442



For and on behalf of the Board of Directors of  
**Punj Lloyd Upstream Limited**

Chief Financial  
Officer

Director  
DIN

Director  
DIN

Place: Gurgaon  
Date: May 13, 2016

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

**3. Share capital**

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<b>Authorized shares</b>		
100,000,000 (Previous year 100,000,000) equity shares of Rs. 10 each	1,00,00,00,000	1,00,00,00,000
<b>Issued, subscribed and fully paid-up shares</b>		
62,694,000 (Previous year 62,694,000) equity shares of Rs. 10 each	62,69,40,000	62,69,40,000
	62,69,40,000	62,69,40,000

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos.	Amount	Nos.	Amount
Equity shares outstanding at the beginning of the year	6,26,94,000	62,69,40,000	6,26,94,000	62,69,40,000
Add: Equity shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>6,26,94,000</b>	<b>62,69,40,000</b>	<b>6,26,94,000</b>	<b>62,69,40,000</b>

**b. Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Shares held by holding company**

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

	As at	As at
	March 31, 2016	March 31, 2015
Punj Lloyd Limited, the holding company	36,39,73,500	36,39,73,500
36,397,350 (Previous year 36,397,350) equity shares of Rs. 10 each fully paid		

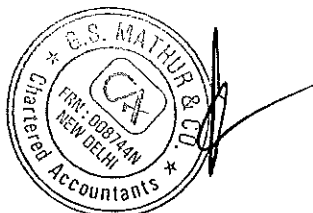
**d. Details of shareholders holding more than 5% of the equity share capital of the Company**

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	3,63,97,350	58.06%	3,63,97,350	58.06%
Mr. Vikram Walia	1,46,86,650	23.43%	1,46,86,650	23.43%
International Finance Corporation	1,16,10,000	18.52%	1,16,10,000	18.52%

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. Reserves and surplus**

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<b>Foreign currency translation reserve</b>		
Balance as per last financial statements	4,08,82,158	7,82,62,411
Add: Exchange difference during the year on net investment in non-integral operations	(12,91,13,293)	(3,73,80,253)
Closing Balance	(8,82,31,135)	4,08,82,158
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(26,19,29,586)	(9,83,12,554)
Loss for the year	(41,31,44,088)	(16,36,17,032)
Closing balance	(67,50,73,674)	(26,19,29,586)
<b>Total reserves and surplus</b>	<b>(76,33,04,808)</b>	<b>(22,10,47,428)</b>



**5. Long Term Borrowings**

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Term Loan				
From a financial institution (secured)				
5.39% (previous year 5.39%) loan repayable in 20 half yearly installments, beginning at the end of 2 years from the date of its origination i.e. April 01, 2010. The loan is secured by way of pari passu charge on the fixed assets purchased out of the proceeds of the loan. Further, the loan has been guaranteed by the corporate guarantee of Punj Lloyd Limited, the holding company.	-	15,03,09,503	55,21,13,870	37,57,73,809
	-	15,03,09,503	55,21,13,870	37,57,73,809
The above amount includes				
Secured borrowings	-	15,03,09,503	55,21,13,870	37,57,73,809
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(55,21,13,870)	(37,57,73,809)
	-	15,03,09,503	-	-

**6. Deferred Tax Liabilities**

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	31,01,83,765	31,01,83,765
Gross deferred tax liability	31,01,83,765	31,01,83,765
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	7,50,376	7,50,376
Unrealised foreign exchange on purchase of tangible assets	6,90,29,201	6,90,29,201
Unabsorbed losses/carried forward losses	22,40,30,822	22,40,30,822
Gross deferred tax asset	29,38,10,399	29,38,10,399
Net Deferred Tax Liability	1,63,73,366	1,63,73,366

**7. Provisions**

Particulars	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits				
Provision for gratuity	11,72,830	11,63,646	-	-
Provision for compensated absences	-	-	13,47,412	10,68,619
	11,72,830	11,63,646	13,47,412	10,68,619
Other provisions				
Provision for current tax	-	91,11,534	-	-
	-	91,11,534	-	-
	11,72,830	1,02,75,180	13,47,412	10,68,619



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

**8. Short-term borrowings**

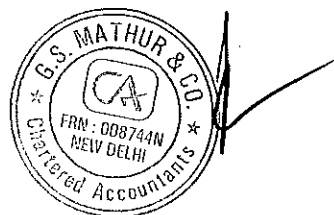
Particulars	As at March 31, 2016	As at March 31, 2015
<b>From others (Unsecured)</b>		
Loans and advances to related parties	90,63,82,914	89,77,47,914
	<u>90,63,82,914</u>	<u>89,77,47,914</u>
<b>Loans and advances to related parties include:</b>		
12% loan from Punj Lloyd Ltd	16,81,00,000	16,81,00,000
12% loan from PLN Construction Ltd	33,81,97,914	33,70,47,914
12% loan from Spectra Punj Lloyd Ltd	39,34,85,000	38,60,00,000
11% loan from Punj Lloyd Industries Ltd	66,00,000	66,00,000
	<u>90,63,82,914</u>	<u>89,77,47,914</u>

**9. Other current liabilities**

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payables (refer note 31 for details of dues to micro and small enterprises)	22,41,89,484	7,10,51,873
<b>Other liabilities</b>		
Current maturities of long term borrowings (note 5)	55,21,13,870	37,57,73,809
Interest accrued but not due on borrowings	6,94,92,564	3,90,74,085
Others	71,60,162	23,70,693
Tax deducted at source payable	3,53,17,114	2,98,62,897
Due to related parties	56,39,27,019	46,54,03,134
Bonus Payables	1,11,090	80,498
Salary Payables	5,93,70,226	4,28,42,432
	<u>1,28,74,92,045</u>	<u>95,54,07,547</u>
	<u>1,51,16,81,529</u>	<u>1,02,64,59,420</u>

**10. Fixed assets : Tangible assets**

Particulars	Plant and equipment	Furniture and fixtures	Office equipment	Total
<b>Cost</b>				
At April 01, 2014	2,59,84,40,044	21,73,019	27,33,615	2,60,33,46,678
Additions during the year	-	-	-	-
Other adjustments	-	-	-	-
Exchange differences	1,40,83,333	-	-	1,40,83,333
Foreign exchange translation adjustment	(91,59,116)	-	-	(91,59,116)
<b>At March 31, 2015</b>	<b>2,60,33,64,261</b>	<b>21,73,019</b>	<b>27,33,615</b>	<b>2,60,82,70,895</b>
Additions during the year	-	-	-	-
Other adjustments	-	-	-	-
Exchange differences	2,60,30,560	-	-	2,60,30,560
Foreign exchange translation adjustment	(19,14,498)	-	-	(19,14,498)
<b>As at March 31, 2016</b>	<b>2,62,74,80,323</b>	<b>21,73,019</b>	<b>27,33,615</b>	<b>2,63,23,86,957</b>
<b>Depreciation</b>				
At April 01, 2014	59,21,42,763	3,66,815	14,29,712	59,39,39,290
Charge for the year	8,02,81,492	4,51,645	9,91,337	8,17,24,474
Foreign exchange translation adjustment	(9,50,015)	(115)	(1,739)	(9,51,869)
<b>At March 31, 2015</b>	<b>67,14,74,240</b>	<b>8,18,345</b>	<b>24,19,310</b>	<b>67,47,11,895</b>
Charge for the year	7,76,31,414	1,80,659	1,63,570	7,79,75,643
Foreign exchange translation adjustment	(11,28,332)	(1,386)	(7,418)	(11,37,136)
<b>As at March 31, 2016</b>	<b>74,79,77,322</b>	<b>9,97,618</b>	<b>25,75,462</b>	<b>75,15,50,402</b>
<b>Net block</b>				
At March 31, 2015	1,93,18,90,021	13,54,674	3,14,305	1,93,35,59,000
As at March 31, 2016	1,87,95,03,001	11,75,401	1,58,153	1,88,08,36,555



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

10. Fixed assets : Intangible assets

Particulars	Computer softwares	Total
<b>Cost</b>		
At April 01, 2014	90,940	90,940
At March 31, 2015	90,940	90,940
As at March 31, 2016	90,940	90,940
<b>Amortization</b>		
At April 01, 2014	90,940	90,940
Charge for the year	-	-
At March 31, 2015	90,940	90,940
Charge for the year	-	-
As at March 31, 2016	90,940	90,940
<b>Net block</b>		
At March 31, 2015	-	-
As at March 31, 2016	-	-

11. Trade Receivables

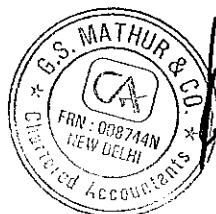
Particulars	As at March 31, 2016	As at March 31, 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	30,90,65,320	47,04,16,841
<b>Other receivables</b>		
Unsecured, considered good	-	-
	30,90,65,320	47,04,16,841

12. Cash and bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	3,30,06,225	92,02,683
Cash on hand	2,833	99,231
	3,30,09,058	93,01,915

13. Loans & Advances

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Security deposits</b>		
Unsecured, considered good	10,94,481	68,77,239
	10,94,481	68,77,239
<b>Advances recoverable in cash or kind</b>		
Unsecured, considered good	18,60,303	13,38,993
	18,60,303	13,38,993
<b>Other loans and advances</b>		
Unsecured, considered good		
Advance income-tax (net of provision for taxation)	5,619	1,19,10,680
	5,619	1,19,10,680
	29,60,403	2,01,26,912



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

14. Revenue from operations

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Contract Revenue	-	81,58,39,103
	-	81,58,39,103

15. Other Income

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Exchange difference (net)	13,19,956	-
	13,19,956	-

16. Raw Material Details

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
1) Op. stock	7,47,21,907	13,42,85,466
Add : Purchases	-	21,85,01,328
Less: Cl. Stock	7,47,21,907	7,47,21,907
Consumption	-	27,80,64,887
Total	-	27,80,64,887

17. Employee benefit expense

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	2,57,46,209	11,30,49,738
Compensated absences	2,78,793	3,25,279
Gratuity	9,184	4,10,801
Staff welfare expenses	18,334	3,48,89,295
	2,60,52,520	14,86,75,114

18. Other Expenses

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Site expenses	-	2,66,91,060
Power and fuel	-	4,95,10,221
Repair and maintenance		
Plant and machinery	3,01,93,877	11,78,11,896
Freight and cartage	12,73,07,405	10,33,81,654
Rates and taxes	6,856	1,48,809
Payment to auditors (refer below)	1,14,500	1,12,360
Travelling and conveyance	5,55,262	1,62,06,009
Consultancy and professional charges	12,58,447	12,47,213
Branding Fees	-	91,66,768
Office expenses	7,50,694	5,38,585
Rent	40,08,546	39,59,915
Miscellaneous expenses	1,55,345	10,95,881
Other expenses	-	-
Insurance	64,080	18,12,609
Exchange difference (net)	-	1,01,497
	16,44,15,011	33,17,84,479

Payment to auditors:

As auditors:

Audit fees	1,14,500	1,12,360
Reimbursement of expenses	-	-
	1,14,500	1,12,360

19. Finance costs

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest	14,28,13,556	14,84,00,122
Bank charges	1,01,697	29,32,336
Other borrowing cost	31,05,616	29,18,726
	14,60,20,869	15,42,51,184



20 Earnings per share

Basic and diluted earnings		March 31, 2016	March 31, 2015
a)	Calculation of weighted average number of equity shares of Rs. 10 each		
	Number of equity shares at the end of the year	6,26,94,000	6,26,94,000
	Weighted average number of equity shares outstanding during the year	6,26,94,000	6,26,94,000
b)	Net loss after tax available for equity share holders (Rs.)	(41,31,44,088)	(16,36,17,032)
c)	Basic and diluted earnings per share (Rs.)	(6.59)	(2.61)
d)	Nominal value of share (Rs.)	10	10

21 Un-hedged foreign currency exposures

a) Particulars of Un-hedged foreign currency exposures of the India Operations as at the Balance Sheet date

Particulars	Currency	March 31, 2016			March 31, 2015		
		Amount in foreign currency	Exchange rate	Amount	Amount in foreign currency	Exchange rate	Amount
Loans Taken	USD	83,33,333	66.25	55,21,13,869	83,33,333	63.13	52,60,83,312

22 Earnings in foreign currency (accrual basis)

Particulars	2015-16	2014-15
Contract Revenue	-	81,58,39,103
	-	81,58,39,103

23 Segment Reporting

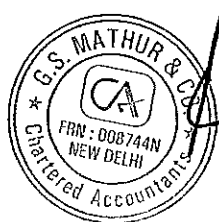
**Business Segment:**

The Company's business activity falls within a single business segment. Therefore, segment reporting in terms of Accounting Standard 17 on Segmental Reporting is not applicable.

**Geographical Segment**

The Company's operations are based in Africa only and the company does not operate in any other Country and hence there are no geographical segments.

- 24 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.
- 25 The company has defaulted in repayment of principal and interest amounting to Rs.39.43 crores (previous year Rs. 23.69 crores) and Rs.6.06 crores (Previous year Rs. 3.02 crores) respectively, as on March 31, 2016
- 26 Balances of sundry debtors, sundry creditors, loans and advances and deposits are subject to balance confirmation and reconciliation thereof.
- 27 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.
- 28 In view of there not being any virtual certainty, at the balance sheet date, of the realisation of unadjusted losses under the Income Tax Act 1961 against sufficient future taxable income, the deferred tax has not been recognised in the book of account.
- 29 As at March 31, 2016, though the Company's liabilities are in excess of its assets by Rs. 13.63 crores and also the net worth is eroded, but based on the future projections and fair valuation of the assets of the company, as carried out by an external agency, the management is confident of favorable turnaround of the current temporary phase and consequent recoupment of accumulated losses resulting in strengthened financial position of the Company.





30 Related party disclosures

**Names of related parties and related party relationship**

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

Holding company Punj Lloyd Limited

Related parties with whom transactions have taken place during the year

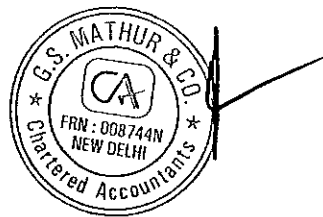
Holding company Punj Lloyd Limited  
 Fellow subsidiaries PLN Construction Limited  
 Spectra Punj Lloyd Limited  
 Punj Lloyd Industries Limited

**Key Managerial Personnel**

Atul Punj Director  
 Vikram Walia CEO/Director  
 Shравan Sampath Director  
 Rahul Vashishtha Additional Director

**Related party transactions**

Particulars	Holding Company		Fellow Subsidiaries		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>EXPENSES</b>						
<b>Rent</b>						
Punj Lloyd Limited	19,81,947	26,00,235	-	-	19,81,947	26,00,235
<b>Corporate Bank Guarantee Commission</b>						
Punj Lloyd Limited	31,05,616	29,18,726	-	-	31,05,616	29,18,726
<b>Branding Fees</b>						
Punj Lloyd Limited	-	91,66,768	-	-	-	91,66,768
<b>Interest</b>						
Punj Lloyd Limited	2,01,72,000	2,07,41,000	-	-	2,01,72,000	2,07,41,000
PLN Construction Limited	-	-	4,05,19,278	3,70,72,136	4,05,19,278	3,70,72,136
Spectra Punj Lloyd Limited	-	-	4,67,37,043	5,40,40,000	4,67,37,043	5,40,40,000
Punj Lloyd Industries Limited	-	-	7,26,000	7,26,000	7,26,000	7,26,000
<b>Balance outstanding as at end of the year</b>						
<b>Receivable/(payable)</b>						
Punj Lloyd Limited	(37,42,29,008)	(35,35,82,411)	-	-	(37,42,29,008)	(35,35,82,411)
PLN Construction Limited	-	-	(49,45,80,779)	(45,69,63,429)	(49,45,80,779)	(45,69,63,429)
Spectra Punj Lloyd Limited	-	-	(59,49,00,146)	(54,53,51,807)	(59,49,00,146)	(54,53,51,807)
Punj Lloyd Industries Limited	-	-	(66,00,000)	(66,00,000)	(66,00,000)	(66,00,000)
<b>Corporate Guarantees given by Holding Company</b>	55,21,13,869	52,60,83,312	-	-	55,21,13,869	52,60,83,312



31 The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 outstanding as at March 31, 2016.

32 Previous year figures

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

As per our report of even date.

For G. S. Mathur & Co  
Chartered Accountants

Firm registration number: 8744N



per K. K. Gangopadhyay  
Membership No. : 013442

Place: Gurgaon  
Date: May 13, 2016

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

Chief Financial  
Officer

Director  
DIN

Director  
DIN