

SRIVASTAVA KUMAR & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Ind AS Financial Statements

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2019, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (a) (iii) in the financial statements, which indicates that the Company incurred a net loss of Rs. 44,78,00,166/- during the year ended March 31, 2019 and, as of that date; the Company's current liabilities exceeded its total assets by Rs.190,01,22,375/-. As stated in said note these events or conditions, along with other matters as indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone 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 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

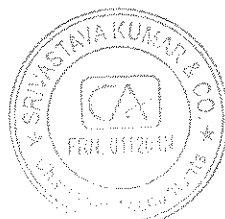
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.
 - ii. The Company does not have any long-term contracts including derivative contracts, for which provision is required for any foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Srivastava Kumar & Co.**
Chartered Accountants
Firm Registration No: 011204N



Membership No. 097850

UDIN :- 19097850AAAET4821

Place: New Delhi

Date : 31-08-2019

“Annexure A” to the Independent Auditors’ Report
Referred to in paragraph 1 under the heading report on other legal and regulatory requirements of the Auditors’ Report of even date

Re: Punj Lloyd Upstream Limited

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

(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties are held in the name of the company.
- ii. The Company does not hold any inventories; hence clause (ii) of paragraph 3 of the Order is not applicable.
- 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 goods and service tax, cess and Income Tax and any other Statutory dues, as applicable, with the appropriate authorities except delay in deposit of tds in some cases. Further, no material undisputed amounts payable in respect thereof, were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. The Company has defaulted in the repayment of loan and interest amounted to Rs. 57.63 crores and 15.92 crores respectively for more than 2 years 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 Srivastava Kumar & Co.

Chartered Accountants

Firm Registration No: 011204N



Anil Kumar Sharma

Partner

Membership No. 097850

UDIN :- 19097850 AAAAET 4821

Place: New Delhi

Date : 31-08-2019

**“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”)**

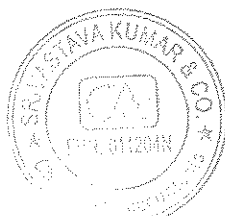
- i. We have audited the internal financial controls over financial reporting of **Punj Lloyd Upstream Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

for Srivastava Kumar & Co.

Chartered Accountants

Firm Registration No: 011204N


Anil Kumar Sharma
Partner

Membership No. 097850

UDIN:- 19097850AAAAET4821

Place: New Delhi

Date : 31-08-2019

Punj Lloyd Upstream Limited
Standalone Balance Sheet as at March 31, 2019
(All amounts in INR, unless otherwise stated)

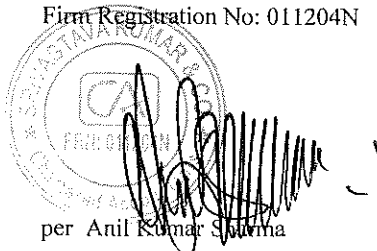
	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3	811,277,042	815,874,008
Intangible assets	4	-	-
Current assets			
Inventories		-	34,219,600
Financial Assets			
Trade receivables	5	-	235,924,315
Cash and bank balance	6	2,845,900	2,838,301
Other current asset	7	1,795,563	1,773,262
		815,918,505	1,090,629,485
Equity and liabilities			
Shareholders' funds			
Share capital	8	626,940,000	626,940,000
Other Reserve	9	(2,527,062,375)	(2,083,816,815)
Non-current liabilities			
Financial Liabilities			
Borrowings	10	-	-
Deferred tax liabilities (net)	11	16,373,366	16,373,366
Provisions	12	990,494	990,494
Current liabilities			
Financial Liabilities			
Borrowings	13	916,237,914	916,087,914
Trade payables - MSME	14	-	-
Trade payables - Others	14	46,859,225	59,533,296
Other current liabilities	14	1,734,400,148	1,553,341,498
Provisions	12	1,179,732	1,179,732
		815,918,505	1,090,629,485
Summary of significant accounting policies	2		

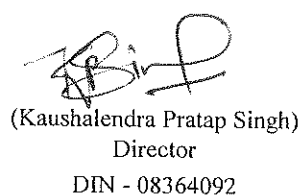
The accompanying notes form an integral part of the financial statements

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

For **Srivastava Kumar & Co**
Chartered Accountants
Firm Registration No: 011204N

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


per Anil Kumar Sharma
Partner


(Kaushalendra Pratap Singh)
Director
DIN - 08364092


(Ajay Agarwal)
Director
DIN - 08315202

Membership No. : 097850
UDIN: 19097850AAAAET4821

Place: New Delhi
Date: 31.08.2019

Punj Lloyd Upstream Limited

Standalone statement of profit and loss for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	15	-	-
Other Income	16	99,043	-
Total Income (I)		99,043	-
Expenses			
Other expenses	17	274,609,382	67,469,908
Total expenses (II)		274,609,382	67,469,908
Earning before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		(274,510,339)	(67,469,908)
Depreciation and amortization expense	3	38,830,480	38,655,876
Finance costs	18	134,459,347	131,961,293
Loss before tax		(447,800,166)	(238,087,077)
Tax expenses			
Deferred tax charge /(credit)		-	-
Total tax expense		-	-
Loss for the period		(447,800,166)	(238,087,077)
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to profit or loss in subsequent year			
Exchange Difference on translation of foreign operations	19	4,554,607	39,808,968
Income tax effect		-	-
Other Comprehensive Income for the year, net of taxes		4,554,607	39,808,968
Total comprehensive loss for the year, net of tax attributable to:		(443,245,559)	(198,278,109)
Earnings per equity share [nominal value per share Rs.10 each (previous year Rs. 10)]			
Basic and diluted earning per share	20	(7.07)	(3.16)
Summary of significant accounting policies	2		

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 **Srivastava Kumar & Co**
Chartered Accountants
Firm Registration No: 011204N

per Anil Kumar Sharma
Partner
Membership No. : 097850
UDIN:

Place: New Delhi
Date: 31.08.2019

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


(Kaushalendra Pratap Singh)
Director
DIN - 08364092


(Ajay Agarwal)
Director
DIN - 08315202

Punj Lloyd Upstream Limited
Cash flow statement for the for the year ended March 31, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Loss before tax	(447,800,166)	(238,087,077)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Depreciation/ amortization	38,830,480	38,655,876
Provision for Expected Credit Loss (ECL)	239,888,041	40,498,777
Loss on disposal of Assets	-	-
Unrealised foreign exchange loss/ (profit) (net)	-	-
Interest expense	134,439,253	131,955,474
Operating profit before working capital changes	(34,642,392)	(26,976,950)
Movement in working capital:		
Increase/ (decrease) in trade payables	(12,674,071)	1,295,445
Increase/ (decrease) in provisions	-	-
Increase/ (decrease) in other current liabilities	116,553,696	103,613,321
Decrease/ (increase) in trade receivables	(3,963,726)	(22,325,340)
Decrease/ (increase) in inventories	34,219,600	21,821,830
Decrease/ (increase) in loans and advances	(22,301)	171,108
Cash generated from operations	99,470,806	77,599,414
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities (A)	99,470,806	77,599,414
Cash flow used in investing activities		
Purchase of fixed assets, including CWIP and capital advances	(34,487,984)	16,565,006
Proceeds from sale of fixed assets	-	-
Net cash flow used in investing activities (B)	(34,487,984)	16,565,006
Cash flow used in financing activities		
Proceeds/ (Repayment) from short-term borrowings (net)	150,000	5,245,000
Interest paid	(103,100,896)	(102,683,284)
Net cash flow used in financing activities (C)	(102,950,896)	(97,438,284)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(37,968,074)	(3,273,864)
Exchange difference	37,975,673	2,962,992
Cash and cash equivalents at the beginning of the year	2,838,301	3,149,173
Cash and cash equivalents at the end of the year	2,845,900	2,838,301
Components of cash and cash equivalents		
Cash on hand	488	488
With banks		
- on current account	2,845,412	2,837,813
Total cash and cash equivalents (also refer note 6)	2,845,900	2,838,301

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 Srivastava Kumar & Co
Chartered Accountants
Firm Registration No: 011204N

per Anil Kumar Sharma
Partner
Membership No. : 697850
UDIN:

(Kaushalendra Pratap Singh)
Director
DIN - 08364092

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

(Ajay Agarwal)
Director
DIN - 08315202

Place: New Delhi

Date: 31.08.2019

Punj Lloyd Upstream Limited

Notes to Financial statements for the year ended March 31, 2019

1. Corporate information

Punj Lloyd Upstream Limited ("The Company") is a public Limited company domiciled in India and incorporated on April 04, 2007 under the provisions of the Companies Act, 1956, (Revised) which has since been replaced with Companies Act, 2013. The Company is engaged in the business of charter hiring of onshore drilling rigs for exploration of oil and gas.

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

2. Summary of significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

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.

(ii) Basis of measurement

The financial statements have been prepared on a accrual basis and under historical cost convention, except for the assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities.

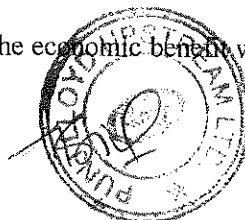
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- (iii)** As at March 31, 2019, the Company has incurred losses of Rs. 44,78,00,166/- and does not have any projects to be executed. Further, Corporate Insolvency Resolution Process has been initiated for the ultimate Holding Company (Punj Lloyd Limited) under the Indian Insolvency and Bankruptcy Code 2016 (IBC) with effect from March 08, 2019.

(b) Revenue recognition

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

- Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.



Punj Lloyd Upstream Limited
Notes to Financial statements for the year ended March 31, 2019

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.

(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

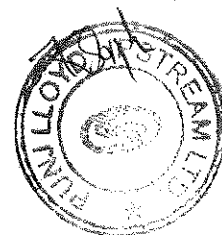
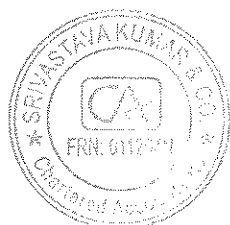
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted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

Financial assets

(1) 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.



Punj Lloyd Upstream Limited
Notes to Financial statements for the year ended March 31, 2019

(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.

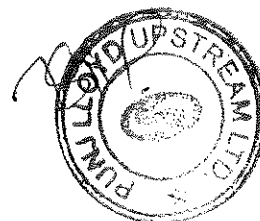
- **Amortised cost:** After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation 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.



Punj Lloyd Upstream Limited
Notes to Financial statements for the year ended March 31, 2019

(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.



Punj Lloyd Upstream Limited
Notes to Financial statements for the year ended March 31, 2019

(f) Inventories

- i) Stock in trade (Equipments), Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.
- ii) Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(g) Borrowing costs

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

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

(h) Foreign currency transaction

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company. The overseas branches of the Company separately determines the functional currency and items included in the financial statements of each branch are measured using the functional currency.

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

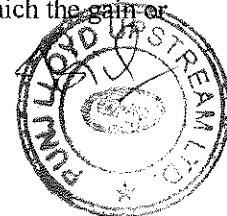
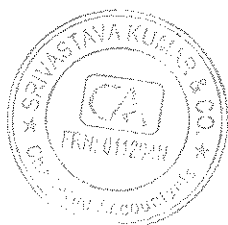
ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in OCI until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.



Punj Lloyd Upstream Limited
Notes to Financial statements for the year ended March 31, 2019

All other exchange differences are recognized as income or as expenses in the period in which they arise.

(i) Translation of foreign operations

The assets and liabilities of a foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average quarterly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the OCI. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

(j) Employee benefits

i) Short Term Employee Benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and are recognized as an expense on an undiscounted basis in the Statement of Profit & Loss Account of the year in which the related service is rendered.

ii) Post-Employment Benefits

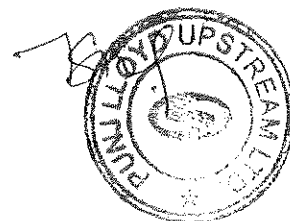
Gratuity liability is a defined benefit obligation. The amount paid/ payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of each financial year. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with corresponding debit or credit to retained earnings through OCI in the period in which they occur. The Gratuity scheme is non-funded by the company.

iii) In respect to overseas branches and unincorporated joint venture operations, provision for retirement and other employees' benefits are made on the basis prescribed in the local labor laws of the respective country, for the accumulated period of service at the end of the financial year.

(k) 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 recognized directly in Shareholders' funds is recognized 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.



Punj Lloyd Upstream Limited

Notes to Financial statements for the year ended March 31, 2019

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 probable 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 allow 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 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.

(I) Segment reporting

Identification of segments

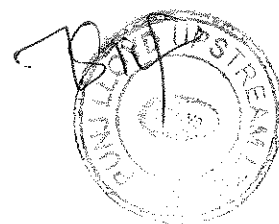
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the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

Unallocated items

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

Segment accounting policies

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



Punj Lloyd Upstream Limited
Notes to Financial statements for the year ended March 31, 2019

(m) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) 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.

(n) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

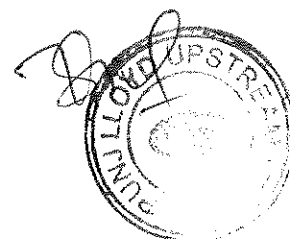
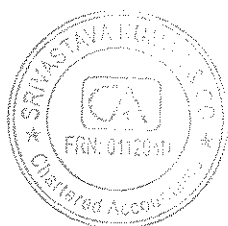
(o) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Contingent assets and 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 recognized but disclosed where an inflow of economic benefits are probable.



Punj Lloyd Upstream Limited
Notes to Financial statements for the year ended March 31, 2019

(q) Functional Currency

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

(r) Segment Information

Identification of segments

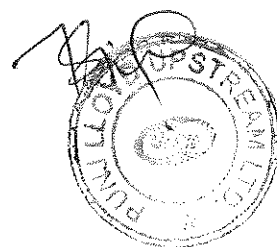
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the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

Unallocated items

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

Segment accounting policies

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



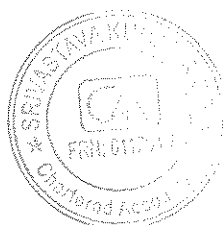
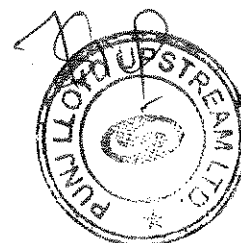
Punj Lloyd Upstream Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2019
 (All amounts in INR, unless otherwise stated)

	Numbers	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
At 31, March 2018	62,694,000	626,940,000
At 31, March 2019	62,694,000	626,940,000

Other Equity

For the year ended March 31, 2018	Retained earning	FCTR	Total
As at April 01, 2017	(1,720,568,198)	(164,970,508)	(1,885,538,706)
Profit for the year	(238,087,077)	-	(238,087,077)
Add: Exchange difference during the year on net investment in non-integral operations	-	39,808,968	39,808,968
Other comprehensive Income	-	-	-
Total Comprehensive Income	(1,958,655,275)	(125,161,540)	(2,083,816,815)
As at March 31, 2018	(1,958,655,275)	(125,161,540)	(2,083,816,815)

For the year ended March 31, 2019	Retained earning	FCTR	Total
As at April 01, 2018	(1,958,655,275)	(125,161,540)	(2,083,816,815)
Profit for the year	(447,800,166)	-	(447,800,166)
Add: Exchange difference during the year on net investment in non-integral operations	-	4,554,607	4,554,607
Other comprehensive Income	-	-	-
Total Comprehensive Income	(2,406,455,442)	(120,606,933)	(2,527,062,375)
As at March 31, 2019	(2,406,455,442)	(120,606,933)	(2,527,062,375)

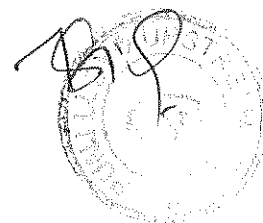
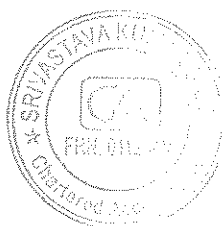


3. Property, Plant and Equipments

Particulars	Plant and equipment	Furniture and fixtures	Office equipment	Total
Cost				
At April 01, 2017	1,226,757,295	2,173,019	2,733,615	1,231,663,929
Additions during the year	-	-	-	-
Disposals during the period	-	-	-	-
Other adjustments	-	-	-	-
Exchange differences	2,666,731	-	-	2,666,731
Foreign exchange translation adjustment	524,616	-	-	524,616
As at March 31, 2018	1,229,948,642	2,173,019	2,733,615	1,234,855,276
Additions during the year	-	-	-	-
Disposals during the period	-	-	-	-
Exchange differences	33,166,597	-	-	33,166,597
Foreign exchange translation adjustment	1,194,152	-	-	1,194,152
As at March 31, 2019	1,264,309,391	2,173,019	2,733,615	1,269,216,025
Depreciation				
At April 01, 2017	396,174,165	1,173,965	2,733,615	400,081,745
Charge for the year	38,474,350	181,526	-	38,655,876
Disposal during the Period	-	-	-	-
Foreign exchange translation adjustment	(19,756,353)	-	-	(19,756,353)
As at March 31, 2018	414,892,162	1,355,491	2,733,615	418,981,268
Charge for the year	38,648,954	181,526	-	38,830,480
Disposal during the Period	-	-	-	-
Foreign exchange translation adjustment	127,235	-	-	127,235
As at March 31, 2019	453,668,351	1,537,017	2,733,615	457,938,983
Net block				
As at March 31, 2018	815,056,480	817,528	-	815,874,008
As at March 31, 2019	810,641,040	636,002	-	811,277,042

4. Intangible assets

Particulars	Computer softwares	Total
Cost		
At April 01, 2017	90,940	90,940
As at March 31, 2018	90,940	90,940
As at March 31, 2019	90,940	90,940
Amortization		
At April 01, 2017	90,940	90,940
Charge for the year	-	-
As at March 31, 2018	90,940	90,940
Charge for the year	-	-
As at March 31, 2019	90,940	90,940
Net block		
As at March 31, 2018	-	-
As at March 31, 2019	-	-



Punj Lloyd Upstream Limited
Standalone notes to financial statements for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

5. Trade Receivables

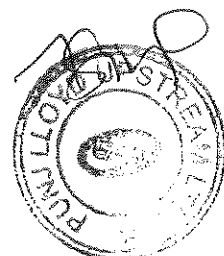
Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	317,994,072	314,030,346
Provision for doubtful debts	(317,994,072)	(78,106,031)
	-	235,924,315
	-	235,924,315

6. Cash and bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks:		
On current accounts	2,845,412	2,837,813
Cash on hand	488	488
	2,845,900	2,838,301

7. Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits		
Unsecured, considered good	1,126,100	1,112,064
	1,126,100	1,112,064
Advances recoverable in cash or in kind		
Unsecured, considered good	663,844	655,580
	663,844	655,580
Others		
Unsecured, considered good		
Advance income-tax (net of provision for taxation)	5,619	5,619
	5,619	5,619
	1,795,563	1,773,262



Punj Lloyd Upstream Limited
Standalone notes to financial statements for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

8. Share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized shares		
100,000,000 (Previous year 100,000,000) equity shares of Rs. 10 each	1,000,000,000	1,000,000,000
Issued, subscribed and fully paid-up shares		
62,694,000 (Previous year 62,694,000) equity shares of Rs. 10 each	626,940,000	626,940,000
	626,940,000	626,940,000

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

Particulars	As at March 31, 2019	As at March 31, 2018
	Nos.	Nos.
Equity shares outstanding at the beginning of the year	62,694,000	62,694,000
Add: Equity shares issued during the year	-	-
Outstanding at the end of the year	62,694,000	62,694,000

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 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 March 31, 2019	As at March 31, 2018
Punj Lloyd Limited, the holding company	363,973,500	363,973,500
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, 2019	As at March 31, 2018
	Nos.	Nos.
Punj Lloyd Limited	36,397,350	36,397,350
Mr. Vikram Walia	14,686,650	14,686,650
International Finance Corporation	11,610,000	11,610,000
	% of Holding	% of Holding
	58.06%	58.06%
	23.43%	23.43%
	18.52%	18.52%

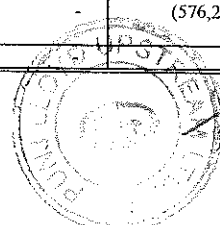
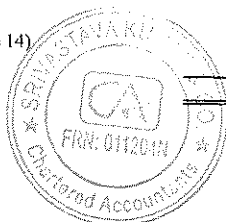
e. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

9. Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
Other Comprehensive Income / (Loss)		
Foreign currency translation reserve		
Balance as per last financial statements	(125,161,540)	(164,970,508)
Add: Exchange difference during the year on net investment in non-integral operations	4,554,607	39,808,968
Closing Balance	(120,606,933)	(125,161,540)
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(1,958,655,275)	(1,720,568,198)
Loss for the year	(447,800,166)	(238,087,077)
Closing balance	(2,406,455,442)	(1,958,655,275)
Total reserves and surplus	(2,527,062,375)	(2,083,816,815)

10. Borrowings

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
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.	-	-	576,249,908	543,083,311
	-	-	576,249,908	543,083,311
The above amount includes	-	-	576,249,908	543,083,311
Secured borrowings	-	-	(576,249,908)	(543,083,311)
Amount disclosed under the head "other current liabilities" (note 14)	-	-	-	-



11. Deferred Tax Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	310,183,765	310,183,765
Gross deferred tax liability	310,183,765	310,183,765
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	750,376	750,376
Unrealised foreign exchange on purchase of tangible assets	69,029,201	69,029,201
Unabsorbed losses/carried forward losses	224,030,822	224,030,822
Gross deferred tax asset	293,810,399	293,810,399
Net Deferred Tax Liability	16,373,366	16,373,366

12. Provisions

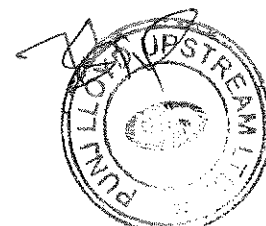
Particulars	Long-term		Short-term	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits				
Provision for gratuity	990,494	990,494	-	-
Provision for compensated absences	-	-	1,179,732	1,179,732
	990,494	990,494	1,179,732	1,179,732
Other provisions				
Provision for current tax	-	-	-	-
	990,494	990,494	1,179,732	1,179,732

13. Short-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
From others (Unsecured)		
Loans from related parties	916,237,914	916,087,914
	916,237,914	916,087,914
Loans and advances to related parties include:		
12% loan from Punj Lloyd Ltd	167,910,000	167,910,000
10% loan from PLN Construction Ltd	339,407,914	339,357,914
12% loan from Spectra Punj Lloyd Ltd	403,320,000	403,220,000
11% loan from Punj Lloyd Industries Ltd	5,600,000	5,600,000
	916,237,914	916,087,914

14. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables - MSME - (refer note 32 for details of dues to micro and small enterprises)		
Trade payables	46,859,225	59,533,296
Other liabilities		
Current maturities of long term borrowings (note 10)	576,249,908	543,083,311
Interest accrued	159,231,568	127,893,211
Others	12,930,987	-
Other Liabilities Payable	116,544,846	107,856,692
Due to related parties	869,442,840	774,508,284
	1,734,400,148	1,553,341,498
	1,781,259,373	1,612,874,794



Punj Lloyd Upstream Limited

Standalone notes to financial statements for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

15. Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contract Revenue	-	-
	-	-

16. Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	-	-
Forex fluctuation	99,043	-
	99,043	-

17. Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rates and taxes	55,688	4,614,499
Payment to auditors (refer below)	100,000	100,000
Travelling and conveyance	-	3,260
Consultancy and professional charges	146,053	188,010
Provision for doubtful debts	239,888,041	40,498,777
Office expenses	200,000	243,000
Inventories written Off	34,219,600	21,821,830
Miscellaneous expenses	-	532
	274,609,382	67,469,908

Payment to auditors:

As auditors:

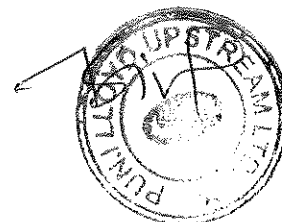
Audit fees

Reimbursement of expenses

100,000	100,000
100,000	100,000

18. Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on Borrowing	31,338,357	29,272,190
Interest on Others	103,100,896	102,683,284
Bank charges	20,094	5,819
Other borrowing cost	-	-
	134,459,347	131,961,293



Punj Lloyd Upstream Limited
Standalone notes to financial statements for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

19 Components of Other Comprehensive Income (OCI)

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

Particulars	March 31, 2019	March 31, 2018
Foreign exchange translation differences	4,554,607	39,808,968
Total	4,554,607	39,808,968

20 Earnings per share

Basic and diluted earnings

Particulars	March 31, 2019	March 31, 2018
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the end of the year	62,694,000	62,694,000
Weighted average number of equity shares outstanding during the year	62,694,000	62,694,000
b) Net loss after tax available for equity share holders (Rs.)	(443,245,559)	(198,278,109)
c) Basic and diluted earnings per share (Rs.)	(7.07)	(3.16)
d) Nominal value of share (Rs.)	10	10

21 Hedging / unhedging activities

The Company uses foreign currency denominated borrowings to manage some of its transaction exposures. These borrowings are not covered with any foreign exchange forward contracts which can be designated as cash flow hedge.

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

Particulars	Currency	March 31, 2019			March 31, 2018		
		Amount in foreign currency	Exchange rate	Amount	Amount in foreign currency	Exchange rate	Amount
Loans Taken	USD	8,333,333	69.15	576,249,977	8,333,333	65.17	543,083,311

22 Earnings in foreign currency (accrual basis)

Particulars	March 31, 2019	March 31, 2018
Contract Revenue	-	-
	-	-

23 Segment Reporting

Business Segment:

The Company's business activity falls within a single business segment i.e. Hiring of Oil Rigs. Therefore, segment reporting in terms of Ind AS 108 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 Fair Value

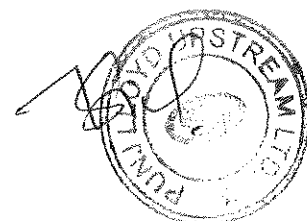
Set out below, is a comparison by class of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair value

Description	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Trade Receivables	317,994,072	314,030,346	-	235,924,315
Total	317,994,072	314,030,346	-	235,924,315

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

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

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



25 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, 2019

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, 2019	-			
Trade Receivables	-			317,994,072
As at March 31, 2018				
Trade Receivables	235,924,315			314,030,346

26 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 for risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

The management reviews and agrees policies for managing each of these risks, which are summarized below.

Credit Risk

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

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

Trade receivable : Customer credit risk is managed with the Companies established policy, procedures and control relating to customer credit risk management, such as the outstands from customer receivables are regularly monitored. As at March 31, 2019 the Company has Nil numbers of customers having outstanding of Rs. 1 crore or more.

The Company does not hold collateral as security against these receivables, however it evaluates the concentration of risk with respect to trade receivables as low, as the customers operate in largely independent market.

Market Risk

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

Interest rate risk

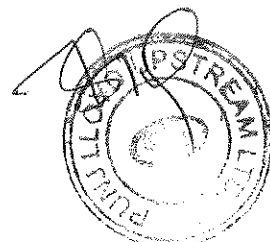
Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2019 the Company does not have any bank borrowing at floating interest rate.

27 Capital Management

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

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The company policy is to keep the gearing ratio between 80% and 100%. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	March 31, 2019	March 31, 2018
Borrowings	916,237,914	916,087,914
Trade payables	46,859,225	59,533,296
Other Payables	1,736,570,374	1,555,511,724
Less:		
Cash and cash equivalents	(2,845,900)	(2,838,301)
Net Debts	2,696,821,613	2,528,294,634
Equity	(1,900,122,375)	(1,456,876,815)
Capital & net debts	796,699,239	1,071,417,818
Gearing Ratio	338%	236%



- 28 The company has defaulted in repayment of principal and interest amounting to Rs.57.63 crores (previous year Rs. 54.30 crores) and Rs.15.92 crores (Previous year Rs. 12.79 crores) respectively, as on March 31, 2019
- 29 In view of there not being any reasonable 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 assets has not been recognized in the book of account.
- 30 As at March 31, 2019, though the Company's liabilities are in excess of its assets by Rs. 190.01 crores (previous year Rs. 145.69 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 favourable turnaround of the current temporary phase and consequent recoupment of accumulated losses resulting in strengthened financial position of the Company.

31 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

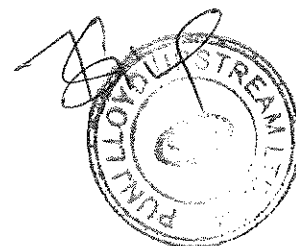
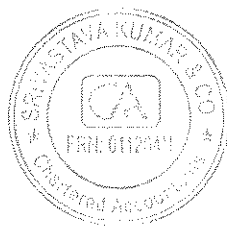
Vikram Walia Director
Ajay Agarwal Director
Kaushalendra Pratap Singh Director
Gurdeep Singh Director (upto November 30, 2018)
Mohan Giri Goswami CFO (upto October 24, 2018)
Anshul Bhardwaj Director (upto March 12, 2019)
Ajay Agarwal CFO (upto March 5, 2019)
Davinder Kaur Company Secretary (upto March 5, 2019)

Independent Directors

Sandeep Kumar Director (upto February 13, 2019)
Rahul Vashishtha Director (upto February 8, 2019)

Related party transactions

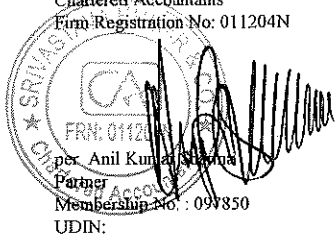
Particulars	Holding Company		Fellow Subsidiaries		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
EXPENSES						
Interest						
Punj Lloyd Limited	20,149,200	20,149,200	-	-	20,149,200	20,149,200
PLN Construction Limited	-	-	33,937,887	33,935,791	33,937,887	33,935,791
Spectra Punj Lloyd Limited	-	-	48,397,808	47,982,293	48,397,808	47,982,293
Punj Lloyd Industries Limited	-	-	616,000	616,000	616,000	616,000
Balance outstanding as at end of the year						
Receivable/(payable)						
Punj Lloyd Limited	(456,731,832)	(436,453,803)	-	-	(456,731,832)	(436,453,803)
PLN Construction Limited	-	-	(587,402,330)	(556,808,232)	(587,402,330)	(556,808,232)
Spectra Punj Lloyd Limited	-	-	(734,208,368)	(690,550,341)	(734,208,368)	(690,550,341)
Punj Lloyd Industries Limited	-	-	(7,338,224)	(6,783,823)	(7,338,224)	(6,783,823)
Corporate Guarantees given by Holding Company	576,249,977	543,083,311	-	-	576,249,977	543,083,311



- 32 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, 2019.
- 33 There are no contingent liabilities and capital commitments as at March 31, 2019.
- 34 There are no employees on the rolls of the company, hence no provision, for employees benefit in terms of Ind AS 19, is required to be made.
- 35 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

As per our report of even date.

For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No: 011204N



Place: New Delhi

Date: 31.08.2019

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


(Kaushalendra Pratap Singh)
Director
DIN - 08364092


(Ajay Agarwal)
Director
DIN - 08315202