

Punj Lloyd Limited

Regd. Office: Punj Lloyd House, 17-18 Nehru Place, New Delhi 110 019

CIN: L74899DL1988PLC033314

Statement of audited results for the year ended March 31, 2016

(All amounts are in Lacs of INR, unless otherwise stated)

Particulars	Standalone				
	Three months ended			Year ended	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
Income from operations					
Net sales/income from operations	68,813	100,309	124,874	334,782	488,151
Other operating income	3,543	475	3,263	4,982	5,884
Total income from operations	72,356	100,784	128,137	339,764	494,035
Expenses					
Cost of material consumed	43,831	46,087	51,583	173,126	256,573
Contractor charges	18,619	31,874	18,445	85,518	112,820
Employee benefits expense	10,920	10,106	13,443	43,417	56,344
Depreciation and amortisation expense	4,567	4,619	7,127	23,393	31,374
Other expenses	20,441	11,822	22,209	96,626	74,342
Total expenses	98,378	104,508	112,807	422,080	531,453
Profit/ (loss) from operations before other income, finance costs and exceptional items	(26,022)	(3,724)	15,330	(82,316)	(37,418)
Other income	1,048	(411)	56,963	9,681	62,121
Profit / (loss) from ordinary activities before finance costs and exceptional items	(24,974)	(4,135)	72,293	(72,635)	24,703
Finance costs	20,392	25,912	18,856	90,474	85,954
Profit / (loss) from ordinary activities before exceptional items	(45,366)	(30,047)	53,437	(163,109)	(61,251)
Exceptional items	-	-	-	-	-
Profit / (loss) from ordinary activities before tax	(45,366)	(30,047)	53,437	(163,109)	(61,251)
Tax expense	1,433	-	26,584	1,842	(10,585)
Profit / (loss) for the period	(46,799)	(30,047)	26,853	(164,951)	(50,666)
Paid-up equity share capital (face value of Rs. 2 each)	6,642	6,642	6,642	6,642	6,642
Reserves excluding revaluation reserves				149,886	313,613
Earnings per share					
Basic (in Rs.)	(14.09)	(9.05)	8.09	(49.67)	(15.26)
Diluted (in Rs.)	(14.09)	(9.05)	8.09	(49.67)	(15.26)
	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)

Consolidated		
Particulars	Year ended	
	March 31, 2016	March 31, 2015
	(audited)	(audited)
Income from operations		
Net sales/income from operations	426,085	709,026
Other operating income	5,942	7,092
Total income from operations	432,027	716,118
Expenses		
Cost of material consumed	187,363	291,176
Contractor charges	123,891	229,031
Employee benefits expense	77,411	106,288
Depreciation and amortisation expense	38,486	47,026
Other expenses	126,841	126,773
Total expenses	553,992	800,294
Loss from operations before other income, finance costs and exceptional items	(121,965)	(84,176)
Other income	9,507	62,280
Loss from ordinary activities before finance costs and exceptional items	(112,458)	(21,896)
Finance costs	106,978	100,223
Loss from ordinary activities before exceptional items	(219,436)	(122,119)
Exceptional items	-	-
Loss from ordinary activities before tax	(219,436)	(122,119)
Tax expense	(13)	(6,700)
Net Loss for the period	(219,423)	(115,419)
Share of profit/(loss) of associates	(344)	324
Minority interest	(4,767)	984
Net Loss after taxes, minority interest and share of profit/(loss) of associates	(224,534)	(114,111)
Paid-up equity share capital (face value of Rs. 2 each)	6,642	6,642
Reserves excluding revaluation reserves	(137,773)	89,726
Earnings per share		
Basic (in Rs.)	(67.61)	(34.36)
Diluted (in Rs.)	(67.61)	(34.36)
	(Annualised)	(Annualised)

Segment wise revenue, results and capital employed

Particulars	Standalone				
	Three months ended			Year ended	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)
Segment revenue					
Engineering, procurement and construction services	59,609	86,792	106,694	273,095	388,480
Traded goods	8,368	13,106	16,580	55,693	93,389
Unallocated	836	411	1,600	5,994	6,282
Net sales / income from operations	68,813	100,309	124,874	334,782	488,151
Segment results					
Loss before interest and tax for each segment					
Engineering, procurement and construction services	(26,902)	(3,153)	13,797	(81,258)	(39,683)
Traded goods	(80)	(184)	40	(131)	234
Unallocated	700	175	1,213	4,791	4,565
Total	(26,282)	(3,162)	15,050	(76,598)	(34,884)
Less: (i) Finance costs	20,392	25,912	18,856	90,474	85,954
(ii) Other unallocable expenditure net of unallocable income	(1,308)	973	(57,243)	(3,963)	(59,587)
Total loss before tax	(45,366)	(30,047)	53,437	(163,109)	(61,251)
Capital employed (segment assets - segment liabilities)					
Engineering, procurement and construction services	500,940	536,805	586,745	500,940	586,745
Traded goods	37,328	21,962	13,565	37,328	13,565
Unallocated	(381,530)	(354,051)	(279,845)	(381,530)	(279,845)
Total	156,738	204,716	320,465	156,738	320,465

Particulars	Consolidated	
	Year ended	
	March 31, 2016	March 31, 2015
	(audited)	(audited)
Segment revenue		
Engineering, procurement and construction services	366,726	609,667
Traded goods	55,681	97,172
Unallocated	3,678	2,187
Net sales / income from operations	426,085	709,026
Segment results		
Loss before interest and tax for each segment		
Engineering, procurement and construction services	(114,239)	(79,692)
Traded goods	(143)	657
Unallocated	(2,335)	(2,953)
Total	(116,717)	(81,988)
Less: (i) Finance costs	106,978	100,223
(ii) Other unallocable expenditure net of unallocable income	(4,259)	(60,092)
Total loss before tax	(219,436)	(122,119)
Capital employed (segment assets - segment liabilities)		
Engineering, procurement and construction services	559,503	681,203
Traded goods	(19,344)	(36,270)
Unallocated	(670,862)	(551,616)
Total	(130,703)	93,317

Notes

1. The above audited financial results for the year ended March 31, 2016 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 27, 2016.

2. Statement of Assets and Liabilities:

Particulars	Standalone		Consolidated	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(audited)	(audited)	(audited)	(audited)
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	6,642	6,642	6,642	6,642
Reserves and surplus	150,096	313,823	(137,563)	89,936
Sub-total - Shareholders' funds	156,738	320,465	(130,921)	96,578
Preference shares issued by subsidiary company *	-	-	2,001	2,001
Minority Interest *	-	-	(1,783)	(5,262)
Non-current liabilities				
Long-term borrowings	154,988	58,699	253,874	182,481
Deferred tax liabilities (net)	-	-	1,048	1,634
Other non-current liabilities	-	637	-	2,558
Provisions	150	58	937	861
Sub-total - Non-current liabilities	155,138	59,394	255,859	187,534
Current liabilities				
Short-term borrowings	394,663	396,753	418,427	428,888
Trade payables	239,614	225,067	366,517	386,894
Other current liabilities	290,426	286,687	376,900	335,662
Provisions	15,901	7,784	20,156	12,821
Sub-total - Current liabilities	940,604	916,291	1,182,000	1,164,265
TOTAL - EQUITY AND LIABILITIES	1,252,480	1,296,150	1,307,156	1,445,116
ASSETS				
Non-current assets				
Fixed assets	83,937	111,527	223,750	269,172
Goodwill on consolidation *	-	-	33,334	33,353
Non-current investments	114,649	118,056	4,947	6,791
Deferred tax assets (net)	-	-	765	692
Loans and advances	31,442	39,440	37,628	47,858
Other assets	291	3,939	291	3,939
Sub-total - Non-current assets	230,319	272,962	300,715	361,805
Current assets				
Inventories	9,419	9,911	12,826	15,013
Unbilled revenue (work-in-progress)	623,772	595,861	681,479	677,530
Trade receivables	227,842	226,720	203,082	241,114
Cash and bank balances	37,320	24,663	54,579	64,012
Loans and advances	116,917	157,880	47,672	81,275
Other assets	6,891	8,153	6,803	4,367
Sub-total - Current assets	1,022,161	1,023,188	1,006,441	1,083,311
TOTAL - ASSETS	1,252,480	1,296,150	1,307,156	1,445,116

* Applicable only in case of consolidated statement of assets and liabilities.

3. The auditors of the Company in their report on standalone and consolidated financial results for the year ended March 31, 2016 have invited attention in respect of certain cost over-runs amounting to Rs. 73,580 lacs, arising due to design changes and consequent changes in the scope of work on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited. Due to the said reasons, certain differences and dispute arose between the parties and several rounds of discussions were held to explore the possibility of amicable resolution of the dispute mutually. The Company, with the view to resolve the matter in finality, expeditiously and with legal enforceability, during the previous year, re-commenced the arbitration proceedings, which were kept in abeyance earlier owing the proceedings by Outside Expert Committee. As the Company is confident of a satisfactory settlement of the disputes and recovery of the said amount, no adjustments have been considered necessary in these financial results. The auditors of the Company had expressed an emphasis on this matter in their report on standalone and consolidated financial results for the year ended March 31, 2015.

4. In an earlier year, the Company's branch in Thailand had accrued claims on a project, based upon management's assessment of cost over-run arising due to the delays encountered in the said project and changes in the scope of work, and accounted certain receivables, since it was of the view that the delay was attributable to the customer. Pending settlement of these claims and subsequent unilateral termination of the contract by the customer, led the Company approach the Administrative Court of Thailand (the Court) for seeking injunction in the matter. The matter is listed for hearing before the Court, meanwhile, possibilities of expeditious resolution of the matter through an out-of-court settlement are being explored and discussions are also being held to mutually arrive at a consensus on this matter and to achieve the common objective of completing the project. The management, based on the aforesaid developments, is confident of recovery of the amounts exceeding the recognized claims and receivables and accordingly the auditors have removed the emphasis of matter during the quarter and year ended March 31, 2016, based on the independent auditors' report of Thailand branch. The auditors of the Company had expressed an emphasis on this matter in their report on standalone and consolidated financial results for the year ended March 31, 2015, based on the independent auditors' report of Thailand branch.

5. The auditors of the Company in their report on standalone and consolidated financial results for the year ended March 31, 2015 had invited attention to deductions made/ amount withheld by some customers aggregating to Rs. 4,935 lacs. Based on the favourable outcome in the legal proceedings, the auditors have removed the emphasis of matter during the current year ended March 31, 2016.

6. During the year, Punj Lloyd Pte Limited (PLPL) and Sembawang Engineers and Constructors Pte Limited (SEC), subsidiaries of the Company, filed separate applications before the Singapore High Court ("the Court") for seeking its approval to enter into Schemes of Arrangement with their respective creditors pursuant to the applicable provisions of the Singapore Companies Act. In the meetings called as directed by the Court, SEC's scheme could not get the requisite majority and PLPL's scheme was withdrawn. Subsequently, as a next course of action available under the Singapore Companies Act, these subsidiaries have filed separate applications before the Court for placing them under the Judicial Management. The said applications have been admitted by the court and are currently pending for hearing. Based on the independent auditors' report on the consolidated financial statements of one of these subsidiaries, the auditors of the Company in their report on consolidated financial results for the year ended March 31, 2016 have invited attention on the above matter. Owing to the uncertainties involved, the auditors of the Company in their report on the standalone financial results for the year ended March 31, 2016 have similarly invited attention in respect of Company's investment and net receivables aggregating to Rs. 110,372 lacs in these subsidiaries. However, the management believes that the above developments do not necessitate any adjustment against the aforesaid amounts, as it is confident of realizing these assets in excess of their book value. Accordingly, no adjustments have been considered necessary in these financial results.

7(a). Tax expenses are net of deferred tax effects, minimum alternative tax credit and earlier year taxes.

(b). The Company has accounted for deferred tax assets on timing differences, including those on unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized at the reporting date, for which it is virtually certain that future taxable income would be generated by reversal of such deferred tax liability.

8. The figures for the quarters ended March 31, 2016 and March 31, 2015 are the balancing figures between audited figures in respect of full financial years ended March 31, 2016 and March 31, 2015 respectively and the unaudited published year to date figures up to December 31, 2015 and December 31, 2014 respectively, being the end of the third quarter of the relevant financial years, which were subjected to a limited review.

9(a). Previous quarters' / year's amounts have been regrouped / re-arranged wherever necessary to conform to the current quarter's / year's presentation.

(b). Other expenses include exchange differences (net).

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

Place: Gurgaon
Date: May 27, 2016

Atul Punj
Chairman and Managing Director
DIN: 00005612