

Singhal Prusty & Associates **Chartered Accountants**

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Independent Auditor's Report
To the members of Punj Lloyd Industries Limited

Report on the Financial Statements

Opinion

- 1) We have audited the accompanying Ind AS financial statements of **Punj Lloyd Industries Limited ("the Company")**, which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information.
- 2) 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 including the Ind AS, of the financial position of the Company as at 31st March 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Management's Responsibility for the Financial Statements

- 3) The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards, Financial Reporting as specified under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder. .
- 4) This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 control, 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.
- 5) In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless



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management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

- 6) Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 7) We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 8) An audit involves performing procedures to obtain audit evidence about the amounts and 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 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.
- 9) 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.

Report on Other Legal and Regulatory Requirements

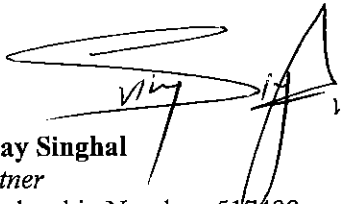
- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required 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, Cash Flow Statement and with by this Report are in agreement with the books of account.



Singhal Prusty & Associates *Chartered Accountants*

- (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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigation which would impact its financial position;
 - ii. the Company does not have any long term contract including derivatives contracts, for which provision is required for any foreseeable losses;
 - iii. there were no amount which were required to be transferred to the investor Education Protection Fund by the Company.

For Singhal Prusty & Associates
Chartered Accountants
Firm’s Registration Number: 024433N


Vinay Singhal
Partner
Membership Number: 517499
Date: 7th May 2018



Singhal Prusty & Associates

Chartered Accountants

Annexure A to the Independent Auditor's Report

1. The Company did not have fixed assets during the year under review. Therefore, clauses 3 (i) (a) to (c) of the Order are not applicable.
2. The company did not have any inventory during the year under review. Therefore, clause 3 (ii) of the Order is not applicable.
3. 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 companies Act, 2013. Accordingly, paragraphs 3 (iii) (a),(b)and (c) of the order in relation terms and conditions of the grant of such loans, receipt of principal & interest at regular intervals and steps for recovery of overdue amounts, are not applicable.
4. In our opinion and according to information and explanation given to us, the company has not given any guarantee for loans taken by other, loans to any person or other body corporate and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate.
5. According to information and explanations given to us, the company has not accepted any deposited from the public during the year.
6. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the service rendered by the Company.
7. According to information and explanations given to us and our examination of records in respect of Statutory dues:-
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
8. According to information and explanations given to us and our examination of records, the company has not defaulted in repayment of loans and borrowing to financial institutions, bank Government. The company did not have any outstanding debenture at any time during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.



Singhal Prusty & Associates *Chartered Accountants*

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us, based on our examination of the records of the Company, the company has not paid or provided managerial remuneration.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for Singhal Prusty & Associates
Chartered Accountants

Firm's Registration Number: 024433N

Vinay Singhal
Partner

Membership Number: 517499

Date: 7th May 2018



Singhal Prusty & Associates *Chartered Accountants*

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

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

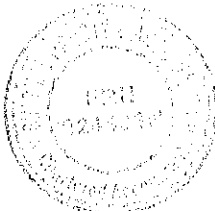
- i. We have audited the internal financial controls over financial reporting of **Punj Lloyd Industries Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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



Singhal Prusty & Associates *Chartered Accountants*

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, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Singhal Prusty & Associates

Chartered Accountants

Firm's Registration Number: 024433N

Vinay Singhal

Partner

Membership Number: 517499

Date: 7th May 2018



Punj Lloyd Industries Limited
Standalone Balance Sheet as at March 31, 2018
(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non current assets			
Financial Assets			
Investments	3	300,000,885	138,527,948
Others	4	-	41,513
		300,000,885	138,569,461
Current assets			
Current tax assets (net)		692,890	589,832
Financial Assets			
Cash and bank balances	6	11,362,884	1,405,317
Loans	5	845,000	845,000
Other financial assets	7	225,153	94,413
		12,433,037	2,344,730
Total Assets		313,126,812	141,504,023
Equity and liabilities			
Equity			
Equity Share capital	8	115,002,000	115,002,000
Other Equity	9	143,192,403	590,226
		258,194,403	115,592,226
Current liabilities			
Financial Liabilities			
Short term borrowings	10	50,000,000	25,000,000
Trade payables	10	105,600	117,276
Other Payables	10	4,407,535	715,069
Other current liabilities	11	419,274	79,452
		54,932,409	25,911,797
Total Equity and Liabilities		313,126,812	141,504,023

Summary of significant accounting policies 2.1

The accompanying notes form an integral part of the financial statements 1-27

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

For Singhal Prushty & Associates

Chartered Accountants

Firm registration number : 024433M

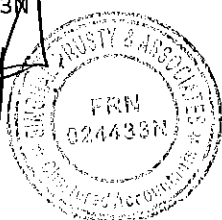
Vinay Singhal

Partner

Membership number : 517499

Place : Gurgaon

Dated : 07/5/2018



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

Ashok Wadhawan

Ashok Wadhawan

Director

DIN : 03384006

D N Mishra

D N Mishra

Chief Financial Officer

Dinesh Thairani

Dinesh Thairani

Director

DIN : 00023476

Jaya Singh

Jaya Singh

Company Secretary

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

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Other income	12	940,575	780,380
Total Income		940,575	780,380
Expenses			
Other expenses	13	2,437,770	5,665,622
Finance cost	14	4,103,566	830,046
Total expenses		6,541,336	6,495,668
Profit before tax		(5,600,761)	(5,715,288)
Tax expense:			
Current tax		-	-
Earlier Year		-	-
Total tax expense		-	-
Profit for the Year		(5,600,761)	(5,715,288)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Net (Loss)/gain on FVTOCI Investments	15	148,202,938	14,326,662
Income tax effect		-	-
Total Other comprehensive income not to be reclassified to profit or loss in subsequent years		148,202,938	14,326,662
Total comprehensive income for the year		142,602,177	8,611,374
Earnings per equity share [nominal value per share Rs.10 (Previous year Rs.10)]			
Basic and diluted (in Rs.)	16	-0.49	-0.50
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of the financial statements	1-27		

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

For Singhal Prushty & Associates
Chartered Accountants
Firm registration number : 024433N

Vinay Singhal
Partner
Membership number : 517499
Place : Gurgaon
Dated : 07/5/2018



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

Ashok Wadhawan

Ashok Wadhawan
Director
DIN : 03384006

D N Mishra

D N Mishra
Chief Financial Officer

Dinesh Thairani

Dinesh Thairani
Director
DIN : 00023476

Jaya Singh

Jaya Singh
Company Secretary

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

Statement of changes in Equity (SOCE)

	Numbers	Amount
Authorized Share Capital		
At 31, March 2017	14,010,000	140,100,000
At 31, March 2018	14,010,000	140,100,000
Issued equity capital		
At 31, March 2017	11,500,200	115,002,000
At 31, March 2018	11,500,200	115,002,000

Other Equity

For the year ended March 31, 2017

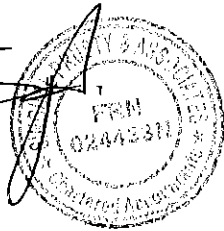
Description	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained earning	Fair value through OCI for Non Trade Equity Investments	
As at April 01, 2016	10,500	5,828,607	(13,860,256)	(8,021,149)
Profit for the year		(5,715,288)		(5,715,288)
Fair value through OCI- Investments			14,326,662	14,326,662
As at March 31, 2017	10,500	113,319	466,406	590,226

For the year ended March 31, 2018

Description	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained earning	Fair value through OCI for Non Trade Equity Investments	
As at March 31, 2017	10,500	113,319	466,406	590,226
Profit for the year		(5,600,761)		(5,600,761)
Fair value through OCI- Investments			148,202,938	148,202,938
As at March 31, 2018	10,500	(5,487,442)	148,669,345	143,192,403

For Singhal Prushy & Associates
 Chartered Accountants
 Firm registration number : 024433N

Vinay Singhal
 Partner
 Membership number : 517499
 Place : Gurgaon
 Dated : 07/05/2018



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

Ashok Wadhawan
 Ashok Wadhawan
 Director
 DIN : 09384006

D N Mishra
 D N Mishra
 Chief Financial Officer

Dinesh Tharani
 Dinesh Tharani
 Director
 DIN : 00023476

Jaya Singh
 Jaya Singh
 Company Secretary

Punj Lloyd Industries Limited

Standalone Cash flow statement for the period ended March 31, 2018

(All amounts in INR, unless otherwise stated)

PARTICULARS	Notes	Year ended March 31, 2018	Year ended March 31, 2017
A Cash flow from/ (used in) operating activities			
Profit before tax		(5,600,761)	(5,715,288)
Adjustment for:			
Provision for Expected credit loss		715,778	5,295,010
Interest income		(940,575)	(780,380)
Operating profit before working capital changes		(5,825,558)	(1,200,658)
Movement in working capital:			
(Decrease)/ increase in trade payables		(11,676)	683,654
(Decrease)/ increase in other current liabilities		4,032,288	70,452
(Decrease)/ increase in other short term borrowings		25,000,000	25,000,000
Decrease/ (increase) in Other non current assets		41,513	(183,065)
Decrease/ (increase) in loans		-	1,000,000
Cash generated from/ (used in) operations		23,236,567	25,370,383
Direct taxes paid (net of refunds)		(103,057)	(242,325)
Net cash flow from/ (used in) operating activities (A)		23,133,510	25,128,058
B Cash flow used in investing activities			
Interest received		94,057	904,509
Investments in bank deposits (having original maturity of more than three months)		(10,500,000)	1,465,551
Investments in equity instruments		(13,270,000)	(26,436,500)
Net cash flow from/ (used in) investing activities (B)		(23,675,943)	(24,066,440)
Net increase/decrease in cash and cash equivalents (A+B)		(542,433)	1,061,618
Cash and cash equivalents at the beginning of year		1,405,317	343,699
Cash and Cash equivalents at the end of year		862,884	1,405,317
Components of cash and cash equivalents			
Balances with banks:			
On current accounts		862,884	1,405,317
Total cash and cash equivalents (also refer note 6)		862,884	1,405,317

Summary of significant accounting policies

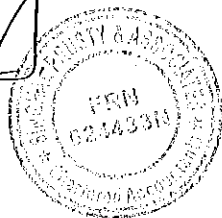
2.1

The accompanying notes form an integral part of the financial statements

1-27

For Singhal Prushty & Associates
Chartered Accountants
Firm registration number : 024433N

Vinay Singhal
Partner
Membership number : 517499
Place : Gurgaon
Dated : 07/5/2018



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

Ashok Wadhawan
Director
DIN : 03384006

Dinesh Thairani
Director
DIN : 00023476

D N Mishra
Chief Financial Officer

Jaya Singh
Company Secretary

Punj Lloyd Industries Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2018

1 Corporate Information

Punj Lloyd Industries Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 which since been replaced with Companies Act, 2013. The Company is a subsidiary of Punj Lloyd Limited and is primarily engaged in the business of Investments in Infrastructure Projects & activity of Engineering Construction.

These financial statements are approved for issue by the Company's Board of Directors on May 07, 2017.

2 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalue amount for certain financial assets and liabilities measured at fair value (Refer note 19 below.)

2.1 Summary of significant accounting policies

A Use of estimates

The preparation of financial statements in conformity with Ind AS 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. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation process

Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has determine the appropriate valuation techniques an inputs for fair value measurements. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available, wherever market observable data is not available, the Company engages third party qualified valuers to perform the valuation.

B Revenue recognition

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

a) In the case of sale of investments and stock in trade of shares, securities and units of mutual funds, the income is deemed to have accrued on the date at which the delivery for sale/ redemption is effected.

b) In case of stock market derivatives, the Income/ loss is deemed to accrue on the closure of the transaction. If the fair value of unexecuted futures/options, suitable provision is made for any loss on the balance sheet date. However, if there is an anticipated profit, the same is deferred till the final execution.

c) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses. Interest income is included in the finance income in the statement of profit and loss.



C FINANCIAL INSTRUMENTS

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

Initial recognition and measurement

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

1. Financial Assets:

: Subsequent measurement

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Fair value through other comprehensive income (FVTOCI): The Company has investments which are not held for trading. The Company has elected an irrevocable option to present the subsequent changes in fair values of such investments in other comprehensive income. Amounts recognized in OCI are not subsequently reclassified to the statement of profit and loss.

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

(2) Impairment of financial assets

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

(3) De-recognition

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

Financial liabilities

(a) Subsequent measurement

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

Amortised cost: After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at FVTPL: Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

(b) De-recognition

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

(c) Offsetting financial instruments

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

D FAIR VALUE MEASUREMENT

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



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

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

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

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

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

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

E Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

F Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. 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 tax is provided using the liability method on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is provable that taxable profit will be available against which the deduction temporary differences and the carry forward of unused tax credits and unused tax loss can be utilized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It reduced to the extent that it is no longer probable that sufficient taxable profit will be available to all or part of deferred tax assets to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.



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

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.

G Segment Reporting

Identification of segments

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

H Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

I Provisions

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

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

J Cash and cash equivalents

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

K Contingent assets / liabilities

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

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

L Functional Currency

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company.



Punj Lloyd Industries Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

3 Financial Assets : Non Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017
Investment at Fair value through OCI (fully paid up)		
Unquoted equity instruments		
Punj Lloyd Aviation Limited (Fellow Subsidiary) 98,00,000 (Previous year 98,00,000) equity shares of Rs.10 each	47,432,000	103,782,000
Punj Lloyd Raksha Systems Private Limited (Subsidiary) 48,33,150 (Previous year 35,06,150) equity shares of Rs.10 each	252,568,885	34,745,948
Investment in others (fully paid up)		
Kaefer Private Limited (13,680 (Previous year 13,680) equity shares Of Rs.100 each	-	-
	<u>300,000,885</u>	<u>138,527,948</u>
Aggregate value of unquoted Investments	300,000,885	138,527,948

4 Others

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid Expenses	-	41,513
	-	<u>41,513</u>

5 Financial Assets : Loans

Particulars	Long term		Short term	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Security Deposits	-	-	5,000	5,000
Unsecured, considered good	-	-	<u>5,000</u>	<u>5,000</u>
Loans & advances to Related Parties	-	-	5,600,000	5,600,000
Unsecured, considered good	-	-	<u>4,760,000</u>	<u>4,760,000</u>
Less ECL provision	-	-	<u>840,000</u>	<u>840,000</u>
	-	-	<u>845,000</u>	<u>845,000</u>



Punj Lloyd Industries Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

6 Financial Assets : Cash and bank balances

Particulars	As at March 31, 2018	As at March 31, 2017
a. Cash and cash equivalents		
Balances with bank :		
On Current Account	862,884	1,405,317
	<u>862,884</u>	<u>1,405,317</u>
b. Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	10,500,000	-
	<u>10,500,000</u>	<u>-</u>
	<u>11,362,884</u>	<u>1,405,317</u>

7 Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
Interest receivable	1,475,941	629,423
Less ECL provision	1,250,788	535,010
	<u>225,153</u>	<u>94,413</u>

8 Share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised shares		
14,010,000 (Mar-17 - 14,010,000) equity shares of Rs. 10 each	140,100,000	115,100,000
	<u>140,100,000</u>	<u>115,100,000</u>
Issued, subscribed and fully paid up shares		
11,500,200 (Mar-17 - 11,500,200) equity shares of Rs. 10 each	115,002,000	115,002,000
	<u>115,002,000</u>	<u>115,002,000</u>

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	11,500,200	115,002,000	11,500,200	115,002,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	11,500,200	115,002,000	11,500,200	115,002,000

(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) Shares held by its holding company

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

	As at March 31, 2018	As at March 31, 2017
Punj Lloyd Limited, the holding company		
11,500,195 (Mar-17 - 11,500,195) equity shares of Rs. 10 each	115,001,950	115,001,950



Punj Lloyd Industries Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	Nos.	% of holding	Nos.	% of holding
Punj Lloyd Limited	11,500,195	99.99996%	11,500,195	99.99996%

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

9 Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
General Reserve	10,500	10,500
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statement	113,319	5,828,607
Profit for the year	(5,600,761)	(5,715,288)
	<u>(5,487,442)</u>	<u>113,319</u>
Other Comprehensive Income	148,669,345	466,406
Total	<u>143,192,403</u>	<u>590,226</u>

10 Financial Liability : Current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Short term borrowings from Related Parties (Repayable on demand)	50,000,000	25,000,000
Trade Payables (including acceptances) (Also refer note 23 for details of dues to micro and small enterprises)	105,600	117,276
Other Payables		
Interest Payable	4,407,535	715,069
	<u>50,105,600</u>	<u>25,117,276</u>

11 Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Others		
Tax deducted at source payable	419,274	79,452
	<u>419,274</u>	<u>79,452</u>



Punj Lloyd Industries Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

12 Other income

Particulars	As at March 31, 2018	Year ended March 31, 2017
Interest income on :		
- Bank deposits	324,575	81,021
- Others	616,000	699,359
	<u>940,575</u>	<u>780,380</u>

13 Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to auditors (refer below)	106,200	120,166
Consultancy and professional charges	60,709	13,568
Fees and Taxes	1,508,304	231,700
Office expenses	5,266	5,178
Provision for expected credit loss	715,778	5,295,010
Rent Expenses	41,513	-
	<u>2,437,770</u>	<u>5,665,622</u>
Payment to auditors		
As auditors :		
Audit fee	106,200	103,500
Professional services	-	16,666
	<u>106,200</u>	<u>120,166</u>

14 Finance cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest	4,102,740	829,304
Bank Charges	826	742
	<u>4,103,566</u>	<u>830,046</u>

15 Components of Other Comprehensive Income (OCI)

The disaggregation of changes in OCI by each type of reserve in equity is shown below:

	Year ended March 31, 2018	Year ended March 31, 2017
Net (Loss)/gain on FVTOCI Equity Investments	148,202,938	14,326,662
Total	<u>148,202,938</u>	<u>14,326,662</u>

16 Earnings per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Basic and diluted earnings		
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the beginning of the year	11,500,200	11,500,200
Equity shares at the end of the year	11,500,200	11,500,200
Weighted average number of equity shares outstanding during the year	11,500,200	11,500,200
b) Net profit/(loss) after tax available for equity share holders (Rs.)	(5,600,761)	(5,715,288)
c) Basic and diluted earnings per share	-0.49	-0.50
d) Nominal value of share (Rs.)	10	10



Punj Lloyd Industries Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

17 Segment Reporting

Business Segment:

The Company's business activity falls within a single business segment i.e. Investment in infrastructure projects and activity of engineering constructions. Therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable.

Geographical Segment

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

18 In accordance with the requirement of Ind AS 24 on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

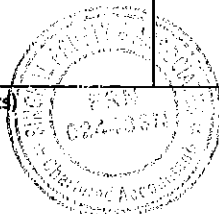
A) List of related parties

Holding Company	Punj Lloyd Limited
Subsidiary Company	Punj Lloyd Raksha Systems Private Limited
Fellow Subsidiary Companies	Punj Lloyd Aviation Limited Punj Lloyd Upstream Limited Punj Lloyd Infrastructure Limited
Relatives of Key Managerial Personnel/Enterprise over which Relative of Key Managerial Personnel have significant influence.	Punj Business Centre

B) Transactions with the Related Parties

Particulars	Holding Company	Subsidiary/ Fellow Subsidiary/ Associates	Enterprise over which Relative of Key Managerial Personnel have significant influence	Total
TRANSACTIONS DURING THE YEAR :				
INCOME				
Interest Earned (Gross)	-	616,000	-	616,000
Punj Lloyd Upstream Limited	(-)	(699,359)	(-)	(699,359)
EXPENSES				
Interest Paid(Gross)	-	4,407,535	-	4,407,535
Punj Lloyd Infrastructure Limited	(-)	(-)	(-)	(-)
YEAR END BALANCES :				
LOANS & ADVANCES - GRANTED				
Punj Lloyd Upstream Limited				
Opening balance as on 01-04-2017	-	5,600,000	-	5,600,000
Add : Paid during the year	-	-	-	-
Less : ECL Provision	-	4,760,000	-	4,760,000
Less : Received back during the year	-	-	-	-
Closing balance as on 31-03-2018	-	840,000	-	840,000
SHORT TERM BORROWINGS				
Punj Lloyd Infrastructure Limited				
Opening balance as on 01-04-2017	-	25,000,000	-	25,000,000
Add : Received during the year	-	25,000,000	-	25,000,000
Less : Repaid during the year	-	-	-	-
Closing balance as on 31-03-2018	-	50,000,000	-	50,000,000
INVESTMENTS at cost				
Punj Lloyd Aviation Limited	-	98,000,000	-	98,000,000
	(-)	(98,000,000)	(-)	(98,000,000)
Punj Lloyd Rakshà Systems Private Limited	-	48,331,500	-	48,331,500
	(-)	(34,745,948)	(-)	(34,745,948)
SECURITY DEPOSITS				
Punj Business Centre	-	-	5,000	5,000
	(-)	(-)	(5,000)	(5,000)
INTEREST RECEIVABLE				
Punj Lloyd Upstream limited	-	1,183,823	-	1,183,823
	(-)	(629,423)	(-)	(629,423)

* Previous Year figures are indicated in (Brackets)



Punj Lloyd Industries Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in INR, unless otherwise stated)

19 Fair Value

Set out below, is a comparison by class of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair value

Description	Carrying Value		Fair Value	
	Mar-18	Mar-17	Mar-18	Mar-17
Financial Assets				
Fair value through OCI Financial Investments	300,000,885	138,527,948	300,000,885	138,527,948
Total	300,000,885	138,527,948	300,000,885	138,527,948

The management assessed that cash and cash equivalents, trade payables, borrowings and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

Trade receivables are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted equity shares in have been estimated using book value model, except in case of Punj Lloyd Raksha Systems Private Limited which is done by using DCF model by the expert valuer. The valuation requires the valuer to make certain assumptions about the model inputs. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Description of significant unobservable inputs to valuation:

Valuation Techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Fair value through other comprehensive income assets in DCF Method unquoted equity shares of Punj Lloyd Raksha Systems Private Limited	WACC	March 31, 2017: 16.35% March 31, 2018: 16.35%	1% increase in WACC would result in increase / decrease by Rs. 413,000 in March 18, March 17 Rs.784000
	Discount for lack of marketability	March 31, 2017: 70.35% March 31, 2018: 74.47%	Increase / (decrease) in the discount rate would decrease / (increase) the fair value.
	Operating Margin	March 31, 2017: 37% March 31, 2018: (40%)	15% Increase / (decrease) in the operating margin would results in increase / (decrease) by Rs.2,744,000 in March:17, Rs.4,998,000 in March 18

20 Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Companies assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018

Assets for which fair values are disclosed	Total	Fair value measurement using		
		Quoted price in active market	Significant observable inputs	Significant Unobservable inputs
As at March 31, 2018				
Non Current Investments - Unquoted	300,000,885			300,000,885
	300,000,885			300,000,885

21 Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance or risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

Credit risk is the risk that counterparty will not meet its obligations under financial instrument or customer contract, leading to financial loss. The company is exposed to credit risk mainly from its operating activities i.e. trade receivable.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in the market price. The only financial instruments affected by market risk is non current investments.

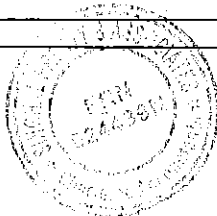
Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2017 the Company does not have any bank borrowing at floating interest rate.

22 Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholders value.

	Mar-18	Mar-17
Borrowings	50,000,000	25,000,000
Trade payables	105,600	117,276
Other Payables	419,274	79,452
Less:		
Cash and cash equivalents	(11,362,884)	(1,405,317)
Net Debts	39,161,990	23,791,411
Equity	258,194,403	115,592,226
Capital & net debts	297,356,393	139,383,637
Gearing Ratio	13%	17%



Punj Lloyd Industries Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts in INR, unless otherwise stated)

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company policy is to keep the gearing ratio between 20% and 40%. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

- 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 outstanding as at March 31, 2018 to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 .
- 24 Provision for income tax has been made in these financials after taking into consideration allowable deductions and allowances under the income tax act. During the year, the Company has not recognised deferred tax assets as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- 25 There are no contingent liabilities and capital commitments as at March 31, 2018.
- 26 No Provision has been made for employees benefit in terms of Ind AS 19 as notified by The Companies Act 2013, as the same is not required to be made as per terms of employment and also the related Provisions are not applicable in case of the Company.
- 27 **Recent accounting standards (Ind AS)**

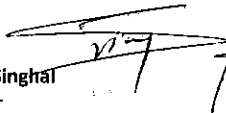
Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

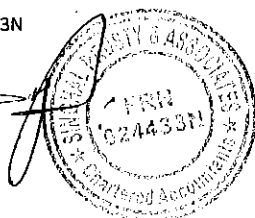
Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.


Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)- The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

For Singhal Prushty & Associates
Chartered Accountants
Firm registration number : 024433N


Vinay Singhal
Partner
Membership number : 517499
Place : Gurgaon
Dated : 07/05/2018

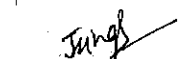


For and on behalf of the Board of Directors of Punj Lloyd Industries Limited


Ashok Wadhawan
Director
DIN : 03384006


D N Mishra
Chief Financial Officer


Dinesh Thairani
Director
DIN : 00023476


Jaya Singh
Company Secretary