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Punj Lloyd™

September 22, 2017

National Stock Exchange of India Limited

Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400051

BSE Limited
Department of Corporate Services
25th Floor
P J Towers
Dalal Street
Mumbai – 400001

Symbol: **PUNJLLOYD**

Scrip Code: **532693** / Scrip ID: **PUNJLLOYD**

Sub: Compliance under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In compliance with the provisions of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report for the financial year 2016-17 duly approved and adopted by the members in the Annual General Meeting of the Company held on September 21, 2017.

This is for your information and records.

Thanking You,

Yours faithfully,

For PUNJ LLOYD LIMITED

Dinesh Thairani
Group President – Legal & Company Secretary

Encl: as above

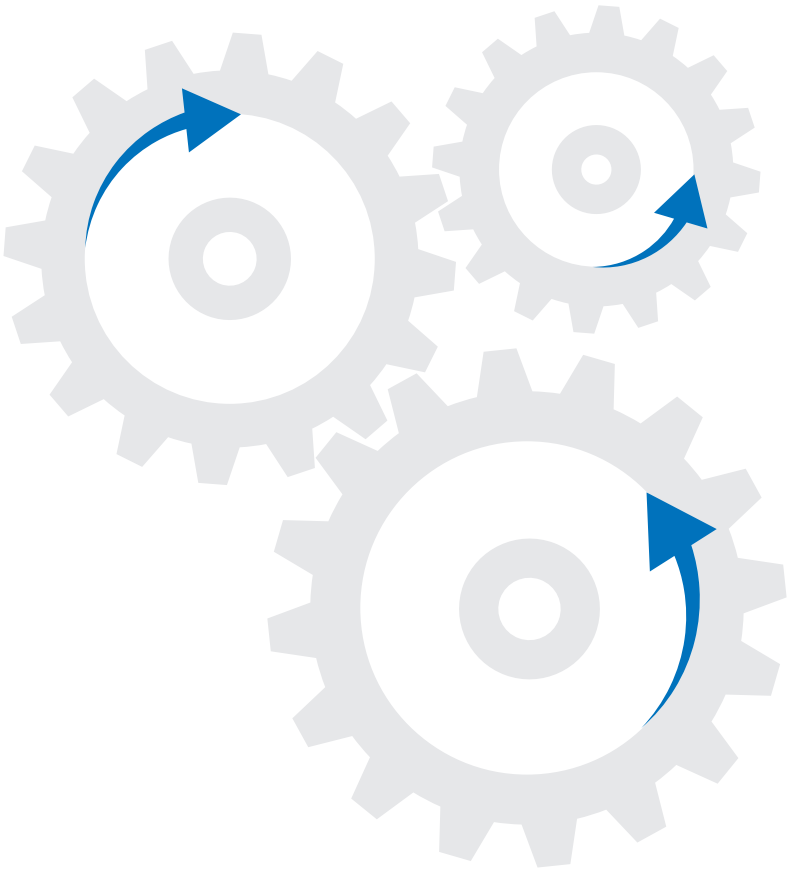
Registered Office
Punj Lloyd House, 17-18 Nehru Place, New Delhi 110 019, India
T +91 11 2646 6105 F +91 11 2642 7812
CIN:L74899DL1988PLC033314

Ready for tomorrow

ANNUAL REPORT
2016-2017

Punj Lloyd

www.punjlloydgroup.com



Ready for tomorrow

Contents

02 Chairman's Message

06 Corporate Information

08 The Big Picture

12 Management Discussion & Analysis

30 Directors' Report

35 Corporate Governance Report

81 Statement under Section 129 of the Companies Act, 2013 relating to subsidiary companies

85 Auditors' Report

92 Financial Statements

97 Notes to Financial Statements

150 Auditors' Report on Consolidated Accounts

153 Consolidated Financial Statements

160 Notes to Consolidated Financial Statements

Chairman's Message

Dear Shareholder,

I owe it to you to explain with complete clarity the difficult state that your Company has been going through over the last few years, including FY2017. In doing so, it is best that I start with the audited financial results prepared according to the revised Indian accounting standards, or Ind-AS.

In FY2017, for Punj Lloyd as a standalone entity:

- Revenue grew by 12% over the previous year to clock ₹ 3,761 crore. And total income increased by 15% to ₹ 4,060 crore. Though small compared to the earlier standards of your Company, this is relatively good news, and indicates that we are slowly getting back onto a growth path
- The other good news is how tightly your Company is controlling costs. In FY2017, cost of sales increased by only 1.4% to ₹ 3,952 crore versus growth of total income of 15%
- Thus, your Company earned a positive EBITDA of ₹ 108 crore in FY2017, compared to an EBITDA loss of ₹ 370 crore last year
- Unfortunately, this was hardly enough to take care of your Company's finance costs on account of its large debt exposure - a common feature of almost all infrastructure and construction companies across India. The finance cost for FY2017 was ₹ 882 crore, or 8.2 times the EBITDA
- After deducting finance cost and depreciation, your Company's pre-tax loss was ₹ 899 crore in FY2017. The silver lining is that it was significantly less than the previous year
- Post-tax loss for FY2017 was ₹ 850 crores - also notably less that what your Company had to incur in the previous year

Why is the financial situation like this? Let me explain the reasons.

Infrastructure construction business all over the world depends upon leveraging. When any construction company wins a sizeable project, it has to draw upon working capital from banks to start the necessary activities, such as purchasing raw materials as well as mobilising manpower and machinery. Under normal circumstances, the additional working capital taken to finance such project work is balanced out by milestone revenue payments from the client — the first on starting the project, subsequent instalments after completion of different stages, and the final payment after the satisfactory handing over to the client.

If client payments arrive on time as per the contract, the cash flows allow the working capital loan to be turned over — thus keeping the construction company's debt-equity ratio and finance costs in a safe zone. Thus, right upto FY2008, the debt-equity ratio of all listed construction majors in India ranged between 3.5 and 5, and finance cost as a share of revenue was in the region of 5%, both considered to be in fairly safe territory for the construction business.
The key phrase is 'if these client payments arrive on time and as per contract'.
Unfortunately, that has not been so for the past five years, not just for your Company but across the infrastructure construction industry as a whole.

Throughout most of the second term of the previous United Progressive Alliance government, policy paralysis and risk aversion of the bureaucracy put all major infrastructure projects on hold. This unfortunate legacy continued for the first year of the present National Democratic Alliance regime. Stalled projects meant that milestones could not be achieved for no fault of the contractors. This, in turn, led to payments being withheld. And every construction company that had borrowed from banks to mobilise resources had to sit idle with no revenues in sight.

But that was not all. All major construction projects have scope changes in the course of execution, some suggested by the client and others carried out by the contractor. Throughout the developed world, when the contractor presents a scope change bill, it is either accepted, or negotiated and settled, or sent for time-bound arbitration; and the arbitrator's decision is final and binding. Not so in India. When an arbitration award is in favour of the contractor, most clients, especially government departments, public sector undertakings and cash strapped private companies, appeal against the award in courts. This leads to further delays in justifiable payment to the contractor.

Not surprisingly, therefore, these factors have severely damaged the financial structure of almost every construction major in India. The debt-equity ratio of all listed construction companies for FY2016 has swollen to 8.5; and the burden of finance cost has increased to almost 14% of the top-line. Simply stated, these companies which help build the sinews of India have become severely financially endangered. Your Company is no exception.

In addition, your Company has been hit by another factor. As you are aware, one of our core strengths built over two decades was doing large infrastructure work for the oil and gas industry in the Middle East, North Africa, South East Asia and India. With crude oil prices falling from three-digit to around US$50 per barrel today after having dipped to the mid-20s in the middle, all construction activities in this sector have either been halted or severely curtailed. That has not only affected building the order book and collecting revenues but also created an environment for the clients to actively contest scope changes and, thus, significantly delay payments.

In addition, the huge political crisis that has engulfed Libya over the last five years, has not only put a halt on our

key projects in that country but also on payments from the clients.
Simply put, the construction industry has been battered by a 'perfect storm'. Your Company is no exception to this.

Greeting H.H. Sheikh Mohamed Bin Zayed Al Nahyan, The Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces of United Arab Emirates (UAE) at a lunch hosted by Hon'ble Prime Minister

A panel discussion on National Security and Business, a Rajya Sabha TV programme, Security Scan.

So, what are we doing about it?
First, we have focused unerringly on operation efficiencies and taking costs out wherever we can. As the results show, while your Company's total income increased by 15% in FY2017, it restricted the cost rise to 1.4%. This will continue throughout FY2018 and thereafter. The benefit will be a leaner organisation with much tighter cost control - things that will help us when the businesses pick up, as these must.

Second, we are carefully calibrating our strategy between bidding for new business and efficiently executing projects at hand — so as to conserve working capital and cash. This has become a mantra for your Company, and will remain so going forward.

Third, we have re-positioned our portfolio away from oil and gas in favour of those sectors where there are sufficient projects and which demand lesser working capital. In particular, 54% of our consolidated order backlog as on 31 March 2017 is on buildings and infrastructure, which includes highways, mass rapid transport systems and railways. Moreover, while we continue to have a presence abroad, especially in the Middle East and South East Asia, we are now concentrating heavily on India, where public-funded infrastructure investments have picked up significantly in the last two years — thanks to the Government of India's determination to get infrastructure back on track.

Fourth, we are monetising some non-core assets. In the past, your Company's subsidiary, Punj Lloyd Infrastructure Limited (PLIL), developed and owned solar projects in Punjab, Rajasthan and Uttarakhand. These are in the process of being sold to different private sector players. We are also attempting to sell our interest in the Khagaria-Purnea highway project in Bihar, which was successfully implemented and has been earning its six monthly annuities. The market for selling highway assets is tight, but we are actively looking for buyers.

Fifth, your Company has become much more proactive in going after its claims. While there has been some progress on this account, the claims recovery process continues to be mired by long drawn litigations. We are still awaiting monies from large claims in India and abroad.

Sixth, we have started serious talks with our banks about a viable debt restructuring programme. All parties have recognised that the earlier corrective action plan (CAP) entered into between your Company and its lenders was not delivering the results. The lenders have been supportive of another round of financial restructuring to provide

your Company with the breathing space to scale up operations and generate necessary cash to revive business profits. Detailed consultations with the lenders are underway and a workable solution is expected fairly soon.

Seventh, although these are still early days, your Company has made serious progress in its defence manufacturing business. Punj Lloyd was among the early companies to be granted defence manufacturing licences after the sector was liberalised by the Government of India to allow private participation. Our defence play includes land systems, small arms, aerospace, and homeland security. The most significant development in FY2017 was that your Company's joint venture with Israel Weapon Industries (IWI), a global giant in small arms design and production, inaugurated the country's first private sector small arms manufacturing plant at Malanpur in Madhya Pradesh on 4 May 2017.

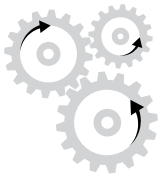
The union government led by Prime Minister Narendra Modi clearly recognises the urgent need for seriously stepping up infrastructure investments to facilitate employment and create a sustainable framework for future growth. Two successive union budgets have seen significant increases in the government's allocations for infrastructure. The new arbitration process under the Arbitration and Conciliation (Amendment) Act, 2015, has created a better playing field for outstanding claims settlement in India. While the benefits of the new law have not yet fully come into play, we expect these to flow in from FY2018 and thereafter.

So, what is my outlook for FY2018? Your Company has gone through very hard times in the last three years. In the process, we have learned a great deal, become unfailingly cost conscious in everything that we do, and have taken a careful path that focuses on preserving cash flows while building our order book by bidding for profitable projects. Adversity forces each of us to do better. Your Company is no different. Therefore, I am cautiously hopeful of better results in FY2018, and of using the year to set the foundations for a new growth path.

Thank you for your support.

With best wishes,

Atul Punj
Chairman



Corporate Information

CHAIRMAN (EMERITUS)

SNP Punj

BOARD OF DIRECTORS

Atul Punj	Chairman & Managing Director
Shiv Punj	Whole Time Director
Atul Kumar Jain	Whole Time Director
Jyoti Punj	Director
Phiroz Vandrevala	Independent Director
Rajat Khare	Independent Director
Uday Walia	Independent Director
Shravan Sampath	Independent Director

AUDIT COMMITTEE

Phiroz Vandrevala	Chairman of the Committee
Rajat Khare	Member
Atul Punj	Member
Shravan Sampath	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE CUM SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

Uday Walia	Chairman of the Committee
Atul Punj	Member
Shiv Punj	Member

NOMINATION & REMUNERATION COMMITTEE

Phiroz Vandrevala	Chairman of the Committee
Rajat Khare	Member
Uday Walia	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Atul Punj	Chairman of the Committee
Shiv Punj	Member
Uday Walia	Member

CHIEF FINANCIAL OFFICER

Rahul Maheshwari

GROUP PRESIDENT-LEGAL & COMPANY SECRETARY

Dinesh Thairani

AUDITORS

BGJC and Associates LLP, Chartered Accountants

REGISTRAR

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032 I T +91 40 6716 2222 F +91 40 2300 1153

BANKERS

Andhra Bank
Axis Bank
Bank Muscat, Oman
Bank of Baroda
Bank of India
Barwa Bank
Bank Emirates
Canara Bank
Central Bank of India
DBS Bank Limited
Dhanlaxmi Bank
Doha Bank, Qatar
Dubai Islamic Bank UAE
Export - Import Bank of India
First Gulf Bank, Abu Dhabi
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IFCI Limited
Indian Bank
Indian Overseas Bank
Indusind Bank
International Finance Corporation, Washington DC
Life Insurance Corporation of India
Mashreq Bank PSC, Dubai
Oriental Bank of Commerce
RBL Bank
Standard Chartered Bank
State Bank of Bikaner and Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
The Jammu & Kashmir Bank Limited
The Karur Vysya Bank Limited
UCO Bank
Union National Bank, Abu Dhabi
United Bank of India

The Big Picture

Projects Executed/ Under Execution

INDIA

EPC package, Paradip Refinery
Client : Indian Oil Corporation Ltd.

QATAR

Polysilicon Plant 7200 MTPY capacity
Client : Qatar Solar Technologies

KUWAIT

Expansion and revamping of Ahmadi Depot
Client : Kuwait National Petroleum Company

MALAYSIA

Tank farm project (RAPID)
Client : Petronas

ABU DHABI

Shah Gas Development package 1
Client : Abu Dhabi Gas Development Co. Ltd.

INDIA

Sikkim Greenfield Airport project
Client : Airports Authority of India

Awards & Recognition

Punj Lloyd receives felicitation at Economic Times Annual Power Summit

Posing with Fourth Time 'Focused Recognition' Certificate from Petronas

Chairman - Atul Punj and Director - Atul Jain with the 'IPLOCA Excellence in Project Execution Award' from IPLOCA as runner up for Shah Gas Development Package 1, Abu Dhabi project

Punj Lloyd team receiving project safety award 2016 for the Rajasthan Atomic Power Project (RAPP 7&8) from NPCIL

Team Punj Lloyd receiving the Best Contractor and Focused Recognition Award April 2017 from Petronas for RAPID project in Malaysia

- Appreciation memento for Dayim Punj Lloyd from YASREF
- Safety awards received from NPCIL for Kakrapara Atomic Power Project

Inauguration of Small Arms Manufacturing Plant

Chairman, Atul Punj with Shri Shivraj Singh Chouhan, Hon'ble Chief Minister of MP and Hon'ble Minister of Rural Development, Panchayati Raj, Drinking Water & Sanitation, Shri Narendra Singh Tomar at the Inauguration Ceremony of the Small Arms Plant in Madhya Pradesh

Punj Lloyd's Chairman, Atul Punj, welcoming Hon'ble Chief Minister of Madhya Pradesh, Shri Shivraj Singh Chouhan

Hon'ble Chief Minister of Madhya Pradesh lighting the lamp at Punj Lloyd Raksha Small Arms Plant inauguration on 4 May, 2017

Dignitaries being briefed on Upgraded ZU-23 Air Defence Gun at Manufacturing & Systems Integration Division (MSID), Madhya Pradesh

Shri Shivraj Singh Chouhan unveiling the plaque at the new Small Arms Manufacturing Facility at Malanpur, Madhya Pradesh.

Employee Connect

Punj Lloyd women receive Rakhi blessings and gifts on Raksha Bandhan from Chairman Emeritus, SNP Punj

Shiv Punj - Director, Punj Lloyd, poses with the Rangoli competition winners in celebration of the festive season.

Revelry 2016, the annual carnival at Punj Lloyd, engages employees and creates a sense of camaraderie

Competitive team spirit on display at Revelry 2016

Richard Griffiths, Psychologist and Spiritual Practitioner conducts a session on Spiritual Intelligence at the Company's headquarters

Santa takes employees by surprise on Christmas

Management Discussion & Analysis

Introduction

In the last decade, Punj Lloyd Limited ('Punj Lloyd', 'PLL' or 'the Company'), went through a phase of rapid business expansion as an EPC (Engineering, Procurement and Construction) conglomerate primarily delivering energy related infrastructure projects across emerging markets in Asia and Africa. After the initial phase of quantum growth, the Company had to deal with several headwinds. First, it had to abandon the large portfolio of projects in Libya in the aftermath of political turmoil in the region. Second, there has been a significant slowdown in the infrastructure sector in India. With large number of stalled or slow-moving projects, there has been a major financial liquidity crunch and all construction service providers across the country are struggling to manage their growing debt burden. Third, with a sharp drop in oil and related energy prices, infrastructure development related to the oil and energy sector has slowed down considerably. These adversities warranted a major course correction for Punj Lloyd's business.

To realign the strategic path of the Company with the financial imperatives of increasing cash flows and reducing its debt exposure, Punj Lloyd drew up a Corrective Action Plan (CAP) along with its bankers and financial partners in the financial year (FY) 2015. However, due to several reasons, some of which were beyond anyone's control, there was a time-mismatch in cash requirements and the actual release of financial assistance from the lenders — which came in the way of a successful execution of the CAP. In addition, the claims recovery process has remained very slow and mired in litigation; and market conditions were not conducive for PLL to monetise some of its non-core assets.

These factors further increased pressure on the Company's balance sheet in FY2017; and operational activities were affected by the general lack of working capital. However, despite these conditions, Punj Lloyd maintained its focus on quality execution and project delivery. These have helped the Company to maintain good customer relations, which are reflected in some of the recognitions received from marquee global customers.

The Company continued to focus on improving its business processes and operational efficiencies to execute projects faster and more profitably. It is also working with the lenders to structure another round of financial restructuring that can provide the necessary breathing space for embarking upon a business turnaround. The lenders have responded positively to this second round of restructuring and are actively working with the Company to create a mutually viable solution.

Macroeconomic Environment

There is much uncertainty across the global landscape. Events like the pro-Brexit vote in the UK and the election of Donald Trump as the President of USA suggest distinct changes in the political agenda and social expectations. With rising trend in protectionism across the world there is a sense of weakening of global, regional and national institutions. Advancement in technology with focus on protecting the environment, is also playing an increasingly disruptive role across industries.
Punj Lloyd's business operates primarily in the Middle-East and what the Asian Development Bank (ADB) refers to as 'Developing Asia'. The presence in North Africa has reduced significantly since the adverse political developments in Libya.

Economic output growth in Middle East and North Africa (MENA) increased from 2.6% in CY2015 to 3.8% in CY2016. While traditionally these were mostly oil based economies, the present round of growth is primarily driven by non-oil based infrastructure development across these countries. However, there were signs of a slowdown in this region by the end of the 2016. Growth in oil revenues, which provided the surplus for other infrastructure investments, has started to reduce. There is also continued strife and political conflict in many countries in the region. Consequently, the forecast is for lower economic growth of 2.3% in CY2017.

'Developing Asia', which includes India, continues to be a sweet spot in a stagnating global economy. **Chart A** shows that while the major industrial economies including the US, the Euro Zone

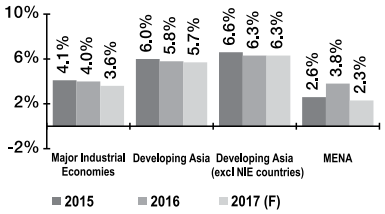
and Japan witnessed a reduction in GDP growth from 2.2% in CY2015 to 1.6% in CY2016, developing Asia grew by 5.8% in CY2016 — and is forecast to expand by 5.7% in CY2017 and CY2018. Within developing Asia, there has been a moderation in growth in China. To an extent, however, this is being balanced by a healthy pickup in India as well as most other economies in the region.

Within developing Asia, there were some mixed trends. Though private consumption slowed and exports declined primarily in China, growth in East Asia remained stable at 6% in CY2016 compared to 6.1% in CY2015. In Central Asia, growth weakened from 3.1% in CY2015 to 2.1% in CY2016 as seven of the eight economies posted lower growth on account of weaker global oil prices, higher prices for non-food imports resulting from currency depreciation, and recession in the Russian Federation, a key trade partner. Growth in South Asia eased to 6.7% in CY2016 from 7.2% in 2015, even as five of the eight economies posted higher growth. In contrast with slower growth elsewhere, aggregate growth in Southeast Asia improved slightly from 4.6% in CY2015 to 4.7% in CY2016. **Chart B** gives the data for economic growth in major regions of 'Developing Asia'.

While 'Developing Asia' is expected to lead economic growth in the near term, the region faces risks from uncertain policy direction in the advanced economies, including the pace of interest rate increases in the US. While the short-term risks are manageable, regional policy-makers have to effectively respond to possible spill-over through capital outflows and exchange rate movements.

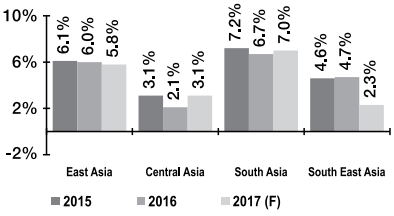
In this business environment, Punj Lloyd has reoriented its business focus to much greater emphasis on the domestic market – India. In FY2017, not only has India been one of the world's fastest growing major economies, underpinned by stable macroeconomic conditions with declining inflation and improving fiscal and external balances, it has also emerged as an economy that is enacting major structural reforms which have positive longer term implications.

CHART A
REGIONAL GDP GROWTH, CALENDAR YEAR (CY)



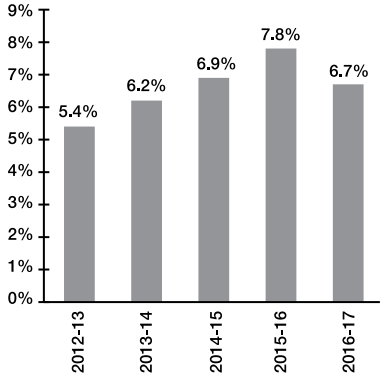
Source: IMF and Asian Development Bank (ADB) estimates;
Note: F is Forecast

CHART B
ASIAN GDP GROWTH, CALENDAR YEAR (CY)



Source: Asian Development Bank (ADB) estimates;
Note: F is Forecast

CHART C
REAL GVA GROWTH, INDIA



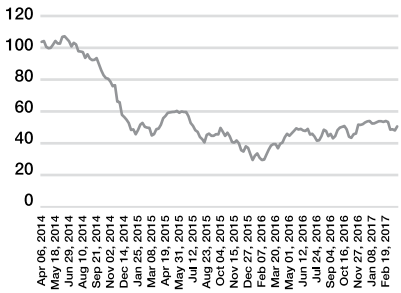
Note : Real GVA growth in basic prices. 2016-17 are advance estimates
Source : Ministry of Statistics and Programme Implementation (MOSPI), Government of India.

Though much has been said about the ₹ 500 and ₹ 1,000 demonetisation in India that was triggered in November 2016 and how it would crush demand and knock off a sizeable chunk of growth, the fact is that it has had relatively little negative effect.

Real growth in gross value added (GVA) for 2016-17 is expected to be 6.7% - a reduction on 1.1 percentage points compared to 2015-16. The number for 2016-17 is the latest forecast issued by the Central Statistical Organisation. It remains to be seen what the final number will be. The general expectation is that after a relatively modest demonetisation induced compression in the third quarter of the year, growth has again bounced back for the fourth quarter, or January-March 2017. **Chart C** plots GVA growth for India.

Given its large historical exposure in the sector, developments in the oil and gas industry continue to have a material impact on Punj Lloyd's business. Oil prices had seen a sharp decline since the early part of CY2014 and experts suggest that in CY2016 it reached the lowest point of the present phase of oil price downturn. However, the severity of that downturn with crude hitting lows around US$30 a barrel was a major shock for the entire value chain. However, as **Chart D** shows, crude oil prices have stabilised

CHART D
CRUDE OIL PRICES, WTI FUTURES DATA (US$/BARREL)



Source : Bloomberg

around the US$50 per barrel. OPEC's actions in the fourth quarter to curb output signalled a firm move of prices above US$50 a barrel and established a greater consensus around a more stable medium-term pricing outlook.

The oil and gas industry continues to reconfigure its business model to help it sustain and grow in a lower price environment, often involving

postponement of capital expenditure and cost cutting. The industry has also slowed, even shut down, new oil and gas related infrastructure projects where the cost of extraction is relatively high. Given these conditions, Punj Lloyd has had to stress on diversification and focus on opportunities in other sectors.

The Infrastructure and Construction Industry

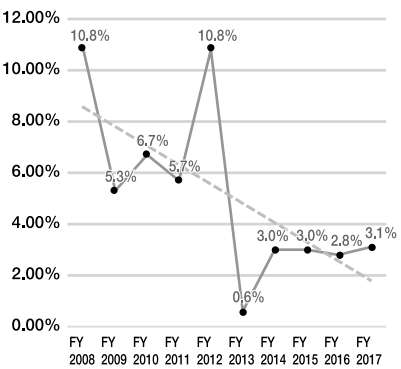
From a long term perspective, the global construction market still has high potential. According to estimates by the global consulting major PwC, volume of construction output will grow to US$15 trillion worldwide by 2025. Much of this growth will be concentrated in three countries: China, the US and India. Indeed, 52% of all construction activities are located in emerging markets. This is expected to increase to 63% by 2025, with China and India contributing the most. China overtook the US to become the world's largest construction market in 2010, and is expected to increase its global share from 18% today to 26% in 2025. Significant opportunities have arisen across a new generation of 'Asian Tigers'. Indonesia, Vietnam and the Philippines are becoming increasingly attractive for export-oriented manufacturing and represent a US$350 billion construction market that is growing at over 6% annually. PwC estimates that India will overtake Japan as the third-largest construction market with annual growth in construction averaging 7.4%.

In this milieu, Punj Lloyd is working on quickly adapting to the changing market dynamics. This has two dimensions. First, it is focusing on taking up projects across a wider spectrum of sectors, developing its capabilities and creating a richer portfolio of projects. Creating this wider technical platform is a prerequisite to embarking on the next round of growth. Second, in order to efficiently utilise management bandwidth, the Company is focusing on leveraging the growing market opportunities in India while preserving its strong global client relationships.

Despite opportunities, the Indian construction and infrastructure sector is facing significant challenges with the developers, banks and government grappling with a gamut of legacy issues. These include stalled projects, non-performing loans and widening gap between performance and targets. The sector is plagued with significant cost overruns, regulatory bottlenecks and aggressive bidding positions taken by a few market players resulting in financial losses. There is also a massive build-up of financial claims on developers, who are mostly government owned, on account of factors such as changes in scope of work (quantity variation or extra items), idling of resources like manpower and overheads, compensation beyond the original stipulated contract period, change in statute and loss of opportunity.

These factors have led to a major slackening of India's construction sector's growth momentum achieved between FY2008 and FY2012. **Chart E** shows that after an impressive 10.8% growth in FY2012, the sector slowed down considerably and the lower growth trend continued with only 3.1% growth in FY2017.

CHART E
CONSTRUCTION GROWTH (REAL GVA)



Source: Central Statistical Organisation (CSO), Government of India

Essentially, the Government of India (GoI) is facing two very different challenges. First, it has to resolve several of these legacy issues that plague the infrastructure and construction sector. Second, it has to provide a new round of growth impetus to the sector. On both these fronts, the GoI has made some headway in FY2017. However, these are initial steps and much of the developments on the ground are expected in the next few years.

Through close monitoring at the highest levels and granting faster clearances, the GoI has finally managed to break the continued curse of stalled projects. According to data released by the Centre for Monitoring of the Indian Economy (CMIE), only 24 projects that were under some stage of implementation were stalled before completion during the quarter ended March 2017. This is the lowest stalling of projects under implementation in any quarter since December 2008.

There have also been positive steps taken by various government and semi-government institutions to provide impetus to the sector in terms of financial liquidity.

To revive the construction sector, the Cabinet Committee on Economic Affairs has approved a series of initiatives, which are expected to help in improving liquidity in the short run and reform the contracting regime in the long run. This includes:

- Public sector undertakings (PSUs) and government departments may seek the consent of the contractors/ concessionaires to transfer the arbitration cases initiated under the older Arbitration Act to the amended Arbitration Act, wherever possible.
- Where a PSU/department has challenged the Arbitral Award awarded to the contractor, 75% of the award amount should be paid by the PSU to the contractor/ concessionaire against margin free bank guarantee.
- All PSUs/departments issuing public contracts should consider setting up Conciliation Committees/Councils comprising independent subject experts to ensure speedy disposal of pending or new cases.
- Item-rate contracts may be substituted by EPC (turnkey) contracts, and the PSUs/ Departments that do so should

adopt the Model EPC contracts for construction work.

- The Department of Financial Services, GoI, in consultation with the Reserve Bank of India (RBI), is formulating a one-time package for the construction sector which is expected to be announced shortly.

In addition, the GoI has undertaken a slew of measures including reviewing mechanisms for award of contracts, regulatory approvals, funding and exit mechanism for developers that provide the foundation for pushing a new round of investment and growth in the sector. The Union Budget 2017-18 also laid emphasis on infrastructure development with 10% increase in total outlay on the sector to ₹ 3,96,135 crore. Within the sector, roads, bridges and railways saw higher levels of allocation. One is witnessing some green shoots in the Indian infrastructure sector. Hopefully, these will grow rapidly in the next two to three years.

In more general terms, given the stressed financial conditions of almost all infrastructure and construction companies in India, the banks under RBI's guidance, are playing a supportive role in working out mechanisms to overcome the stress. The new SDR/S4A guidelines from the RBI are expected to mitigate the financial hardship of some construction majors and, thus, revitalise their capability to bid for new projects.

Business Performance

Since FY2015, Punj Lloyd has been executing its business based upon guidelines of the Corrective Action Plan (CAP) developed in partnership with its lenders. The focus of CAP was increasing cash generation while lowering debt exposure. This translated to a renewed emphasis on the core EPC business, monetisation of non-core assets and recovery of past dues.

Unfortunately, while there have been some positive movements on monetisation of non-core assets and claims recovery, the actual pace of progress has been far below expectations. Having said so, there have been some positive developments in FY2017 - the Company's wholly-owned subsidiary, Punj Lloyd Infrastructure Limited (PLIL). executed definitive agreements with India Infrastructure Fund II to divest three operating solar projects located in Punjab and Rajasthan aggregating 45 megawatts (MW) subject to customary approvals and other conditions precedent. It is in the last stages of receiving the full consideration of the deal. In addition, PLIL has also divested economic stakes in three under development solar projects in the state of Uttarakhand cumulating to 36 MW to India Power Corporation Limited.

The claims recovery process continues to be mired by long drawn litigations. The CCEA recommendations in 2016 have just started making an impact on the ground. The Company is still awaiting large claims in India and abroad.

Working capital pressures on the Company were further aggravated by some of the group of lenders delaying actual release of short term capital in line with the CAP formula. As a result, Punj Lloyd had to operate under very tight financial liquidity. This affected both execution and generation of new orders.

Facing these pressures, the Company has looked inwards and worked very hard to improve the utilisation of capital and resources.

- Standalone revenues increased by 12% from ₹ 3,358 crore in FY2016 to ₹ 3,761 crore in FY2017
- With this top-line growth and cost management, the Company has turned around in terms of operating profits. Standalone EBIDTA increased from a loss ₹ 370 crore in FY2016 to a profit of ₹ 108 crore in FY2017
- However, this level of operations is still well below what can sustain the debt levels on the balance sheet
- Consequently, the Company generated net losses of ₹ 850 crore, without accounting for other comprehensive income

It needs to be stated that the lenders have been supportive of another round of financial restructuring to provide the Company breathing space to scale up operations and generate necessary cash to revive business profits. The restructuring packages that are being worked out are different from those prescribed by the RBI. Detailed consultations with the lenders are underway and a workable solution is expected soon.

Over the last few years, Punj Lloyd has laid considerable emphasis on contracts management and made focused efforts to establish legitimate claims through the arbitration-based dispute resolution mechanism.

As reported in last year's Annual Report, Punj Lloyd's subsidiaries in Singapore were under severe financial stress and their potential to continue as a 'going concern' was affected. In FY2017, the Singapore High Court ('the Court') heard the applications filed by Punj Lloyd Pte. Limited and Sembawang Engineers and Constructors Pte. Limited — subsidiaries of the Company — for placing these under judicial management (JM). The Court approved the applications and placed both subsidiaries under JM with effect from 27 June 2016. With the appointment of Judicial Managers, Punj Lloyd has lost control over these subsidiaries. Hence, accordingly these entities had to be deconsolidated by making consequent necessary adjustments in the financial statements.

Given the Company's liquidity position, Punj Lloyd approached business development in a calibrated manner. Activities were more geared towards exploring new market opportunities rather than aggressively participating in tenders and getting orders.

The Company has an order book of ₹ 18,561 crore as of May 2017. This includes orders of ₹ 6,845 crore in Libya which, unfortunately, are not seeing any traction.

Business Verticals

The Company operates as an EPC service provider for energy and infrastructure projects. The business is

structured according to sector-specific verticals that service a global market. In the core business, these are:

- Pipelines and Tankage
- Process
- Offshore
- Power
- Buildings and Infrastructure (including highways, mass rapid transport systems and railways)
- Defence

These are supported by core functions including the Central Procurement Group (CPG), Human Resources (HR), Information Technology (IT), Quality and Health, Safety and Environment (HSE).

In addition to these core businesses, the Company has a separate engineering business under PL Engineering (PLE), an infrastructure developing business under Punj Lloyd Infrastructure Limited (PLIL), and a defence and manufacturing business.

PLL's sector-wise revenues in FY2017 are given in **Chart F**. It shows that, on a consolidated basis, pipelines and tankage has the largest share of 64% of revenues; followed by building and infrastructure with 13%; process with 10%; power 7%; and others 6%.

CHART F
SECTORAL CONTRIBUTION TO REVENUE, CONSOLIDATED (FY 2017)

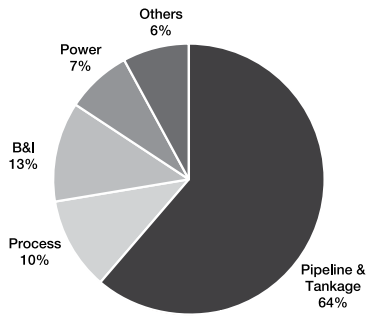
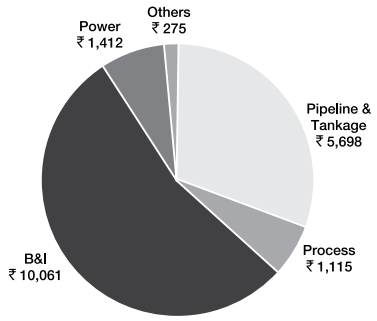


Chart G gives the sector-wise composition in terms of consolidated order backlog as on May 2017. As it shows, 'Building and Infrastructure' has become the dominant sector in terms of

CHART G
SECTORAL CONTRIBUTION IN THE ORDER BOOK, CONSOLIDATED (ON MAY 2017)



(Figures in crore)

orders for future execution with 54% share; and the share of 'Pipelines and Tankage' has reduced to 31%. This reflects current market conditions and justifies Punj Lloyd's decision to diversify.

Engineering, Procurement and Construction (EPC) Business

PIPELINES & TANKAGE

PIPELINES

Punj Lloyd undertakes a wide range of activities in the pipeline construction space. This includes onshore as well as offshore pipeline projects. Given market conditions and the Company's focus on less capital intensive ventures, Punj Lloyd currently focuses on onshore pipeline laying activities including cross-country pipelines and work related to field development.

In fact, over the last two decades, much of Punj Lloyd's business growth was driven by its strong presence in oil and gas pipelines and related construction activities. In recent years, however, with the sharp fall in oil prices, several large projects in this sector have either been scrapped or put on hold. Under such conditions, and given the Company's focus on financial deleveraging, Punj Lloyd has been very selective in bidding for new projects. It is primarily leveraging established customer relationships to grow its order book.

While securing new orders and maintaining a strong order backlog is essential for the long term stability of the business, during FY2017 Punj Lloyd concentrated on faster and leaner execution of existing projects. With a focus on improving cash flows, emphasis has also been laid on achieving faster commercial closure of projects that are near completion or already completed.

Projects Update

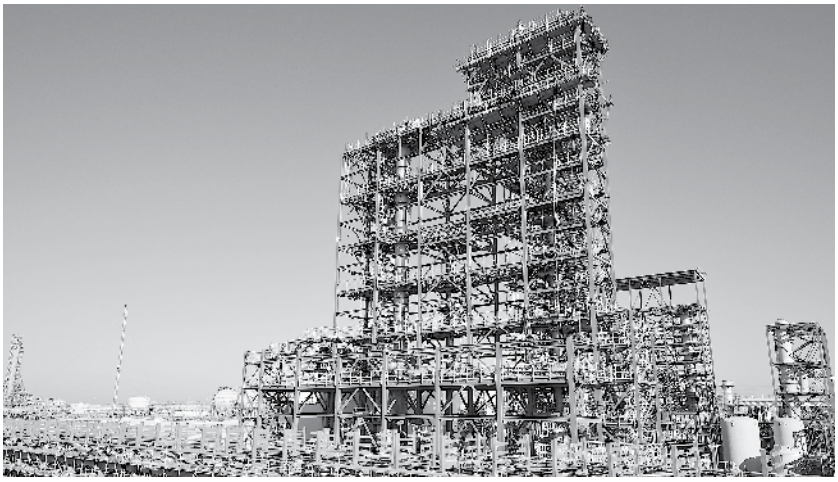
Details of projects executed or under execution during FY2017 are discussed below.

QATAR

- **Polysilicon Project – Train 1 and 2:** Important milestone for FSO (First Silicon Out) was achieved in March 2017. The project is scheduled to be completed by the end of FY2017-18 as planned
- **Strategic Gas Pipeline for Qatar Petroleum:** This project is delayed as the upstream field project is not progressing as planned. Punj Lloyd completed work on two pipelines a few years ago. The client has taken over the pipeline and all systems and the process for commercial closure is under progress

UAE

- **The Spiking Project** was ready for commissioning in October 2014. The project has been completed. Liquidation of punch points and commercial closure is in progress
- **ADCO Tie-in Field Development** has been completed. Reconciliation is done and material handing over is in progress
- **Falcon Project (Dubai)** has been completed and commissioned. Initial acceptance has been received from the client. However, there is a dispute on certain claims raised by Punj Lloyd, which has been referred to for mediation.



- **Gulf Fluor:** This erstwhile Simon Carves project includes construction of a sulphuric acid plant. The plant was commissioned in August 2014. Arbitration procedure for certain disputes has been completed and the arbitration award is awaited

SAUDI ARABIA

- **SATORP:** The port tank farm for Saudi Aramco and Total, awarded to a joint venture of Dayim-Punj Lloyd was commissioned in FY2014. Commercial closure and punch list was achieved in FY2015. The project has been successfully completed and commercially closed
- **SP2:** Utility and export pipelines for Saudi Aramco and Sinopec were completed as per the original project scope. Punj Lloyd secured an additional package in this project. Mechanical completion was achieved in October 2016. At present, certain demolition work of old facilities is under progress and is expected to be completed by the middle of FY2018

LIBYA

- **TMGP and KTGP:** These two projects remain on hold since the revolution started in Libya in February 2011. The current political situation is still volatile and the projects are incomplete. Punj Lloyd continues to make efforts to secure certain payments related to the projects

MALAYSIA

- **Sabah-Sarawak Pipeline:** The project achieved mechanical closure in December 2014. The pipeline is charged with gas and commissioned. The compressor station at Bintulu is commissioned. Punj Lloyd has initiated discussions for commercial closure with the customer

MYANMAR

- **The Myanmar-China Oil and Gas Pipeline:** Punj Lloyd has been working on 200 km of the 450 km gas line and 180 km of the oil line. Both the oil and gas pipeline are completed and commissioned. Commercial closure is actively being sought

OMAN

- **ORPIC & Oman Gas Corporation (OGC) Project in Oman:** The scope of work for the contract includes the EPC of a 14" diameter, 300 km natural gas liquid (NGL) pipeline and a 32" diameter, 301 km gas pipeline. The 14" diameter pipeline, which is a part of ORPIC's US$6.4 billion Liwa Plastic Industries Complex (LPIC), will be from the New Fahud NGL Plant to the Steam Cracker Unit at Sohar in Oman. Given increased gas demand, the Company will be laying a 32" diameter gas pipeline parallel to the existing 32" diameter Fahud–Sohar pipeline for OGC. The pipeline is being laid to supply gas for North Power station. The scope of work also includes construction of Block Valve and Pigging Stations. The project is progressing as per schedule

NEW ORDERS

Clean fuel and interfacing facilities project in Saudi Arabia: This new project was awarded in April 2017 by YASREF (Yanbu Aramco Sinopec Refining Company), a joint venture between Saudi Aramco and China Petrochemical Corporation (Sinopec). It is worth around US$48 million and has a 12 month completion period. The scope of work comprises constructing two pipeline systems, 30"dia x 7 km each (diesel and gasoline), which will be installed to deliver refined produce from YASREF to the Yanbu Refinery for domestic distribution. The project includes metering system, analysers and injection facilities and the work encompasses modification of tanks and extension of existing building with associated activities related to civil,

structural, fire-fighting, and electrical, instrumentation and automation.

TANKAGE

The Company has developed strong credentials and built a good portfolio of projects related to construction of large scale tankage and terminals. Punj Lloyd and its subsidiaries have constructed three LNG and LPG tank farms in India and over 300 tanks globally, ranging from cryogenic double walled full containment tanks to atmospheric floating and fixed roof storage tanks and terminals.

Projects Update

Details of tankage projects executed or under execution during FY2017 are given below.

- **Kuwait National Petroleum Company (KNPC) Project:** KNPC, the national oil refining company of Kuwait, owns and operates two fuel depots, namely Sabhan and Ahmadi. This expansion involves increasing storage capacities of mogas, gasoil and kerosene and loading capacities at the Ahmadi depot. Punj Lloyd Limited is engaged as the EPC contractor. The project achieved an overall completion of 78% by the end of FY2017 and is set for completion in FY2018
- **RAPID Project (Malaysia):** The RAPID tank-farm is a flagship project by Petronas and a part of the Refinery and Petrochemical Integrated Development (RAPID) complex at Pengerang, Malaysia. The base project scope included setting up 42 storage tanks, seven bullets and two spheres with associated piping, civil, structural and E&I work. Already 65% of the work has been completed and the project is on track for completion according to schedule
- **Ennore Project (India) for Indian Oil Corporation Limited (IOCL):** IOCL through its joint venture, Indian Oil LNG Private Ltd. (IOLPL), is setting up a 5 MMTPA (expandable to 10-15 MMTPA) LNG import, storage and re-gasification terminal at Ennore in Tamil Nadu. This is expected to be commissioned in 2018. Punj Lloyd is engaged as a subcontractor to Mitsubishi Heavy Industries Limited in the construction work related to LNG Storage Tanks System, which comprises early site work and construction of two LNG storage tanks of 180,000 cubic capacity each. In spite of repeated disruptions due to flood and cyclone, the project has achieved an overall progress of 55% and is expected to be completed on time. Air lift of the first tank roof was completed in April 2017 and the second in May 2017

NEW ORDERS

The Company secured the following order during FY2017:

- **Mundra Tank Project for Adani:** The project includes design, construction and commissioning of two refrigerated storage tanks measuring 63 metre diameter x 20 metre height and 6 metre diameter x 32 metre long Mounded Bullets for the LPG Terminal at Mundra. The project was awarded to Punj Lloyd by Mundra LPG Terminal Private Limited in the January 2017 and is valued at ₹ 139 crore. The completion schedule for this project is 20 months. Successful execution will open up opportunities for several related activities with the customer

HORIZONTAL DIRECTIONAL DRILLING (HDD)

HDD is a method of installing underground pipelines, cables and service conduits through trenchless methods. It involves the use of a directional drilling machine, and associated attachments, to accurately drill along the chosen bore path and back ream the required pipe. The process is usually adopted for laying utilities below the river bed, where conventional laying is difficult. PLN Construction, a wholly owned subsidiary of Punj Lloyd, has developed a specialised HDD construction business that is gaining traction. This business is carried out on EPC as well as design and construction basis.

Projects Update

- **Maheskhali Anwara Gas Pipeline Project by GTCL, in Cox Bazaar, Chittagong district, Bangladesh:** In the first quarter of FY2016-2017, Punj Lloyd was awarded this project for construction of 30" diameter pipeline using the HDD technique. This was similar to an EPC contract. The project has been completed successfully, one month ahead of schedule
- **SMPL Project of IOCL:** Successfully completed the installation of 24"/28" diameter pipeline using the HDD technique under various rivers in Rajasthan and Gujarat
- **Reliance DNEPL Project:** The Company secured this order for installation of pipeline under various rivers including the challenging Narmada in Gujarat as part of the Dahej Nagothane Ethane Pipeline Project (DNPL). Gujarat section of this fast

track project was successfully completed in FY2017 and a related additional/change order was also secured. It was the first time in India that we successfully adopted and accomplished the 'meet in the middle' technique

NEW ORDERS

The Company secured the following order during FY2017:

- Gas Transmission Company Limited (GTCL) project at Bangladesh: HDD and pipeline installation for the Nalka Gas Transmission Pipeline Project, involves six river crossings
- IOCL project at Bihar, India: Installation of 10.75"/12.75"OD pipeline across major river crossings from Patna to Motihari and Baitalpur on the Barauni-Kanpur pipeline

OFFSHORE

Over the years, Punj Lloyd has created wide ranging service capability in the offshore space, with investments in capital equipment including ownership of world class pipe-laying barges. It has executed projects in India, South East Asia and the Middle East. The spectrum of activities include providing engineering, procurement, fabrication and installation services for offshore wellhead and process platforms, including topsides and jackets, risers, submarine pipelines, underwater cables and single buoy mooring systems.

Unfortunately, offshore projects have seen a significant slowdown in the last few years. Being a more capital intensive method for extraction of hydrocarbons, financial viability of several projects were stressed with the sharp drop in oil prices. Given the difficult market conditions and the highly capital intensive nature of projects in this sector for the construction service provider, Punj Lloyd has become very selective in its bidding for new projects. The focus is on getting financial closure of existing projects to generate cash flow and release invested capital.

Projects Update

- Gujarat State Petroleum Corporation Limited awarded a contract for a Submarine Pipeline Project for Deen Dayal Field Development Project on lump-sum turnkey contract basis at a price of US$95.3 million (approximately ₹ 400 crore). The scope of work includes a 24.5 km long 20" OD pipeline, a 15 km long 10" OD pipeline, optic fibre cables and onshore work. After some initial environment related issues, the Supreme Court gave a go ahead order for Stage 1 of the Project. The mechanical completion of the offshore contract and gas-in was achieved in May 2014. It needs stating that Punj Lloyd has been able to successfully execute this landmark project due to proactive support provided by the client in releasing money in a timely manner and settlement of claims. However, there still remain certain contractual and commercial issues that need to be resolved between the client, the nodal project management agency and the Company. These are being actively reconciled, and the project is expected to close during FY2018
- Installation of three compressor units for the Platform Compressor Facility Project on the PTT Riser Offshore Platform in the Gulf of Thailand, at a contract price of US$129.32 million: Around 96% of the project has been completed. However, there has been substantial delay due to some extraneous factors and non-resolution of change order and allied claims. In FY2016, the Company reinitiated discussions with the client and remobilised resources for completion of the remaining work. During FY2017, a major headway was made with the signing of a revised contract. The project is expected to be completed by the end of FY2018
- New Hout Crude Transmission Pipeline Project in Al-Khafji, Saudi Arabia from Alkhafji Joint Operations: The project was awarded at US$57.75 million (₹ 314 crore). Two major reasons for delay are a complete halt on facility by client due to environmental issues, and changes in laws and regulations in the Kingdom of Saudi Arabia. The Company has submitted change orders and claims to the client. After many discussions, the client has agreed to change the scope of work. Consequently, Punj Lloyd is undertaking only the engineering and procurement activities while the client will carry out construction at a later stage. The project relating to PLL scope of work is expected to be completed by the middle of FY2018

NEW ORDERS

The Company secured the following order in FY2017:

Offshore / Onshore Pipeline laying contract from Mumbai Port Trust: This involves installing offshore and onshore pipelines and terminal work on EPC basis

for the Fifth Oil (J5) Berth at Jawahar Dweep in Mumbai Harbour. The contract value is ₹ 209 crore. The scope of work includes supply, installation and testing for 42" diameter pipeline with 17.5 mm wall thickness and 100 mm concrete weight coating - a four km offshore pipeline in shallow water/ intertidal zones including pre-engineering survey, pre-construction survey, procurement and installation, pipeline coating, trenching and backfilling work. Also included in the scope is a 1.25 km long onshore pipeline section besides pipeline manifold, scraper receiver and launcher, sump tank, all piping work, SRV skids, including hook-ups with the existing facilities and all associated civil work.

PROCESS

Punj Lloyd's process vertical services primarily petroleum refineries, petrochemical units and fertiliser plants. For petroleum refineries, the Company has a strong track record of successfully executing various process units including hydrogen and hydrocracker, delayed coker units, sulphur units, motor spirit quality upgradation, coke drum work, and onshore gas development projects. In petrochemicals, Punj Lloyd has been a key player in all stages of the polymerisation process, including those associated with the production of low density polyethylene (LDPE) and linear low density LDPE. Given the slowdown in the oil and gas markets, Punj Lloyd's focus in the process business during FY2017 was on refineries and petrochemicals. Even here, however, there were limited opportunities. Given the Company's strategic decision to be very selective in the bidding process and preserve capital, there was no addition to the order book. Nevertheless, with the compulsory statutory shift to Euro 6 norms in India, there will be a significant growth in opportunities as most refineries will need to upgrade and revamp. Punj Lloyd is actively pursuing such projects in strategic partnership with those who have technical pre-qualifications to service such contracts.

Project Update

- **Sulphur Recovery Unit (SRU), Amine Regeneration Unit (ARU), Sour Water Stripper (SWS) and Offsite facilities that are part of EPCC-2 package for Haldia Refinery of IOCL:** Punj Lloyd was awarded an EPC contract worth ₹ 1,094 crore comprising a 80 tons per day SRU, 260 tons per hour ARU, 65 tons per hour SWS, a 132KV switchyard along with utilities and offsite work. The project is around 60% done and is expected to be completed by Q3 FY2019
- **Coker LPG Treating Unit and offsite facilities for the Rath Chakra Project, Paradip Refinery:** IOCL awarded an EPC contract worth ₹ 368 crore to Punj Lloyd at its Paradip refinery. This includes a 165 KTPA Coker LPG Treater Unit, Nitrogen Generation Unit, FCC Unit modifications, Offsite and Utilities and several other elements. The project is expected to be completed by FY2018
- **EPC for LSTK Package B, IOCL Paradip Refinery project:** IOCL has awarded an EPC contract worth ₹ 1135 crore, comprising various units. There was a delay in construction primarily related to issues arising out of interfacing with inputs from other agencies. The project has been mechanically completed and all the 12 units that the Company was contracted to set up have been commissioned. Final reconciliation and project closeout is in progress
- **Sulphur Block of the Residual Upgradation Project at the Manali Refinery, Chennai:** The Company secured an EPC contract worth ₹ 353 crore on this account. There have been mid-course changes in the original scope of work; yet all these have been complied with amidst force majeure condition of floods in Chennai. Mechanical completion was achieved for Block B in March 2017; and that for Block A is targeted for June 2017
- **Indian Strategic Petroleum Reserves Limited (ISPRL):** ISPRL had awarded a contract involving installation and commissioning of underground cavern and top side facilities. The project has been completed technically and final documentation process is on for handing over to the client
- **Reliance Jamnagar:** Reliance has awarded construction work to Punj Lloyd worth ₹ 300 crore comprising UG/AG piping work, structure erection along with civil work. The physical activity has been completed and commercial closure is underway

POWER

The power sector in India is undergoing a structural transformation and Punj Lloyd has realigned its strategy for this sector in line with the prevailing market dynamics and the Company's own financial prerogatives.

In a nutshell, enough electricity generation capacity has been created in India over the last few years to meet, indeed significantly exceed, the prevailing demand for electricity. Hence, there is a lower emphasis on power generation. Thus, there were only a few new projects during FY2017 in thermal power generation. New investments continue to be plagued with the issue of supply of coal and the financially weak condition of the State Electricity Boards, which are the primary customers.

Given these market conditions and Punj Lloyd's requirements to preserve capital, the Company reduced its drive to secure new projects and, instead, focused on executing the existing order book and closing old projects. The status of existing projects is as follows:

Transmission and Distribution Projects

Work on the four distribution projects secured in FY2016 has progressed well and the projects are on track with minor delays. This includes the two projects for Power Grid Corporation of India Limited (PGCIL) involving rural electrification of the districts of Jajpur, Khorda and Ganjam in Odisha under the Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY); and the two National Thermal Power Corporation (NTPC) projects for rural electrification of the districts of Puri and Koraput in Odisha.

Work on the transmission project from Madhya Pradesh's MPPTCL secured in FY2016 has progressed well and is on track.

Nuclear Projects

The projects under Nuclear Power Corporation of India Limited (NPCIL), KAPP#3&4 (2X700 MW) in Gujarat and RAPP#7&8 (2x700MW) in Rajasthan have been delayed due to several issues being faced by the client.

Thermal Projects

The CKP thermal power project (3x18 MW) in Indonesia was delayed in the past. Two units have been commissioned in FY2017 and closing of the contract is under process.

We secured a civil & construction work (1X800 MW) from BHEL at Kothagudem for TANGENCO. The project is on track. Our existing KSK project (6x600 MW) for civil work and construction in Chhattisgarh has been delayed due to several issues faced by the client. We have received an amendment to the contract value for the extra scope of work in KSK project.

The 2x300 MW Haldia Thermal Power Project for CESC was commissioned in FY2015. The project has been contractually closed and the bank guarantee released. So, too, for the 2x300 MW Dhariwal Thermal Power Project, also for the CESC. Unfortunately, the 2x270 MW GVK Thermal Power Project, where both units had been synchronised, the financial closure process has gone into arbitration.

BUILDINGS AND INFRASTRUCTURE

The buildings and infrastructure segment has emerged as a principal driver of growth for the Company. While in the last few years the Company secured several new orders, Punj Lloyd took a step back in FY2017 and emphasised execution and completion of existing orders.

Progress on the road projects has been a mixed bag. The details are given below:

- **Raipur-Simga Road Project:** This is an EPC highway contract worth ₹ 513 crore including construction of 4/6 lanes of Raipur–Simga stretch in Chhattisgarh under NHDP IV. The project is progressing with minor delays
- **Simaria–Khagaria Road Project:** This EPC highway contract worth ₹ 567 crore involves four laning of the Simaria-Khagaria section of NH-31 in Bihar. The project has been delayed but has shown signs of taking off in the first quarter of FY2018
- **Talebani–Sambalpur Road Project:** This EPC highway contract worth ₹ 392 crore involves rehabilitation and upgradation to four-laning with paved shoulder of the Talebani to Sambalpur section of NH-6 in Odisha under NHDP IV. The project is delayed
- **AH 48 Road Project:** This EPC highway contract worth ₹ 666 crore is for over 90 km of the Asian Highway (AH) Network, a cooperative project for improving transport facilities throughout 32 nations and providing road links to Europe. The project is progressing well with 60% of the work complete
- Balance work of **four-laning of the Gorakhpur-Gopalganj section of NH-28** in Bihar worth ₹ 542 crore from the NHAI. The project is 50% complete and scheduled for delivery ahead of original schedule
- Operation and maintenance work for the **Belgaum Maharashtra Road Project** and the **Khagaria Purnea Road Project.** This continues to be implemented

In buildings, the following projects are in different stages of progress:

- **Koderma Township Project:** The work involves construction of balance residential and non-residential buildings for the Koderma Thermal Power Station township of Damodar Valley Corporation, including internal electrical, water supply and sanitation. The contract is worth ₹ 207 crore, and the construction period is 18 months
- **Tata Capitol Heights:** The project includes civil, structural, waterproofing and auxiliary work for construction of an integrated residential and retail complex called Capitol Heights in Nagpur. There were some issues in the project, which are under rectification. The project is expected to be completed and handed over to the client in FY2018
- **Anpara Railway Project:** Earthwork in formation, ground improvement, construction of bridge, P-Way work, workshop building, S&T, electrical and other miscellaneous work in connection with augmentation of MGR system and railway siding (Anpara D thermal power plant 2x500 MW). This project is in its final stage of completion
- **AIIMS Building Project in Raipur:** Construction of medical college and hostel complex including project planning, construction of civil work including finishing, electrification, plumbing and all building services for the Ministry of Health and Family Welfare. After certain initial delays, the project has gained momentum and expected to be completed in the first half of FY2018
- **Delhi Police Housing:** Primarily entails development, operation and maintenance of the residential zone of over 5,000 units (approximately 40 lakh square feet), along with utility facilities such as sewerage and water treatment. The project continues to be plagued with financial closure
- In addition, the Company continues to implement the difficult **Sikkim Airport Project,** which is a green-field airport in Pakyong, Sikkim. The scope of work includes earthwork in filling, building the world's highest reinforced retaining wall, drainage systems including culverts and aerodrome pavements. Geological surprises, unfavourable climatic conditions and stoppage of work by locals have delayed progress of this project. However the runway construction is now complete

Other Businesses

DEFENCE & COMPONENTS MANUFACTURING

With the GoI taking a policy stance towards greater engagement of the private sector in defence procurement and adoption of the 'Make in India' model to reduce the large import dependency, a massive opportunity has opened up for defence related manufacturing in India. According to estimates by McKinsey and Company, the Indian defence market will be worth US$620 billion (₹ 38 lakh crore) by 2022 with around US$130 billion worth of contracts being awarded in the next few years.

While the opportunities are huge, the progress on the ground has been slow. Given that the industry caters to the important aspect of national security, there are stringent norms of security clearances, licences and technical parameters that need to be adhered to by all private sector participants. Also, the procurement process is often over a long period of time. So, private sector players that wish to participate in this sector require long term commitment and perseverance to succeed.

- Punj Lloyd was among the first few companies to be granted defence manufacturing licences after the sector was liberalised by the GoI to enable private participation. The Company received the first licence for manufacture of guns, rockets, missiles and artillery systems in 2007. Since then, it has expanded its scope and received several more licences. The Company's strategic blueprint comprises efforts to:
  - Become a supplier of choice to the Indian armed forces
  - Provide impetus to the 'Make in India' programme
  - Be a preferred partner for transfer of technology from major global players
  - Be an intrinsic part of the global defence equipment supply chain
  - Undertake maintenance, repair and overhaul of defence equipment
  - Work in partnership with global majors to meet offset requirements as per the Indian Defence Procurement Procedure

Punj Lloyd's focus in defence includes land systems, small arms, aerospace, and homeland security. The most significant development in FY2017 was the Company's foray into the manufacture of small arms. Punj Lloyd cemented its joint venture with Israel Weapon Industries (IWI) with the inauguration of the country's first private sector small arms manufacturing plant at Malanpur in Madhya Pradesh.

IWI is a member of the SK Group and is a

world leader in the production, marketing, design and development of unrivalled weapons for over 80 years. All IWI weapons have been battle proven around the world under adverse and extreme environmental conditions. They include the Tavor Assault Rifles, X95 Assault Rifle, Carbine and SMG, Negev Light Machine Guns, Galil Ace Assault Rifles, Galil Sniper Semi-Automatic Rifle, Uzi SMGs and Jericho pistols. All these small arms have been considered weapons of choice by governmental, military, police entities and law enforcement agencies around the world.

In the initial phase, this plant will manufacture components for IWI to assemble in its parent plant to service existing orders. In the next stage, once all licensing formalities are complete, the plant in India will fully produce and assemble these products to service Indian defence demand and for exports.

IWI entered into this JV after considerable due diligence. Thus, the tie up is an international endorsement of Punj Lloyd's capabilities as a reliable partner to global players entering the Indian defence space.

In land systems, the developments are in air defence and artillery. Punj Lloyd participated as a prime on the ZU 23 Air Defence Gun Upgrade programme, competing against major Indian defence companies and secured L1 status in the bidding process for this programme. Punj Lloyd upgraded the existing ZU-23 2B Gun by replacing the manual laying system with a rugged Electro Optical Fire Control System (EOFCS). There has been a delay in order placement for this project. However, the Company expects positive movement in FY2018.

Punj Lloyd is upgrading the 130 mm gun to 155 mm by replacing several critical aspects such as the muzzle brake, breech block assembly, barrel and rammer. User trials of summer and winter have been completed along with maintainability and environmental evaluation.

In addition to these programmes, Punj Lloyd has a strong relationship with the Ordnance Factory Board (OFB). Eight major components out of the eleven given to the private sector for Dhanush (the indigenised gun) and the loading device and loading system for both the 155 X 45 OFB guns are being manufactured by Punj Lloyd. The Company has worked on design and development of muzzle brake and loading mechanism, two of the four major components of the ATAGS for Defence Research and Development Organisation (DRDO).

Over the years, Punj Lloyd has developed comprehensive aerospace and aero structure capabilities in the Indian private sector. It is supported by strong capability for aerospace design and analysis through its subsidiary, AeroEuro Engineering. Punj Lloyd is also an investor in Air Works, India's leading private general aviation and MRO Company. It is certified to undertake up to D level checks on A320, B737 and ATRs, among other aircraft. Air Works has also been contracted to undertake MRO work on IAF VIP jets. This relationship allows Punj Lloyd access to highly skilled manpower, specialised test equipment, hangar space and access to an independent runway. The Company has a manufacturing plant which is AS9100C certified and delivers components to HAL for SU30, helicopters LCA (Tejas).

Punj Lloyd, along with its foreign partner, has entered the Homeland Securities business with two products: an X-ray based Full Body Truck Scanning System (FBTS), and a Drive-through Container Scanner (Road) System through transfer of technology. The X-ray based scanners will be installed at line of control and ports

across the country to scan goods and cargo coming in and going out of the country. Punj Lloyd will be servicing these products for ten years after delivery.

Punj Lloyd's manufacturing and systems integration division (MSID) has built a robust product portfolio with focus on specific competencies – ability to manufacture large components, work on many exotic material, and undertake high precision manufacturing. The wide range of products, built for diverse industries and for different clients in India and abroad, demonstrates Punj Lloyd's expertise and adaptability to meet varied market requirements.

While developing a strong capability for components production that services defence related requirements, Punj Lloyd has extended its components manufacturing portfolio to service power plants including Hydel, Nuclear, Thermal and Gas, and also for shipping, transportation and mining industries. As far as geographical areas are concerned Punj Lloyd serves OEM companies from Japan, Sweden, Italy, UK, Austria, and Finland.

The MSID business is developing at a rapid pace. The flexible and highly adaptive machines can manufacture components in a variety of sizes and complexities, meeting the rigorous standards and tight schedules of global customers. At the one end, Punj Lloyd manufactures large components like the outer casing of combustion chamber and the upper and lower tank panels for the Sukhoi 30; while at the other end, it produces small but highly critical jigs and fixtures for the fuselage of the Indian built Light Combat Aircraft, the Tejas.

PUNJ LLOYD INFRASTRUCTURE LTD.

In line with the trend in India for greater private sector participation in infrastructure development, Punj Lloyd had forayed into asset development and ownership in 2010 through Punj Lloyd Infrastructure Ltd (PLIL). The aim was to go up the value chain, leverage the core EPC strength of the group and create a differentiated proposition in the market. This was also perceived as a mode to grow the order book.

However, in the last few years, given the slowdown in the sector and severe liquidity crunch, private sector infrastructure development has been adversely affected. Though PLIL was more cautious in capital outlays and risks compared to most of its peers, the going was tough. Given the cash constraints of the parent Company, it was decided to monetise some of these assets. There has been some progress on this front, such as:

- In October 2016, PLIL executed definitive agreements with India Infrastructure Fund II (a SEBI registered Category I Alternative Investment Fund represented by its investment manager IDFC Alternatives Limited) to divest three operating solar projects aggregating to 45 MW located in Punjab and Rajasthan subject to customary approvals and other conditions precedent. The transaction is expected to be completed by the first half of FY2018
- In November 2016, PLIL executed definitive agreements with India Power Corporation Ltd. (IPCL) to co-develop the 30 MW solar assets in Uttarakhand. In February 2017, PLIL sold 49% of its shareholding in two of the three solar assets with aggregate capacity of 20 MW to India Power Green Utility Private Ltd. (IPGUPL), a wholly owned subsidiary of IPCL. Sale process for the final solar assets in Uttarakhand to IPGUPL is expected to be completed by the first half of FY2018
- Punj Lloyd, the EPC contractor to these projects, has successfully commissioned the 30 MW solar PV project in Uttarakhand within the stipulated deadline of 31 March 2017. It shall be responsible for operations and maintenance for a period of two years from the date of handover of the plants
- The Khagaria-Purnea Highway project has successfully received the due semi-annual annuities on time in FY2017 and operation and maintenance of the highway is being carried out satisfactorily. Even so, PLIL has initiated discussions with multiple investors to divest this asset

PL ENGINEERING LTD.

In the last two years, the business has faced several headwinds primarily emanating from the severe slowdown in the oil and gas market. In addition, there has been a general slowdown in large scale projects. Under these conditions, PL Engineering Ltd (PLE) has adopted a calibrated strategy with focus on profitable and high value jobs while being disciplined in bidding and executing projects. This has contributed to a steady level of revenues and profits.

PLE continues to be a preferred engineering partner for various companies

and are currently executing projects across Asia and Middle East including UAE, Kuwait, Oman, Qatar, India, and Malaysia. It not only has a level of geographical diversity but also across activities encompassing pipelines, refinery units, gas processing plants, residential buildings, onshore oil field infrastructure and chemical plants.

GASCO, which is one of largest gas producing companies in the Middle East has reposed its faith in PLE by awarding another large project for their ASAB gas field. This is in addition to other projects which PLE has won in the past 24 months from the same client. The other success in terms of a large order, which came from the UAE, was in petrochemicals. In fact, PLE is now actively pursuing petrochemical projects as a part of a diversification strategy. The first step was to get qualified by UAE's premier petrochemical company, Borouge, as an engineering and design consultant for future FEED and detailed engineering projects.

With oil prices expected to remain low in the medium term, PLE has taken up initiatives to diversify into other sectors like Buildings and Infrastructure, where its inherent engineering strength can be better utilised. PLE is growing this business and has been successful in winning assignments from one of India's leading Mumbai based real estate players for its residential building projects.

A major achievement for PLE in FY2017 was the signing of an exclusive Engineering Delivery Partnership (EDP) agreement with one of UK's largest infrastructure and energy players. This is expected to open the doors to a large number of opportunities for PLE in the UK market. PLE is also engaged as a consultant with the Delhi International Airport where it is providing engineering services for a state of the art security system and electrical systems.

In FY2017, PLE took the important decision of monetising its UK based subsidiary, Simon Carves Engineering Limited. The organisation was taken over by a Mitsui group company, the ECI Corporation based out of Houston, USA. Although separated from PLE, Simon Carves continues to work closely on some of the ongoing petrochemical projects in USA.

Recognising the key role support functions have in Punj Lloyd's abilities to deliver projects, there has been a renewed focus on certain domains as part of the Company's turnaround strategy. The emphasis is to make these functions true business enablers.

PROCUREMENT

After a phase of rapid expansion, Punj Lloyd established the Central Procurement Group (CPG) in FY2015 with a goal of institutionalising the buying function. This entailed creating effective and efficient processes and policies that are supported by control mechanisms, which strictly enforce adherence to the prescribed norms. The CPG continues to function with a focus on meeting these objectives.

During FY2017, the enforcement of strict compliance of policies primarily translated into processing all purchase orders (POs) as per pre-defined hierarchy and effective monitoring of timelines for each activity.

In the construction business, on time and full delivery of goods and services is a major contributor to timely completion of projects and financial success. In view of this, the CPG has laid emphasis on close monitoring of delivery schedule and its compliance. Special focus has been given to delivery of material with long lead time, so that the overall project schedule is kept on track. In FY2017, effective utilisation of this mechanism translated into timely procurement of critical material in important projects.

The CPG task-force is actively supporting the ERP upgradation from Oracle 11i to r12 with GST compliance. Major interventions include unique material codes for each item across projects; strict implementation of only online Oracle-based approval process; system generated MIS reports; standardisation of the purchase order format across group; and GST implementation in the upgraded Oracle version r12.

During FY2017, the Company continued with the online vendor registration system through the PLL web portal. This allows global vendors direct access to PLL by registering online. The portal will be used for GST registration and a further vendor cleansing exercise in FY2018.

The buying process in the Company continued to reap benefits of price discovery and transparency through reverse auctions. Today, procurement activities above ₹ 5 lakh go through the process of reverse auctions. Efficiency in buying has also been enhanced by adopting the bottom up costing approach. This has provided greater level of granularity in the process of arriving at an internal value for a product or service. Commodity indices are provided on the CPG intranet site to provide buyers real time prices of commodities.

HUMAN RESOURCE (HR)

In the prevailing difficult business environment where focus is on cost controls, HR management has had a critical role in striking a fine balance between right sizing of manpower resources and ensuring effective operations of the business.

From an HR perspective, Punj Lloyd has always adopted a philosophy of 'Grow from Within'. While acknowledging that lateral inductions are necessary for business continuity and growth, the Company has stressed on identifying, growing and promoting internal talent to take on more challenging responsibilities.

In FY2017, HR continued to focus on anchoring the Company's values and beliefs across all people related processes – from recruitment to performance management, talent development, employee communication and remuneration. During the year, the recruitment processes and policies were further strengthened to ensure standardisation across verticals and locations with emphasis on just in time hiring and redeployment of manpower across locations and verticals. The Company also initiated methods to

quantify costs for various employee benefits and streamline costs of corporate functions.

In September 2016 a new automated HR system named MITRA was launched. It has been designed to automate the HR transactions of Punj Lloyd, thereby enabling employees to view and manage transactions related to their attendance and payroll anywhere and anytime.

Training activities continued across all levels, to ensure development of employees – management as well as skilled workers. More than thousand employees were trained across geographies. This covered subjects like finance, project management, planning, contracts, procurement, presentation skills, project risk evaluation and even spiritual leadership and office ergonomics. An executive coaching workshop designed for leadership skill enhancement was organised in March 2017.

Efforts were also channelised for further improving employee engagement through effective usage of reward and recognition schemes that reward work done beyond what is prescribed. There were one-on-one sessions conducted by managers to make employees feel valued and evolve the developmental plan. Initiatives were also taken on gender sensitisation in the workplace, which included focus group discussions once in two months, poster competitions, quarterly women's meet, awareness sessions by an external expert and celebration of World Women's day. Steps were taken to follow the guidelines as defined in the Prevention of Sexual Harassment policy and establishing an Internal Sexual Harassment Complaints Committee to deal with any complaints related to harassment at the workplace.

Industrial relations remained cordial and there were no disruptions of work on this account.

INFORMATION TECHNOLOGY (IT)

With a focus on increasing efficiencies and controlling costs across operations, IT continues to be viewed as a fundamental business partner at Punj Lloyd. It plays a pivotal role in enabling the business to establish strict processes and controls. Moreover, IT interventions in the Company continue to be developed and implemented with minimal new investments with a focus on in-house capabilities.

As touched upon in the previous section, a cloud based RAMCO HCM (Human Capital Management) solution was launched in September 2016. Named MITRA (or Friend), this easy to approach, reliable and consistent platform covers a wide range of HR functions from payroll to taxes, to travel reimbursements and from training needs to attendance management and much more.

Punj Lloyd has been using the Oracle e-business suite (11.5.10 version). Unfortunately, this ERP is an old version and does not support GST requirements that will become mandatory in India in FY2018. To have its IT systems ready for handling transactions with GST, Punj Lloyd has started re-implementation of the Oracle e-business suite with the latest release (12.2.6 version) along with the relevant GST patches. This is being undertaken in partnership with KPMG. The Company has also engaged a tax consultant to review all its contracts, with both clients and vendors, to understand the impact of GST and recommend suitable process changes. The target Go-Live for this GST project is 1 July 2017.

The vendor portal has been a major success and registration of vendors continues seamlessly with approval workflows built in. Enhancements to capture GST details are underway and will be rolled out when GST comes into force. A direct interface to Oracle is also being developed so that vendors registered and approved by all authorities are registered directly in Oracle.

Another major initiative in FY2017 was the Data Centre consolidation. The Punj Lloyd Engineering servers were migrated into the central data centre with minimal downtime for end users. As part of hardware consolidation, old servers are being migrated to new blade servers, which are more powerful from a processing perspective, but are less on energy consumption.

The Company continued to follow standard e-waste disposal process for getting rid of old IT assets.

QUALITY

Quality initiatives play a critical role in differentiating the Company in a highly competitive market place. Punj Lloyd acknowledges that efforts on quality management is a continuous process and is firmly committed to deploying effective systems and processes across all its functions and project sites.

The Company has secured a combined ISO certification for all locations and projects after detailed assessment of its Quality Management Systems (QMS), Environment Management Systems (EMS) and Health and Safety Management Systems (OHSAS) by DNV-GL Business Assurance India Ltd in May 2016.

The non-compliance report (NCR) tracking system has been upgraded with escalation mechanism embedded in it for on-time closure of NCRs. A dashboard has also been created in the NCR tracking system to review performance of a project at any stage.

HEALTH, SAFETY AND ENVIRONMENT

Early in its working, Punj Lloyd realised that to be a preferred EPC contractor, standards of health, safety and environment had to be high and non-negotiable. This later became one of the differentiators between Punj Lloyd and its competition.

Specific HSE activities during FY2017 included IMS Re-certification Audits, which were conducted across project sites and corporate office by DNV-GL. Punj Lloyd has been recommended for re-certification as per ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 Management Standards.

Awards and Recognition

Achievement of LTI Free Safe Man-Hours

Punj Lloyd was awarded appreciation certificates from clients at the following project sites for maintaining high level

HSE standards and achieving milestones.

- LSTK-B Project, Paradip, India - 20 million LTI free safe manhours
- RIL J3 Project Jamnagar, India - 20 million LTI free safe manhours
- RAPID Tank Farm Project, Malaysia - 3 million LTI free safe manhours
- Expansion and Revamping of Ahmadi Depot (KNPC), Kuwait - 3 million LTI free safe manhours
- LNG Ennore Project, Chennai, India - 2 million LTI free safe manhours
- SRU Project, Haldia, India - 2 Million LTI free safe manhours
- SRU Project, CPCL, India - 5 Million LTI free safe manhours

Award by Clients

- NPCIL RAPP 7&8 Rajasthan, India - Punj Lloyd has been awarded 'Best HSE Project' by NPCIL for maintaining sound safety standards for 2016.
- NPCIL KAPP 3&4 Kakrapar, India - Punj Lloyd has been awarded for maintaining Accident Free Days by NPCIL for 2016.

Promotional Activities

To encourage safe execution, Punj Lloyd organised a contest for the 'Best HSE Project' Award, where the following projects were selected and received award from Punj Lloyd Chairman on the Founder's Day 2016.

- Buildings & Infrastructure - BBRP project
- Power - NPCIL KAPP 3&4 project
- Process - LSTK-B, Paradip Refinery project
- Pipelines and Tankage - RAPID project

In addition, the Company's 45th National Safety Week was celebrated across the organisation with great enthusiasm. Also, campaigns like World Environment Day, Swachh Bharat Abhiyan, World AIDS Day and Road Safety Week were organised to mark their significance and spread awareness.

FINANCIAL HIGHLIGHTS

Table 1 gives the abridged standalone and consolidated profit and loss account of the Company. From an accounting perspective, there are two major developments in FY2017.

First, this is the first year when both figures for FY2016 and FY2017 have been reported on the basis of the revised Indian accounting standards (Ind-AS) with the transition date of 1 April 2015. Consequently, the numbers are different from what has been reported earlier in annual and quarterly reports. Primarily, the impact of transition has been accounted for in opening reserves and the comparative amounts have been restated accordingly.

Second, as discussed earlier, with two subsidiaries in Singapore going under judicial management, Punj Lloyd has lost effective control over them and these were deconsolidated during the year by making consequent necessary adjustments. Accordingly, the reported consolidated accounts and the figures for FY2017 and FY2016 are not comparable.

The highlight of FY2017 from a financial performance perspective is the turnaround to positive operating profits on a standalone basis. Company's consolidated net borrowings reduced to ₹ 7,174 crore from ₹ 7,564 crores in FY 2016, primarily due to deconsolidation of Singapore subsidiaries.

The finance function continues to play a critical role in the Company's business, especially in this tight liquidity environment. Fundamentally, efforts at convincing the lenders at developing a restructured financial package apart from schemes prescribed by the RBI is at the core of the Company's turnaround. The lenders have been supportive and in

January 2017 a techno-economic viability study was instituted to lay the foundation of such a plan. Such a plan will essentially include some element of moratorium from the lenders, restructured repayment, and should offer avenues for non-funded working capital like bank guarantees that are critical for effective execution of projects and revenue generation.

Under extremely difficult conditions, the Company has managed to balance inflow and outflow of working capital and utilisation of bank guarantees to sustain project execution and grow revenues. The claims process has also been aggressively pursued although cash inflows are yet to be material. The major claim on the Heera project has been reapplied for, under the New Arbitration Act. Some arbitration activities have been concluded for claims on projects in the Middle East and favourable results are expected in FY2018. On the Libyan projects, efforts are being made to get some bank guarantees released from the customer.

RISK MANAGEMENT

Punj Lloyd has a comprehensive Enterprise Risk Management (ERM) framework in place for identification, assessment, treatment and reporting of risks.

The Audit Committee of the Board oversees the efficacy of the risk management processes. Business level risks and the mitigation plans for each vertical are reviewed periodically by the respective top management. The Corporate Risk Department appraises critical risks impacting the Company and ensures adherence to policies. Risk management at Punj Lloyd is done at two levels. First, at a strategic level, there is a macro perspective of risks, charted out to define business strategy and influence. Second, it is an inherent and integral part of operations at Punj Lloyd, which governs the execution of each individual project. At an organisation level, there are clearly defined roles for the senior management in terms of timely identification, mitigation and management of risks.

Corporate risk management team and project embedded risk teams are responsible for managing and reporting of risks to senior management. Each project goes through a detailed risk evaluation and the identified risks are tracked through three stages of project lifecycle: the sales decision process, the bidding and estimation processes and project execution. Operational risks are managed through a risk register and risk manual.

Internally, Punj Lloyd has been extending all its efforts to adopt a project delivery model that is as light as possible, in terms of capital intensity, with an effort to self-finance projects through efficient cash management. Special emphasis is being laid on improving contract management and dealing with claims.

The major external risk the Company is continuing to face is liquidity. Faced with tough financial conditions, most customers, including government players, are not making timely payments. Several contractual issues are getting dragged into arbitration or judicial intervention. Further, there are inordinate delays in claims settlements, which are locking the Company's capital in large chunks.

The top Enterprise level risks for the Company and the mitigation measures being implemented are:

Debt Servicing

Having taken on debt to enhance growth, Punj Lloyd's balance sheet remains leveraged. This has led to a series of obligations for continuous pay-out to banks and financial institutions, which is difficult in a market with liquidity crunch. The risks associated with any default of such pay-outs are significant.

Reputation and Brand

Being in the service industry, Punj Lloyd's business faces risks in terms of loss of brand value. Strong relationships based

Table 1: Abridged Profit and Loss Account

(₹ crore)

	Standalone		Consolidated	
	FY17	**FY16**	**FY17**	**FY16**
Revenue	3,761	3,348	4,867	4,447
Other Incomes	299	180	1,355	258
TOTAL INCOME	**4,060**	**3,528**	**6,222**	**4,705**
Cost of Sales	(3,952)	(3,898)	(5,883)	(5,382)
EBIDTA	**108**	**(370)**	**339**	**(677)**
EBIDTA %	**3%**	**-10%**	**5%**	**-14%**
Finance cost	(882)	(898)	(1,018)	(1,059)
Depreciation	(125)	(227)	(221)	(342)
Share of loss of associates/joint ventures	-	-	(5)	(5)
Loss Before Tax	**(899)**	**(1,495)**	**(905)**	**(2,083)**
Tax	49	(18)	35	-
Loss After Tax	**(850)**	**(1,513)**	**(870)**	**(2,083)**
Non-controlling interest and other comprehensive income	(937)	(215)	419	(50)
Total Comprehensive Income	**(1,787)**	**(1,728)**	**(451)**	**(2,133)**

on good delivery can be affected by any major catastrophe in a project, especially involving danger to life. The Company has reinforced its HSE practices to manage this risk.

In addition, inability to meet financial obligations may affect the Company's ability to finance its operations, which can have a major impact on the brand value attributed by customers, even leading to blacklisting.

Economic slowdown

Even as the global economy slowly recovers from the prolonged downturn, large ticket infrastructure spends will take time. Consequently, demand for construction service remains muted. And in pockets where there is demand, one finds stiff competition from players trying to get most of a shrinking pie. Therefore, companies are exposed to significant market risks in terms of not getting orders or securing these at such prices as may put unsustainable pressure on margins.

Political Uncertainty

To secure business in today's environment, the Company has to enter into markets in Africa, Middle-East and South Asia etc. Many of these geographies have inherent risk of socio-political uncertainty. While Punj Lloyd always evaluates such risks, it has to take certain calculated strategic decisions as many of these are politically volatile markets

INTERNAL CONTROLS

The Company provides an effective internal control environment and a robust internal control framework, commensurate with the size and complexity of its business. Audit committee of the Board and senior management is periodically apprised on the internal processes of the Company with respect to Internal Financial Controls, Statutory Compliances and Assurance.

The Company has designed and implemented a process driven framework for Internal Financial Controls (IFC) as detailed in the Companies Act, 2013. These controls have been established at the entity and process levels to comply with internal control requirements.

The system of internal controls in Punj Lloyd ensures the following:

- timely and accurate financial reporting in accordance with applicable accounting standards;
- optimum utilisation and safety of assets;
- compliance with applicable laws, regulations, listing agreements and management policies; and
- an effective MIS system and reviews of other systems.

The assurance function is carried out by the Corporate Audit department which makes independent assessment by conducting internal audit of all units of the Company and its major subsidiaries at regular intervals. Internal audit inter alia covers assessment of financial and operational efficiency as part of the process. Further, it conducts operating effectiveness testing of the internal financial controls with the objective of providing an independent and reasonable assurance to the Audit Committee and the Board of Directors.

OUTLOOK

While global economic uncertainties are expected to continue in FY2018, one expects more opportunities to emerge in India with the GoI focusing on boosting investments for job creation while undertaking several structural reforms. The infrastructure sector is showing some early signs of a recovery especially in projects related to the transportation sector. One expects this trend to continue.

Punj Lloyd will continue to selectively grow its order book and to stress on effective execution. A restructured financial package from the lenders is expected in FY2018, which should provide some breathing space to stabilise the business. However, operations will continue under difficult liquidity conditions and implementation of execution excellence will be very important for the successful turnaround of the Company. One does expect some material cash inflows in FY2018 from the claims arbitration procedures pursued during FY2017. Overall, the E&C business is expected to progress on a positive growth path in FY2018 but the developments are going to be incremental and gradual.

The momentum gained in the defence business is expected to continue. The small arms JV with IWI is expected to start components production with buy back arrangements, which will provide the business with a jump in revenues.

FY2018 will continue to be a financially difficult year. However, one expects higher revenues and a better EBITDA than FY2017.

Cautionary Statement

The management of Punj Lloyd has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, include amounts based on informed judgments and estimates. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. These have been based on current expectations and projections about future events. Wherever possible, the management has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. Such statements, however, involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially. The management cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Directors' Report

Your Directors are pleased to present the Twenty Ninth Annual Report and the audited accounts of Punj Lloyd Limited ("the Company") for the financial year ended March 31, 2017.

Financial Highlights

The financial performance of the Company, for the year ended March 31, 2017 is summarized below:

(₹ in Crores)

Particulars	2016-17	2015-16
Total revenue	4,059.75	3,527.71
Earnings Before Interest (Finance Costs), Tax, Depreciation and Amortisation (EBITDA)	107.63	(369.66)
Less: Finance costs	881.66	897.73
Profit/ (Loss) before tax, depreciation and amortisation	(774.03)	(1,267.39)
Less: Depreciation and amortisation expenses	125.13	227.90
Profit/ (Loss) before tax (PBT)	(899.16)	(1,495.29)
Less: Tax expenses [net of deferred tax effect and minimum alternate tax credit entitlement/ written off (net)]	(48.58)	18.42
Profit/ (Loss) after taxation (PAT)	(850.58)	(1,513.71)
Other Comprehensive Income	(936.91)	(214.35)
Total Comprehensive Income	(1,787.49)	(1,728.06)

Dividend

To conserve the cash resources, your Directors have not recommended any dividend on the equity shares for the financial year ended March 31, 2017.

Operations Review

Your Company is focussed on improving operational efficiencies and these efforts have started to reap in the benefits. During the current year, the Company clocked an operational profit of ₹ 108 crore compared to loss of ₹ 370 crore reported in previous year and the revenues also grew by 12% to ₹ 3,761 crore and this trend is expected to continue and gradually accelerate in years to come.

Given the backdrops in the construction and infrastructure industry, per se, globally and in India, the Company is working on adapting to the changing market dynamics. While it is focusing on taking up projects across a wider spectrum of sectors; developing its capabilities and creating a richer portfolio of projects; it is also focusing on leveraging the growing market opportunities in India while preserving its strong global client relationships.

Further, to realign its strategic path with the financial imperatives of increasing cash flows and reducing its debt exposure, it is cohesively working with the lenders to carve out another round of financial restructuring that will provide the necessary breathing space to the Company to chart out its business turnaround.

On business development, given the Company's liquidity position, your Company approached in a calibrated manner. Activities were more geared towards exploring new market opportunities rather than aggressively participating in tenders and getting orders. The Company has an order book of ₹18,561 crore as of May 2017. This includes orders of ₹6,845 crore in Libya which, unfortunately, are not seeing any traction. The order book position is not comparable to FY2016 as its Singapore subsidiaries are not included in FY2017.

Lastly, though the company saw some developments on claim realisation, but the recovery process thereof continues to be mired in litigation and it is still awaiting large monies from India and abroad.

Business Review

The Management Discussion and Analysis Section of the Annual Report presents a detailed business review of the Company.

Health, Safety and Environment (HSE)

Early in its working, your Company realised that to be a preferred EPC contractor, standards of health, safety and environment had to be high and non-negotiable. This later became one of the differentiators between the Company and its competition. A detailed note on the HSE practices and initiatives by the Company is included in Management Discussion and Analysis Section of the Annual Report.

Directors and Key Managerial Personnel

Mr. Atul Kumar Jain and Ms. Jyoti Punj were appointed as Additional Directors by the Board of Directors of the Company with effect from August 10, 2016 and August 18, 2016 respectively to hold office up to the ensuing Annual General Meeting ("the AGM"). Appropriate resolution seeking your approval for appointment of Mr. Atul Kumar Jain and Ms. Jyoti Punj as Directors of the Company, liable to retire by rotation, forms part of the notice convening the ensuing AGM of the Company.

Mr. Atul Kumar Jain was also appointed as Whole Time Director by the Board of Directors of the Company for a period of five years with effect from August 10, 2016. Appropriate resolution seeking your approval for the appointment and payment of remuneration to him forms part of the notice convening the AGM.

In terms of Section 149(7) of the Companies Act, 2013 ("the Act"), Mr. Phiroz A. Vandrevala, Mr. Uday Walia, Mr. Rajat Khare and Mr. Shravan Sampath, Independent Directors of the Company have given declarations to the Company to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act.

Mr. Shiv Punj retires by rotation and being eligible has offered himself

for re-appointment at the AGM. The Board of Directors recommend his re-appointment.

Brief resume of the Directors seeking appointment/re-appointment at the AGM, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and the Act, forms part of the notice convening the AGM.

Meetings of the Board

During the year, the Board of Directors of the Company met 4 times on May 27, 2016; August 10, 2016; November 30, 2016 and February 11, 2017.

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees

The Nomination and Remuneration Committee in its meeting held on May 20, 2014 had recommended to the Board of Directors a Policy on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and relating to remuneration for the Directors, Key Managerial Personnel and Other Employees in terms of sub-section (3) of section 178 of the Act. The Board of Directors in its meeting held on May 20, 2014 have approved and adopted the same. The said policy is enclosed as **Annexure - I** to this Report.

Formal Annual Performance Evaluation of the Board and that of its Committees and Individual Directors

Pursuant to the Guidance Note on Board Evaluation issued by SEBI vide Circular dated January 5, 2017, the Remuneration Committee has reviewed and revised the Criteria for Performance Evaluation of the Board, Individual Directors (including Independent Directors) and Committees of the Board.

In line with the above revised criteria, the Independent Directors at their separate meeting held on May 27, 2017 without participation of the Non-Independent Directors and Management, have considered and evaluated the Board's performance and the performance of the Chairman and Managing Director and Non-Independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Board of Directors in their meeting held on May 27, 2017 have evaluated the performance of each of the Independent Directors (without the participation of the Director being evaluated) and also of the Committees of the Board.

The revised criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as **Annexure -II** to this Report.

Directors' Responsibility Statement

Pursuant to the requirements of Sub-Sections (3)(c) and (5) of Section 134 of the Act, it is hereby confirmed:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. that the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

5. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

6. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The Audit Committee comprises of Mr. Phiroz Vandrevala, Independent Director as Chairman, Mr. Rajat Khare, Mr. Shravan Sampath and Mr. Atul Punj as Members.

The Board of Directors have accepted all the recommendations of the Audit Committee.

Vigil Mechanism

The Company has in place a vigil mechanism in the form of Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally. The Company is committed to the highest possible standard of openness, probity and accountability. It contains safeguards to protect any person who uses the Vigil Mechanism (whistle blower) by raising any concern in good faith. The Company does not tolerate any form of victimization and takes appropriate steps to protect a whistleblower that raises a concern in good faith and treats any retaliation as a serious disciplinary offence that merits disciplinary action. The Company protects the identity of the whistle blower if the whistle blower so desires, however the whistle blower needs to attend any disciplinary hearing or proceedings as may be required

for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process. If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee. The Company also provides a platform to its employees for having direct access to the Chairman and Managing Director of the Company for raising any concerns. It is through ATP Connect (atpconnect@punjlloyd.com).

Mr. Dinesh Thairani, Company Secretary is the Compliance Officer. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

Share Capital

During the financial year 2016-17, the Company issued and allotted 21,30,000 Equity Shares of ₹2/- each fully paid up for cash at par on the exercise of vested stock options under Employee Stock Option Plan 2005 (ESOP 2005) and Employee Stock Option Plan 2006 (ESOP 2006). Consequently, the issued, subscribed and paid-up Equity Share Capital of the Company has increased from ₹ 66,41,91,490/- divided into 33,20,95,745 equity shares of ₹2/- each as at March 31, 2016 to ₹66,84,51,490/- divided into 33,42,25,745 equity shares of ₹ 2/- each as at March 31, 2017. Further 10,20,000 Equity Shares of ₹2/- each fully paid up for cash at par were issued and allotted on April 26, 2017 on the exercise of vested stock options under ESOP 2005 and ESOP 2006 and consequently, the issued, subscribed and paid-up Equity Share Capital of the Company has increased to ₹67,04,91,490/- divided into 33,52,45,745 Equity Shares of ₹2/- each fully paid up.

Employee Stock Option Scheme

The Company has 2 (two) Employee Stock Option Scheme at present:

- Employee Stock Option Plan 2005 (ESOP 2005); and
- Employee Stock Option Plan 2006 (ESOP 2006)

ESOP 2005 and ESOP 2006 are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the Regulation).

The details as required to be disclosed under the Regulation with regard to the ESOP 2005 and ESOP 2006 of the Company as at March 31, 2017 are disclosed on the website of the Company at the web link: http://punjlloydgroup.com/investors.

The Company has never provided any loan to its employees to purchase the shares of the Company.

The Company has not issued any shares with differential voting rights.

The Company has not issued any sweat equity shares.

Corporate Governance

As stipulated under SEBI Regulations, the Report on Corporate Governance and the requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid regulation is attached as **Annexure - II** to this Report and forms part of the Annual Report.

Corporate Social Responsibility (CSR) initiatives

The Company has formed a CSR Committee comprising of Mr. Atul Punj as Chairman, Mr. Shiv Punj and Mr. Uday Walia as members.

The said Committee has developed a Policy on CSR, which has been approved by the Board of Directors in its meeting held on May 20, 2014.

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company was not required to make any expenditure on CSR activities during the Financial Year 2016-17. The CSR Report is attached as **Annexure - III.**

Management Discussion and Analysis

As stipulated under SEBI Regulations, Management Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of the Annual Report.

Auditors and Auditors' Report

M/s BGJC & Associates LLP, (formerly BGJC & Associates), Chartered Accountants, New Delhi (Registration No. 003304N / AAI -1738) had been appointed as Statutory Auditors of the Company from the conclusion of the 28th AGM of the Company held on August 10, 2016 untill the conclusion of the sixth consecutive AGM of the Company subject to ratification of their appointment at each AGM.

The Company has received a letter from the Statutory Auditors to the effects that their appointment, if ratified, would be within the limit prescribed under Section 139 of the Act and that they are not disqualified for appointment.

The observations of the Auditors have been fully explained in Note 32 to the Financial Statements.

Secretarial Auditors and Secretarial Audit Report

M/s. Suresh Gupta & Associates, Company Secretaries, Delhi have been appointed as Secretarial Auditors of the Company to conduct the Secretarial Audit of the Company for the financial year 2016-17 and their Secretarial Audit Report is annexed as **Annexure - IV** to this Report.

Cost Auditors

The Board has appointed M/s. Amit Singhal & Associates, Cost Accountants, Delhi, (Firm Regn. No. 101073) as Cost Auditors of the Company to conduct the audit of cost records of the Company for the Financial Year 2016-17.

Fixed Deposits

The Company has not accepted any fixed deposits from public,

shareholders or employees during the year under review.

Particulars of Employees

The details as required in terms of the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure - V** to this Report.

The details of employees as required in terms of the provisions of Section 197 of the Act read with Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure - VI** to this Report.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. During the year 2016-17, no complaints were received.

Consumption of Energy and Foreign Exchange Earnings and Outgo

The details as required under Section 134(3)(m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are attached as **Annexure – VII** to this Report.

Loans, Guarantees and Investment

In accordance with Section 134(3)(g) of the Act, the particulars of loans, guarantees and investments under Section 186 of the Act are given in the Note 38(a) of standalone Financial Statements read with respective heads to the Financial Statements.

Related Party Transactions

In accordance with Section 134(3)(h) of the Act read with Rule 8(2) of Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties, referred to in Section 188(1) of the Act, in the prescribed **Form AOC 2** are attached as **Annexure -VIII** to this Report.

Risk Management Policy

The company has formulated and implemented a Risk Management policy. The details of elements of risk are provided in the Management Discussion and Analysis section of the Annual Report.

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls as detailed in the Act. These controls have been established at the entity and process levels to comply with internal control requirements.

A detailed note on internal controls is included in the Management Discussion and Analysis Section of the Annual Report.

Extracts of Annual Return

In terms of Section 134(3)(a) of the Act read with Rule 12(1) of Companies (Management & Administration) Rules, 2014, the extracts of Annual Return of the Company in **Form MGT 9** is attached as **Annexure - IX** to this Report.

Significant and Material Orders

No significant and material orders have been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

Consolidated Financial Statements

In accordance with Section 129 of the Act, Consolidated Financial Statements are attached and form part of the Annual Report and the same shall be laid before the ensuing AGM along with the Financial Statements of the Company.

Subsidiaries, Joint Ventures & Associate Companies

As required under the first proviso to sub-section (3) of Section 129 of the Act, a separate statement containing the salient features of the financial statements of the subsidiaries, associates and joint venture companies in Form **AOC 1** is annexed to the Financial Statements and forms part of the Annual Report, which covers the performance and financial position of the subsidiaries, associates and joint venture companies.

The annual accounts of the subsidiary companies are available on the Company's website viz. www.punjlloyd.com and will also be available for inspection by any member or trustee of the holder of any debentures of the Company at the Registered Office and the Corporate Office. A copy of the above accounts shall be made available to any member on request.

Acknowledgement

Your Directors would like to place on record their appreciation for the committed services put in by the employees of the Company. Your Directors would also like to convey their sincere gratitude to the shareholders, debenture holders, bankers, financial institutions, regulatory bodies, clients and other business constituents for their continued co-operation and support.

For and on behalf of the Board of Directors

Atul Punj
Chairman and Managing Director
DIN:00005612

Place: Gurugram
Date: May 27, 2017

Annexure I — Policy of the Nomination and Remuneration Committee

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement have made it mandatory for all listed companies to appoint a Nomination and Remuneration Committee, inter alia, for the purpose of identifying persons who are qualified to be appointed as directors or be appointed in key management of the company. Punj Lloyd Limited has a Nomination and Remuneration Committee consisting of non-executive directors.

Objective of the Policy

The objective of the policy is to ensure Board diversity and independence in order to help provide the maximum experience and access to knowledge that can be derived from the Board. Further, it is the objective of the policy that it may be aligned to the various HR policies of the Company in regard to appointment of key managerial personnel and senior management.

Board Independence

To ensure Board Independence, the Company shall appoint requisite number of persons as Independent Directors, who meet the criteria of independence under the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, as amended from time to time.

Criteria for Evaluation of Performance

There must be clearly defined benchmarks for evaluation of performance of every director, key managerial personnel or senior management. The performance evaluation should keep in mind factors such as attendance at meetings, contribution at such board or board committee meetings and value addition that has been done by the directors. The evaluation must also take in to consideration the future strategy to be adopted by the Company.

Criteria for Determination of Remuneration

The Committee shall determine the remuneration for its Directors, the senior management and Key Managerial Personnel while keeping the following criteria in mind:

- the remuneration shall be of such an amount that is in consonance with the services that are being provided to the Company;
- the remuneration is consummate with reference to remuneration paid to people in similar positions in peer companies;
- the remuneration is consummate with the experience that the director or personnel brings to the Company;
- the remuneration must be of a level that is sufficient to attract, retain and motivate the best talent in the market to work for the Company;
- the remuneration is a fair balance of perquisites, commissions and salary and also includes in the case of directors any sitting fees;
- the remuneration may include both long term and short term incentives;
- the remuneration must be decided while keeping in mind the organisation structure of the Company and of the Board;
- the remuneration must co-relate to the clearly defined benchmarks for performance evaluation;
- the remuneration is revised on the basis of the performance of the director/ personnel; and
- the remuneration must be in accordance with the permissible law.

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Your Company's corporate governance philosophy is founded on the principles of fair and transparent business practices. The governance structures are created to protect the interests of and generate long term sustainable value for all stakeholders -customers, employees, partners, investors and the community at large. The business is governed and supervised by a strong Board of Directors and together with the management they are committed to uphold the principles of excellence across all activities. The Company is compliant with the latest provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") as amended from time to time.

Date of Report

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on March 31, 2017. The Report is updated as on the date of the report wherever applicable.

Board of Directors

Composition of the Board

As on date, the Company's Board consists of 8 Directors, out of which 4 are Independent Directors. The Executive Chairman of the Board of Directors is a Promoter Director. The composition of the Board satisfies the conditions of the SEBI Regulations.

Table 1: Composition of the Board of Directors

Name of Directors	Category
Mr. Atul Punj	Promoter, Executive
Mr. Shiv Punj	Executive
Mr. Atul Kumar Jain (appointed on August 10, 2016)	Executive
Ms. Jyoti Punj (appointed on August 18, 2016)	Non - Executive
Mr. Phiroz Vandrevala	Independent
Mr. Uday Walia	Independent
Mr. Rajat Khare	Independent
Mr. Shravan Sampath	Independent

Note: Mr. Atul Punj is father of Mr. Shiv Punj and brother of Ms. Jyoti Punj. There are no other inter-se relationships amongst the Board members.

Board Meetings

During the year, the Board of the Company met 4 times on May 27, 2016, August 10, 2016, November 30, 2016, and February 11, 2017. The maximum gap between any two consecutive Board meetings was not more than one hundred and twenty days. Meetings are usually held at Corporate Office I, at 78, Institutional Area, Sector-32 Gurugram- 122001, Haryana, India.

The agenda papers and detailed notes are circulated to the Board well in advance of every meeting, where it is not practicable to attach any document to the agenda, then the same is placed before the Board at the meeting and in special circumstances, additional items on the agenda are taken up at the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting.

Video conferencing facilities are used, as and when required, to facilitate directors to participate in the meetings.

The Board is given presentation on the operations of the Company covering all business areas of the Company, inter alia marketing, sales, health, safety, environment, finance, internal audit, litigations, risk management, major business segments, business environment, business opportunities and overview of all divisions and departments, including performance of the business operations of major subsidiary companies, before taking on record the quarterly / annual financial results of the Company.

Information Supplied to the Board

Among others, information supplied to the Board includes:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- The information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Show cause, demand, prosecution and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Certificate by the respective Heads of Departments/Projects regarding compliance with the statutory laws
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

ANNEXURE II — CORPORATE GOVERNANCE REPORT

- General notices of interest of Directors
- Minutes of the Board meetings of unlisted subsidiary companies
- Corporate Governance Reports as submitted to stock exchanges
- Status of Investor Complaints

Directors' Attendance Record and Directorships

Table 2: Attendance of Directors at Board Meetings during the year, last Annual General Meeting ("AGM") and details of other Directorship and Chairmanship / Membership of Committees of each Director:

Name of the Director	No. of other Directorships***	No. of Board Level Committee Memberships / Chairmanships in other Indian Public Companies		Attendance Particulars*****		
		Member****	Chairman****	No. of Board Meetings		Attendance at last AGM
				Held	Attended	Attended
Mr. Atul Punj	4	2	0	4	4	Yes
Mr. Shiv Punj	3	1	0	4	4	Yes
Mr. Atul Kumar Jain*	1	0	0	2	2	NA
Ms. Jyoti Punj**	1	0	0	2	1	NA
Mr. Phiroz Vandrevala	1	0	1	4	3	No
Mr. Uday Walia	4	4	1	4	4	Yes
Mr. Rajat Khare	0	1	0	4	3	No
Mr. Shravan Sampath	5	5	1	3	3	Yes

* Since he was appointed as Director of the Company w.e.f. August 10, 2016

** Since she was appointed as Director of the Company w.e.f. August 18, 2016

*** The Directorships held by Directors as mentioned above does not include Punj Lloyd Limited, alternate directorships and directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013 ("the Act") and Private Limited Companies.

**** In accordance with the SEBI Regulations, Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committee / Shareholders'/ Investors' Grievance Committees of all public limited Companies (including Punj Lloyd Limited) have been considered.

***** Includes attendance, if any, through Video Conferencing facilities, provided to the directors to facilitate participation in the meetings.

Board Independence

In compliance with the SEBI Regulations, half of the Board of Directors of the Company i.e. 4 out of 8 comprises of Independent Directors. An Independent Director means a non-executive director, other than a nominee director of the Company:

i. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

ii. who is or was not a promoter of the Company or its holding, subsidiary or associate Company;

iii. who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;

iv. who, apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

v. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

vi. who, neither himself nor any of his relatives —

(a) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of

(1) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or

(2) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

(c) holds together with his relatives two per cent or more of the total voting power of the Company; or

(d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its

promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;

(e) is a material supplier, service provider or customer or a lessor or lessee of the Company;

vii. who is not less than 21 years of age.

The Company does not have any pecuniary relationship with any non-executive or Independent director except for payment of commission, sitting fee and reimbursement of travelling expenses for attending the Board meetings. No sitting fee is paid for attending the meetings of any Committee.

The details of all remuneration paid or payable to the Directors are given in Table 3.

Table 3: Remuneration to Directors for the year ended March 31, 2017

(Amount in ₹)

Name of the Director	Salary	Sitting Fees	Perquisites	Performance Incentive	Deferred Benefits (PF & Superannuation)	Commission	Total
Mr. Atul Punj	0	0	0	0	0	0	0
Mr. Shiv Punj	0	0	0	0	0	0	0
Mr. Atul Kumar Jain*	0	0	0	0	0	0	0
Ms. Jyoti Punj**	0	50,000	0	0	0	0	50,000
Mr. Phiroz Vandrevala	0	1,50,000	0	0	0	0	1,50,000
Mr. Uday Walia	0	2,00,000	0	0	0	0	2,00,000
Mr. Rajat Khare	0	1,50,000	0	0	0	0	1,50,000
Mr. Shravan Sampath	0	1,50,000	0	0	0	0	1,50,000

* Since he was appointed as Director of the Company w.e.f. August 10, 2016

** Since she was appointed as Director of the Company w.e.f. August 18, 2016

The details of Current Service Tenure, Notice period and Severance Fees of Executive Directors are given in Table 4.

Table 4: Details of Current Service Tenure, Notice period and Severance Fees of Executive Directors:

Name of the Director	Current Tenure and last appointment/re-appointment date	Notice Period / Severance Fees
Mr. Atul Punj	5 years; July 1, 2013	3 Months Notice or Basic Salary in lieu thereof.
Mr. Shiv Punj	5 years; March 25, 2016	-do-
Mr. Atul Kumar Jain	5 years; August 10, 2016	-do-

As on April 01, 2016, there were no outstanding stock options issued to any Director of the Company except 4,00,000 stock options granted to Mr. Atul Kumar Jain on February 11, 2016 (who was appointed as Director w.e.f. August 10, 2016) entitling him to apply for 4,00,000 equity share of ₹2/- each at a price of ₹2/- per share on expiry of the vesting period of one year from the date of grant. The above stock options are to be exercised within five years from the date of vesting.

As on date, Mr. Atul Kumar Jain has not exercised any stock options issued to him. No stock options were issued to any Director of the Company during the year ended on March 31, 2017.

The Board of Directors of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to senior management.

Shares and Convertible Instruments held by Non-Executive Directors

Details of the shares of the Company held by Non-Executive Directors are given in Table 5.

Table 5: Details of Shares held by Non-Executive Directors as on March 31, 2017:

Name of the Director	No. of Shares held (face value of ₹ 2 each)
Ms. Jyoti Punj	5,01,725
Mr. Phiroz Vandrevala	5,000
Mr. Uday Walia	Nil
Mr. Rajat Khare	Nil
Mr. Shravan Sampath	Nil

ANNEXURE II — CORPORATE GOVERNANCE REPORT

As on March 31, 2017, none of the Non-Executive Directors held any convertible instruments of the Company.

Independent Directors

Mr. Phiroz Vandrevala, was appointed as Independent Director of the Company for a period of five years with effect from August 04, 2014 at the AGM held on August 04, 2014. Mr. Uday Walia, Mr. Rajat Khare and Mr. Shravan Sampath were appointed as Independent Directors of the Company for a period of five years with effect from on September 25, 2015; May 20, 2016 and May 27, 2016, respectively at the AGM held on August 10, 2016.

Terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company.

None of the Independent Directors serve in more than seven listed Companies, nor any Independent Director, who is a Whole Time Director in any other Company, serves as Independent Director in more than 3 listed Companies.

Separate meetings of the Independent Directors

The Independent Directors met once on May 27, 2017, without the attendance of Executive Directors and members of management. All the Independent Directors, except Mr. Rajat Khare were present in that meeting.

The Independent Directors in the said meeting had, inter-alia:

i. reviewed the performance of non-Independent directors and the Board as a whole;

ii. reviewed the performance of the Chairman and Managing Director of the Company, taking into account the views of executive directors and non-executive directors;

iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization Programmes for Independent Directors

The Company has framed various programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programmes have been disclosed on the Company's website at the following link: http://punjlloydgroup.com/investors.

Committees of the Board

Audit Committee

The particulars of Composition, Meetings and Attendance records of the Audit Committee are given in Table 6.

Table 6: Particulars of Composition, Meetings and Attendance records of Audit Committee:

Name of the Members	Status	Category	No. of Meetings Attended	Dates on which Meetings Held
Mr. Phiroz Vandrevala	Chairman	Independent	3 out of 4	May 27, 2016; August 10, 2016; November 30, 2016; and February 11, 2017
Mr. Atul Punj	Member	Executive	4 out of 4	
Mr. Rajat Khare*	Member	Independent	3 out of 4	
Mr. Shravan Sampath**	Member	Independent	3 out of 3	

* Since inducted as member of the Committee w.e.f. May 20, 2016

** Since inducted as member of the Committee w.e.f. July 7, 2016

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. Mr. Phiroz Vandrevala has accounting or related financial manangement expertise and all other members of the Audit Committee are financially literate.

The Chief Financial Officer and representatives of the Statutory Auditors and Internal Auditors are regularly invited by the Audit Committee to its meetings. Mr. Dinesh Thairani, Company Secretary, is the secretary to the Audit Committee.

The constitution of the Audit Committee meets the requirements of relevant provisions of the Act as well as that of the SEBI Regulations.

The functions of the Audit Committee of the Company include the following:

Pursuant to the provisions of the Act and the rules made there under and the SEBI Regulations, the terms of reference, roles and responsibilities of the Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing / Examining, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
  b. Changes, if any, in accounting policies and practices and

reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;
d. Significant adjustments made in the financial statements arising out of audit findings;
e. Compliance with listing and other legal requirements relating to financial statements;
f. Disclosure of any related party transactions;
g. Qualifications in the draft audit report.

- Reviewing, with the management, Annual / Quarterly financial statements before submission to the Board for approval;
- Monitoring /Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee shall have such powers and rights as are prescribed under the provisions of the SEBI Regulations and the Act and the rules made there under, as notified or may be notified from time to time.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

In addition, the Audit Committee of the Company is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in ordinary course of business;
- Details of material individual transactions with related parties which are not in the normal course of business;
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

Nomination and Remuneration Committee

The particulars of Composition, Meetings and Attendance records of the Nomination and Remuneration Committee are given in Table 7.

Table 7: Particulars of Composition and attendance records of Nomination and Remuneration Committee

Name of the Members	Status	Category	No. of Meetings		Dates on which Meetings Held
			Held	Attended	
Mr. Phiroz Vandrevala	Chairman	Independent	2	1	May 27, 2016; August 10, 2016
Mr. Uday Walia	Member	Independent	2	2	
Mr. Rajat Khare*	Member	Independent	2	2	

* Since inducted as member of the Committee w.e.f. May 20, 2016

ANNEXURE II — CORPORATE GOVERNANCE REPORT

The matters referred to the Committee are:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, in accordance with the requirements of the Act, relating to the remuneration for the directors, key managerial personnel and other employees;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- To carry out evaluation of every director's performance;
- To consider and recommend to the Board, the remuneration to be paid by the Company to Executive Directors / Whole time Directors of the Company, keeping in view the provisions of Listing Agreement with Stock Exchanges;
- To perform such other functions as have been referred / may be referred by the Board or required in accordance with the Act, Listing Agreements or SEBI Regulations as amended from time to time.

The Nomination and Remuneration Committee had formulated the following policies:

1. Policy on Directors' Appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and relating to remuneration for the directors, key managerial personnel and other employees (which is attached as **Annexure - I** to the Directors Report).

2. Policy on Board diversity

3. The Criteria for performance evaluation of Independent Directors and the Board as revised in line with the Guidance Note on Board evaluation issued by SEBI vide circular dated January 5, 2017 are provided herein below:

Evaluation Criteria for Performance Evaluation of Executive Directors, Non Executive/ Independent Directors, Committee of the Board and the Board as a whole

Executive Director(s)	Non Executive/ Independent Director(s)	Committee of the Board	Board as a whole
1. How well has he performed in his area of responsibility with respect to budget and business plan? 2. How well has he performed in development and expansion of business with respect to his area of operation? 3. How well does he involve himself in day to day affairs of the Company? 4. Whether he has sufficient understanding and knowledge of the Company and the sector in which it operates and does he show willingness to spend time and effort learning about the Company and its business? 5. How successfully the director brought his knowledge and	1. How well prepared and informed is he for the Board/Committee meetings and is his attendance at meetings satisfactory? 2. Whether he has sufficient understanding and knowledge of the Company and the sector in which it operates and demonstrate willingness to devote time and effort to understand the same? 3. What has been the quality and value of his contributions at Board/ Committee meetings? 4. Whether he exercises his own judgment and voices opinion freely and does he constructively challenge the matters and decisions at the Board/Committee meetings? 5. How successfully has he brought his knowledge and experience to bear	1. Does the Committee have full and common understanding of its roles and responsibilities? 2. Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable and how effective the Committee has been vis-à-vis the roles and responsibilities assigned to it? 3. Is the composition of the Committee appropriate, with the right mix of knowledge and skills to maximize performance in the light of future strategy? 4. Do the Committee members come to meetings familiar with the agenda, backup	1. Whether overall, the Board functions constructively as a team and has full and common understanding of its roles and responsibilities? 2. Is the composition of the Board and its Committees appropriate, with the right mix of competencies, qualifications, experience and diversity to conduct its affairs effectively? 3. Has the Board established a Committee structure that enables clear focus on the important issues facing the Company? Are the Committees functioning satisfactorily? 4. Is the Board as a whole up to date with latest developments in the regulatory environment and the market? 5. Whether adequate time of the Board is being devoted to analyse and examine governance and compliance issues? 6. Whether the Board monitors the effectiveness of its governance practices and makes changes as needed? 7. Whether the Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance? 8. Whether the Board has full understanding of the business plan and performance of

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Executive Director(s)	Non Executive/ Independent Director(s)	Committee of the Board	Board as a whole
experience to bear in the consideration of strategy? 6. Is he up-to-date with the latest developments in areas such as the corporate governance framework and financial reporting and in the industry and market conditions? 7. Whether he understands and fulfills the functions as assigned to him by the Board and the law? 8. Whether he is able to function as an effective team member? 9. Whether he actively takes initiative with respect to various areas? 10. Whether he is available for meetings of the Board and attends the meeting regularly and timely, without delay? 11. Whether he is adequately committed to the Board and the Company? 12. Whether he contributed effectively to the Company and in the Board meetings? 13. Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)?	in the consideration of strategy? 6. Whether he actively takes initiative with respect to various areas and how effectively and proactively has he followed up in his areas of concern? 7. Whether he is able to function as an effective team-member and how well does he communicate with fellow Board members and senior management? 8. Does he behave in accordance with Company's values and beliefs? 9. How well does he maintain his independence according to Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015 applicable only for Independent Director?* 10. Is he in his capacity as a non executive director willing to participate in events outside Board meetings such as site visits? 11. How well does he adhere the code for Independent Director pursuant to Schedule IV of the Companies Act, 2013?* 12. Whether he is available for meetings of the Board and attends the meeting regularly and timely, without delay?	reports and other materials circulated beforehand? 5. How well does the Board communicate with its Committees, the management team, company employees and others? 6. Is the Committee as a whole up to date with latest developments in the regulatory environment and the market? 7. Is appropriate, timely information of the right length and quality provided to the Committee, and is management responsive to requests for clarification or amplification? 8. Does the Committee provide helpful feedback to Board on its requirements? 9. How well has the Committee performed against any objective that was set? 10. Are sufficient Committee meetings of appropriate length held to enable proper consideration of issues? Is time used effectively? 11. Whether the mandate, composition and working procedures of committees of the Board of Directors is clearly defined and disclosed?	operations and management of the Company and received regular input on this from Chief Executive? 9. How effective has the Board's contribution been to the development of strategy, policy and to ensuring robust and effective risk management? 10. Does the Board regularly monitor and evaluate progress towards strategic goals and assesses operational performance? 11. Has the Board responded effectively to any problems or crisis that have emerged, and could/ should these have been foreseen? 12. Is appropriate, timely information of the rights length and quality provided to the Board, and is management responsive to requests for clarification or amplification? Does the Board provide helpful feedback to management on its requirements? 13. Do the Board members come to meetings familiar with the agenda, backup reports and other materials circulated beforehand? 14. Whether the Board holds an appropriate number of meetings each year? 15. Whether the Board discusses every issue comprehensively and depending on the importance of the subject? 16. Whether the environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear or fervour? 17. Whether the discussions generally add value to the decision making? 18. Whether all members actively participate in the discussions? 19. Whether the Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards? 20. Whether the Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions?

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Executive Director(s)	Non Executive/ Independent Director(s)	Committee of the Board	Board as a whole
	13. Whether he is adequately committed to the Board and the Company? 14. Whether he contributed effectively to the Company and in the Board meetings? 15. Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)? * Applicable only to Independent Directors.	12. Whether the Committee has been structured properly and regular meetings are being held? 13. Whether adequate independence of the Committee is ensured from the Board?	21. Whether a sufficient number of non-executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest? 22. Whether the decision making process of the Board is adequate to assess creation of stakeholder value? 23. How well does the Board communicate with its Committees, the management team, company employees and various stakeholders? 24. Whether the Board oversees the process of disclosure and communications? 25. Whether the Board sets a corporate culture and the values by which executives throughout a group shall behave? 26. Whether the Board monitors and reviews the Board evaluation framework? 27. Whether the Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively? 28. Whether the Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders? 29. Whether the Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently? 30. Whether the Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved? 31. How effectively does the Board use mechanisms such as the AGM and the annual report? 32. Are relationships inside and outside the Board working effectively?

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Evaluation Criteria for Performance Evaluation of the Chairperson

ETHICS / VALUES

1. Acts independently of any stakeholder group or entity connected with the Company
2. Behaves in accordance with the Company's Vision, Mission & Values
3. Encourages feedback on how the Chair's performance could be enhanced
4. Encourages discussion on how the board's performance could be enhanced

RELATIONSHIP WITH THE MANAGING DIRECTOR & GROUP CEO

1. Has a positive working relationship with the MD & Group CEO
2. Works with the MD & Group CEO to set the board agenda
3. Ensures board decisions are implemented properly
4. Where necessary, provides constructive criticism to the MD & Group CEO

RELATIONSHIP WITH OTHER DIRECTORS

1. Has a positive working relationship with other directors
2. Seeks other directors' contributions to the board agenda
3. Has the support of the other directors

PUBLIC PROFILE

1. Benefits the company through personal and professional contacts
2. Enhances the public image of the company
3. Is seen as a leader in Industrial sectors, in which the Company operates

COMPETENCE

1. Understands what is required of the Chair
2. Brings relevant experience to the position of Chair
3. Ensures that the board gets the right information
4. Ensures the board deals with the right matters

DILIGENCE

1. Dedicates sufficient time to the Chair's role
2. Is available to directors outside meetings
3. Is well-prepared for chairing meetings
4. Makes contact with other directors outside meetings, where necessary
5. Makes time available to participate in organizational occasions

CHAIRING MEETINGS

1. Manages time well in chairing meetings
2. Sticks to the agenda
3. Brings minor matters to an early close
4. Encourages wider and deeper discussion of important issues
5. Draws out contributions from all Directors
6. Differentiates between management and governance functions in Board discussion and refers operational issues to management
7. Is adept at summarizing outcomes from Board discussion?
8. Ensures clarity of decision-making
9. Whether the Chairman displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to co-ordinate the discussion, etc. and is overall able to steer the meeting effectively?
10. Whether the Chairman is impartial in conducting discussions, seeking views and dealing with dissent, etc?
11. Whether the Chairman is sufficiently committed to the Board and its meetings?
12. Whether the Chairman is able to keep Shareholders' interest in mind during discussions and decisions?

Stakeholders' Relationship Committee Cum Shareholders' / Investors' Grievance Committee

The particulars of Composition, Meetings and Attendance records of the Stakeholders' Relationship Committee cum Shareholders'/ Investors' Grievance Committee are given in Table 8.

Table 8: Particulars of Composition and Attendance records of Stakeholders' Relationship Committee cum Shareholders' / Investors' Grievance Committee

Name of the Members	Status	Category	No. of Meetings		Date on which Meetings held
			Held	Attended	
Mr. Uday Walia	Independent	Chairman	2	2	May 27, 2016 February 11, 2017
Mr. Atul Punj	Promoter, Executive	Member	2	2	
Mr. Shiv Punj	Executive	Member	2	2	

The Committee is empowered pursuant to its terms of reference to:

- Consider and resolve the grievances of security holders of the Company.
- Specifically look into the redressal of shareholder(s) and investors complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.
- Perform such other functions as have been referred/ may be referred by the Board or required in accordance with the Act, SEBI Regulations as amended from time to time.

During the year 2016-17, the Company received a total of 37 queries/complaints from various shareholders relating to non-receipt

ANNEXURE II — CORPORATE GOVERNANCE REPORT

of dividend, Annual Report, and share certificates etc. The same were attended to the satisfaction of the shareholders. At the end of the year on March 31, 2017, no complaint was pending. Mr. Dinesh Thairani is the Compliance Officer of the Company.

CEO / CFO Certification

The Chairman and Managing Director and the Chief Financial Officer have certified, in terms of SEBI Regulations to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

Code of Conduct

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to Executive and Non-Executive Directors as well as Senior Management Personnel. As per the SEBI Regulations, the duties of Independent Directors have been suitably incorporated in the said Code as laid down in the Act. A copy of the code is available on Company's website at the following link: http://punjlloydgroup.com/investors.

A declaration signed by the Chairman and Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, an affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year 2016-17.

For Punj Lloyd Limited

Atul Punj
Chairman and Managing Director

Subsidiary Companies

As per the SEBI Regulations, a 'Material Subsidiary' means a subsidiary, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

However, as per the Company's policy on 'Material Subsidiaries', in case the consolidated net worth of the Company and its subsidiaries is negative, the 'Material Unlisted Indian Subsidiary' shall mean an unlisted Indian Subsidiary whose income exceeds twenty percent of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year. The policy for determining material subsidiaries has been disclosed on the Company's website at the following link: http://punjlloydgroup.com/investors.

The Company does not have any material unlisted Indian subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of any subsidiary Company.

Management

Management Discussion and Analysis

This Annual Report has a detailed section on Management Discussion and Analysis.

Disclosures by Management to the Board

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines on accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions and the same has been disclosed on the Company's website at the following link:http://punjlloydgroup.com/investors.

All related party transactions including those transactions of repetitive in nature requiring omnibus approval are placed before the Audit Committee for approval.

The details of related party transactions entered into by the Company pursuant to each Omnibus approval given, are reviewed by the Audit Committee.

Related Party Disclosures as required under the SEBI Regulations are given in the notes to the Financial Statements.

Whistle-Blower Policy

The Company has in place a vigil mechanism in the form of Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally. The Company is committed to the highest possible standard of openness, probity and

accountability. It contains safeguards to protect any person who uses the Vigil Mechanism (whistle blower) by raising any concern in good faith. The Company does not tolerate any form of victimization and take appropriate steps to protect a whistle blower that raises a concern in good faith and treats any retaliation as a serious disciplinary offence that merits disciplinary action. The Company protects the identity of the whistle blower if the whistle blower so desires, however the whistle blower needs to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process. If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee. The Company also provides a platform to its employees for having direct access to the Chairman and Managing Director of the Company for raising any concerns. It is through atpconnect@punjlloyd.com.

Mr. Dinesh Thairani, Company Secretary of the Company is the Compliance Officer. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

Code of Conduct to Regulate, Monitor and Report trading by insiders and code of Practices and Procedures for fair Disclosure of unpublished price Sensitive Information

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (the Regulations), which replace the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has laid down a code of conduct for regulation, monitoring and reporting of insider trading by employees of the Company, including directors and other "connected persons" (as defined in the Regulations), in relation to the securities of the Company (the Code). The Code clearly specifies the guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the Company and other "connected persons can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed at the time of declaration of results, dividend and material events, as per the Code.

Mr. Dinesh Thairani, Company Secretary, is the Compliance Officer of the Company.

Further pursuant to the above Regulations, the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company will adhere to the principles for fair disclosure of unpublished price sensitive information as laid down in the above code without diluting the provisions of the Regulations, as applicable in any manner.

Mr. Surender Bhardwaj is designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

Shareholders

Re-Appointment of Directors

The brief resume and other requisite details, as required to be disclosed under SEBI Regulations, of the Directors seeking appointment/re-appointment at the ensuing AGM is given as part of the Notice calling the AGM.

Communication to Shareholders

The Company puts forth key information about the Company and its performance, including quarterly results, official news releases and presentations to analysts, on its website regularly for the benefit of the public at large.

The quarterly/half yearly and annual financial results of the Company are normally published in Business Standard/Hindu Business Line/ Financial Express in English and Rashtriya Sahara, Jansatta and Business Standard in Hindi. In addition to the above, quarterly and annual results are displayed at the Company's website at 'www.punjlloyd.com/investors' for the information of all Shareholders.

Detailed presentation is made to the Institutional Investors and Financial Analysts on the unaudited quarterly financial results as well as the annual audited financial results of the Company. These presentations are also uploaded on the Company's website. Annual Report containing, inter alia, the Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

Scores

The Company has enrolled itself for SEBI Complaints Redress System (SCORES), a centralized web based complaints redress system with 24 x 7 access. It allows online lodging of complaints at anytime from anywhere. An automated e-mail acknowledging the receipt of the complaint and allotting a unique complaint registration number is generated for future reference and tracking. The Company uploads an Action Taken Report (ATR) so that the investor can view the status of the complaint online. All complaints are saved in a central database which generates relevant MIS reports to SEBI.

Investor Grievances & Shareholder Redressal

The Company has appointed a Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Ltd., which is fully equipped to carry out share transfer activities and redress investor complaints. Mr. Dinesh Thairani, Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

Details of Non-Compliance by the Company

The Company has complied with all the requirements of regulatory authorities. No penalties/ strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Compliance

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of corporate governance as stipulated in the SEBI Regulations.

A Certificate from M/s BGJC & Associates LLP, Statutory Auditors, confirming compliance with the conditions of the Corporate Governance as stipulated under the SEBI Regulations, is attached to the Directors' Report forming part of the Annual Report.

Non - Mandatory Requirements

The details of compliance of the non-mandatory requirements are listed below.

Non Executive Chairman's Office

The Company has an Executive Chairman and hence, this is not applicable.

Shareholder Rights - Furnishing of Half-Yearly Results

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

Audit Qualifications

The observations of the Auditors have been fully explained in note 32 to the Financial Statements.

The Company continues to adopt appropriate best practices in order to ensure unqualified Financial Statements.

Separate Posts of Chairman and CEO

Mr. Atul Punj is the Chairman and Managing Director and hence, the same is not applicable.

Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

Shareholder Information

General Body Meetings

The date, time and venue of the last three Annual General Meetings are given in Table 10.

Table 10: Details of last three Annual General Meetings

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed
2013-14	August 04, 2014	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi 110010	5
2014-15	August 14, 2015	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi 110010	1
2015-16	August 10, 2016	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi 110010	2

Annual General Meeting 2017

Date	September 21, 2017
Venue	Kamani Auditorium, 1, Copernicus Marg, New Delhi -110001
Time	10.30 A.M.
Book Closure	September 14, 2017 to September 21, 2017 (both days inclusive)

Calendar of Financial year ended March 31, 2017

The meetings of Board of Directors for approval of Quarterly Financial Results during the Financial Year ended March 31, 2017 were held on the following dates:

First quarter	August 10, 2016
Second quarter	November 30, 2016
Third quarter	February 11, 2017
Fourth quarter and Annual	May 27, 2017

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Tentative Calendar for Financial Year ending March 31, 2018

The tentative dates of meeting of the Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2018 are as follows:

First quarter	Second week of August 2017
Second quarter	Second week of November 2017
Third quarter	Second week of February 2018
Fourth quarter and annual	Last week of May 2018

Listing Details

Name of Stock Exchange	Stock code / Trading Symbol
BSE Limited (BSE)	532693
National Stock Exchange of India Ltd. (NSE)	PUNJLLOYD
ISIN	INE701B01021

Listing Fees

Annual listing fees for the year 2017-18 has been paid by the Company to the Stock Exchanges.

Depository Fees

Annual Custody /Issuer fees for the year 2017-18 to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) are in the process of payment.

Debt Securities

1. Listing on Wholesale Debt Market (WDM) on BSE
2. Debenture Trustee : IDBI Trusteeship Services Limited

Stock Data

Table 11 below gives the monthly high and low prices and volumes of Company's (Punj Lloyd) equity shares at BSE Limited (BSE) and the National Stock Exchange Limited (NSE) for the year 2016-17.

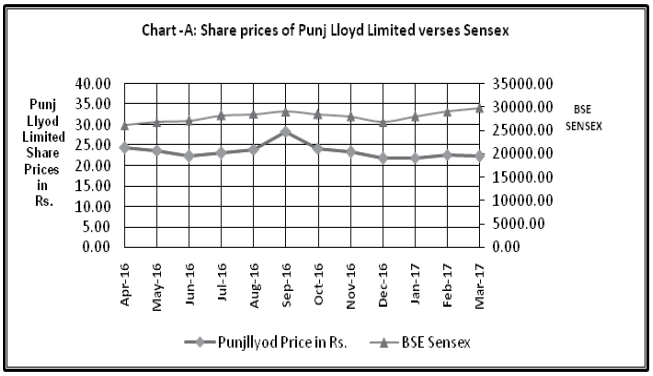
Table 11: High and Low Prices and Trading Volumes at the BSE and NSE

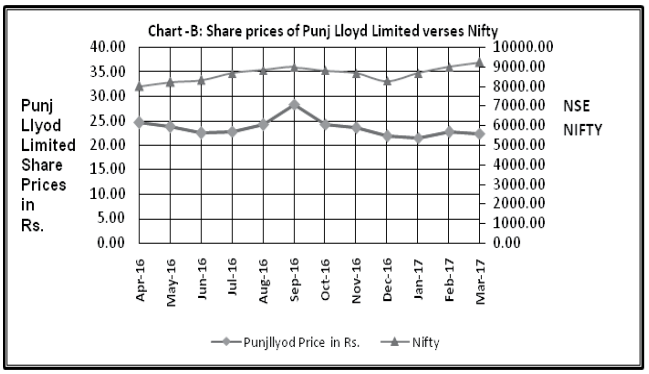
Month	BSE (in ₹ Per Share)			NSE (in ₹ Per Share)		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April, 2016	24.40	22.40	45,32,987	24.50	22.35	1,34,49,110
May, 2016	23.70	20.05	41,90,646	23.70	20.00	1,19,70,498
June, 2016	22.35	17.65	85,40,535	22.40	17.70	3,14,08,861
July, 2016	23.00	20.70	61,53,483	22.75	20.65	2,03,66,895
August, 2016	24.00	19.00	1,31,04,237	24.10	18.90	5,09,56,848
September, 2016	28.30	21.00	2,93,87,047	28.30	21.00	10,19,14,088
October, 2016	24.25	22.25	92,96,252	24.25	21.65	2,86,16,122
November, 2016	23.40	16.90	57,25,037	23.45	16.95	1,85,20,673
December, 2016	21.80	18.25	44,50,313	21.75	18.20	1,45,49,981
January, 2017	21.90	18.65	47,70,542	22.00	18.65	1,67,90,987
February, 2017	22.70	19.90	71,29,793	22.70	19.95	2,67,08,274
March, 2017	22.25	19.30	49,27,252	22.30	19.25	2,02,97,668

Source: BSE and NSE website

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Stock Performance





Share Transfer Agents and Share Transfer and Demat System

The Company registers share transfers through its share transfer agents, whose details are given below.

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Tel.: +91 40-67162222 Fax: +91 40-23001153 E-mail: einward.ris@karvy.com

In compliance with the SEBI circular dated December 27, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, Punj Lloyd has established connections with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its Share Transfer Agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects.

The Company's equity shares are under compulsory dematerialized trading. Shares held in the dematerialized form are electronically held with the Depositories. The Registrar and Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, etc.

As on March 31, 2017, there were 3,30,917 shareholders holding 33,42,00,440 shares of ₹ 2 each in electronic form. This constitutes 99.99% of the total paid up capital of the Company.

The Company obtains half-yearly certificate of compliance from a Company Secretary in Practice, with regard to the share transfer formalities as required under SEBI Regulations and files the same with the Stock Exchanges.

There are no legal proceedings against the Company on any share transfer matter. Table 12 gives details about the nature of complaints and their status as on March 31, 2017.

Table 12: Number and nature of complaints for the year 2016-17

Particulars	Non-Receipt of Share Certificates	Non-Receipt of Dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat Credit, etc.)	Total
Received during the year	17	12	8	37
Attended during the year	17	12	8	37
Pending as on March 31, 2017	NIL	NIL	NIL	NIL

Green Initiative

The Ministry of Corporate Affairs (MCA) had undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies, whereby companies have been permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. The Companies Act, 2013 also allows the Company to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Securities and Exchange Board of India (SEBI) have also, in line with the aforesaid MCA initiatives, permitted listed entities to supply soft copies of Annual Reports to all those shareholders who have registered their e-mail addresses for the purpose.

In view of the Green Initiatives announced as above, the Company shall send all documents to Shareholders like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those shareholders, whose e-mail address is registered with Depository Participant (DP)/ Registrars & Share Transfer Agents (RTA) (hereinafter 'registered e-mail address') and made available to us, which has been deemed to be the

shareholder's registered e-mail address for serving documents.

To enable the servicing of documents electronically to the registered e-mail address, we request the shareholders to keep their e-mail addresses validated/ updated from time to time. We wish to reiterate that Shareholders holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Shareholders holding shares in physical form have to write to our Registrar and Share Transfer Agent, at their specified address, so as to update their registered e-mail address from time to time.

Please note that the Annual Report of the Company will also be available on the Company's website www.punjlloyd.com for ready reference. Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of request from the shareholder, any time, as a member of the Company.

Transfer of unpaid / unclaimed amounts to Investor Education and Protection Fund

During the year, the Company has credited ₹2,70,793/- (Rupees Two Lacs Seventy Thousand Seven Hundred Ninety Three Only) lying in the unpaid/ unclaimed dividend account, to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act 1956 (corresponding to Section 124(5) of the Companies Act, 2013) read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Equity Shares in the Suspense Account

As per SEBI Regulations, an aggregate of 2,310 equity shares are lying in the pool account /suspense account in respect of 41 shareholders. None of the shareholders approached the Company for transfer of shares from suspense account during the year. The voting rights on the shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

Shareholding Pattern and Distribution

Tables 13 and 14 gives the shareholding pattern and distribution.

Table 13: Shareholding Pattern as on March 31, 2017

Category		As on March 31, 2017	
		Total No. of Shares	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
a.	Indian Promoters	4,28,89,908	12.83
b.	Foreign Promoters	7,71,21,970	23.07
	Total shareholding of Promoter & Promoter Group	**12,00,11,878**	**35.91**
B.	**Public Shareholding**		
1.	**Institutions**		
a.	Mutual Funds / UTI	NIL	N.A.
b.	Foreign Portfolio Investors	52,35,605	1.57
c.	Banks / Financial Institutions	2,30,01,393	6.88
2.	**Non-Institutions**		
a.	Bodies Corporate	2,33,52,361	6.99
b.	Resident Individuals	15,46,70,903	46.28
c.	NBFCs Registered with RBI	37,984	0.01
3.	**Others**		
a.	Non Resident Indians	69,96,813	2.09
b.	Trusts	28,250	0.01
c.	Clearing Members	8,90,058	0.27
d.	Foreign National	500	0.00
	Total Public Shareholding	**21,42,13,867**	**64.09**
C.	**Shares held by Custodians and against which Depository Receipts have been issued**		
a.	Promoter & Promoter Group	NIL	N.A.
b.	Public	NIL	N.A.
Grand Total:		**33,42,25,745**	**100.00**

ANNEXURE II — CORPORATE GOVERNANCE REPORT

Table 14: Distribution of shareholding by share class as on March 31, 2017

Sl. No.	Shareholding Class	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1	1 - 5,000	3,25,887	97.17	8,19,77,805	24.53
2	5,001 - 10,000	5,478	1.63	2,01,11,402	6.02
3	10,001 - 20,000	2,299	0.69	1,70,16,135	5.09
4	20,001 - 30,000	621	0.19	77,23,952	2.31
5	30,001 - 40,000	322	0.10	58,51,579	1.75
6	40,001 - 50,000	179	0.05	41,10,968	1.23
7	50,001 - 100,000	347	0.10	1,25,95,658	3.77
8	1,00,001 and above	248	0.07	18,48,38,246	55.30
Total:		**3,35,381**	**100.00**	**33,42,25,745**	**100.00**

Plant Locations

The Company is engaged in providing integrated design, engineering procurement, construction and project management services for energy and infrastructure sector. The projects are executed at the sites provided by the clients. The Company has a Central workshop situated at Banmore, Madhya Pradesh for carrying out repair and maintenance of construction equipment. For its defence business and for precision machining and systems integration, the Company has a machining and integration facilities at Plot No. Part of L1, Industrial Area, Ghirongi, Malanpur, Dist. Bhind, Madhya Pradesh.

Investor Correspondence Address

Company	Mr. Dinesh Thairani Compliance Officer **Punj Lloyd Limited** Corporate Office I, 78, Institutional Area, Sector 32, Gurgaon 122001 Tel. No. +91-124-2620493; Fax No. +91-124-2620111 E-mail: investors@punjlloyd.com
Registrars	Mr. K. S. Reddy Assistant General Manager **Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. Tel.: +91-40-67162222; Fax: +91-40-23001153 E-mail: einward.ris@karvy.com
Debenture Trustee	**IDBI Trusteeship Services Limited** Asian building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Depositories	**National Securities Depository Limited** Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai 400013 Tel.: +91-22-24994200; Fax: +91-22-24976351 E-mail: info@nsdl.co.in
	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers,17th Floor, Dalal Street, Mumbai 400 001 Tel.: +91-22-22723333; Fax: +91-22-22723199 E-mail: investors@cdslindia.com

For Punj Lloyd Limited

Place: Gurugram
Date : May 27, 2017

Atul Punj
Chairman and Managing Director

Independent Auditors' Certificate on Corporate Governance

To the Members of Punj Lloyd Limited

We have been engaged by Punj Lloyd Limited ("the Company"), having its registered office at Punj Lloyd House, 17-18 Nehru Place, New Delhi-110019, to certify the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation

Independent Auditors' Certificate on Corporate Governance

46(2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and best of our information and according to the explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C,D and E of Schedule V of the Listing Regulations as applicable.

We state that such compliance is neither an assurance to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

The certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
ICAI Firm Registration No. 003304N

Darshan Chhajer
Partner
Membership No. 088308
Place: Gurugram
Date: May 27, 2017

CEO/CFO Certification

To,
The Board of Directors,
Punj Lloyd Limited
Corporate Office 1,
78, Institutional Area,
Sector 32, Gurugram - 122 001
Dear Sirs,

We, the undersigned hereby certify to the Board that:

(a) We have reviewed financial statements and the Statement of Cash Flow for the year ended March 31, 2017 of Punj Lloyd Limited (the Company) and that to the best of our knowledge and belief:
   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and Audit Committee
   (i) Significant changes in internal control over financial reporting during the year;
   (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Faithfully,

Atul Punj
Chairman and Managing Director

Rahul Maheshwari
Chief Financial Officer

Place: Gurugram
Date: May 27, 2017

Annexure III — Corporate Social Responsibility Report (CSR)

Format for the Annual Report on CSR Activities to be included in the Board's Report

S. No.		
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Company's CSR policy is focused on enhancing the lives of the local community in which it operates. The CSR Policy is available on the website of the Company at the following link: http://punjlloydgroup.com/investors
2	The Composition of the CSR Committee	Mr. Atul Punj (Executive Director, Chairman of the Committee), Mr. Shiv Punj (Executive Director), Mr. Uday Walia (Independent Director)
3	Average net profit/(loss) of the company for last three financial years (₹ in Crores)	(799.66)
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Nil
5	Details of CSR spent during the financial year	Nil
a	Total Amount to be spent for the financial year	Nil
b	Amount unspent	NA
c	Manner in which the amount spent during the financial year is detailed below	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity identified.**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs** Subheads: **(1) Direct expenditure on projects or programs. (2) Overheads:**	**Cumulative expenditure upto the reporting period.**	**Amount spent: Direct or through implementing agency***
N. A.							

*Give details of implementing agency:

6	Reasons for not spending full amount	N. A.
7	Responsibility Statement	The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Date : May 27, 2017
Place : Gurugram

Atul Punj
(Chairman, CSR Committee)

Annexure IV — Secretarial Audit Report

Form No. MR-3
Secretarial Audit Report

For The Financial Year Ended 31st March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Punj Lloyd Limited
CIN: L74899DL1988PLC033314
Punj Lloyd House, 17-18, Nehru Place,
New Delhi 110019.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Punj Lloyd Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:-

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') so far as they are applicable to the Company:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* No event took place under these Regulations during the Audit period.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standard of Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, and

(ii) The Listing Agreements entered into by the Company with the following Stock Exchange(s);

(a) BSE Limited
(b) National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Building and Other Construction Workers' Welfare Cess Act, 1996;
(b) Petroleum Act, 1934 and rules made thereunder;

Annexure IV — Secretarial Audit Report

(c) The Mines Act, 1952 and rules made there under;
(d) Inter State Migrant Workmen Act, 1979; and
(e) Explosives Act, 1884 read with Rules made there under.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

(i) The Company has altered its Articles of Association in its Annual General Meeting held on 10th August 2016;

(ii) 21,30,000 of equity shares have been issued and allotted by Committee of Directors on March 14, 2017 on exercise of vested stock options under (A) Employees Stock Option Plan 2005 – 9,32,760 options exercised (B). Employees Stock Option Plan 2006 – 11,97,240 options exercised. Further, 10,20,000 equity shares have been issued and allotted by committee of directors on April 26, 2017 on exercise of vested stock options under (A) Employees Stock Option Plan 2005 – 7,70,000 options exercised (B).Employees Stock Option Plan 2006 – 250,000 options exercised.

I further report that during the audit period no events occurred which had a major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards.

For **Suresh Gupta & Associates**
Company Secretaries

Suresh Gupta
FCS No.: 5660
CP No.:5204

Date : May 27, 2017
Place: New Delhi

This report is to be read in conjunction with my letter of even date which is marked as **'Annexure - A'** and forms an integral part of this report.

Annexure - A

To,
The Members
Punj Lloyd Limited
CIN: L74899DL1988PLC033314
Punj Lloyd House17-18 Nehru Place
New Delhi 110019

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company and my responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Suresh Gupta & Associates**
Company Secretaries

Suresh Gupta
FCS No.: 5660
CP No.:5204

Date : May 27, 2017
Place: New Delhi

Annexure V — Details of Remuneration of Employees and Directors

(SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.**

and

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-**

Name	Designation	Directors Remuneration to Median Remuneration- (Total Annual Salary)	Percentage Increase in Remuneration
Mr. Atul Punj	Chairman and Managing Director	N.A.	0%
Mr. Shiv Punj	Director	N.A.	0%
Mr. Atul Kumar Jain	Director	N.A.	0%
Mr. Rahul Maheshwari	Chief Financial Officer	N.A.	0%
Mr. Dinesh Thairani	Group President – Legal & Company Secretary	N.A.	0%

3. **The percentage increase in the median remuneration of employees in the financial year.**

   The percentage increase in the median remuneration of employees in the financial year 2016-17 is 1%

4. **The number of permanent employees on the rolls of the Company.**

   The number of permanent employees on the rolls of the Company as on March 31, 2017 is 6208 across all the locations globally.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

   Considering the Company performance Key Managerial Personnel are not given any increase in their fixed salary in FY 2016-17 whereas other employees were given an average salary increase of 6 % to ensure that junior staff gets inflationary increase and remains motivated.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

   It is hereby affirmed that the remuneration paid during the year 2016-17 is as per the Remuneration Policy of the Company.

Annexure VI — Details of Employees

Section 197 of the Companies Act, 2013 and Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Employee Name	Total Remuneration paid (in ₹)	Designation and Nature of Duties	Qualification	Exp. (Yrs.)	Date of commencement of employment	Age (Yrs.)	Last employment held before joining the Company
Employed throughout the year								
1	Amit Gupta	1,93,71,893	President Process	Masters in Construction Management, B Tech (Civil)	22	12/06/2015	47	Essar Project (I) Ltd.
2	Amit Jain	1,58,62,176	Vice President	Master of Engineering - Environmental Engineering, Bachelor of Engineering - Civil	22	19/06/2000	49	RPG Transmissions
3	Ashok Kumar Mohanty	1,16,46,738	Associate Vice President	PGD - Personnel Management & Labour Laws, LL. B	38	05/09/1989	59	L&T
4	Ashok Wadhawan	1,71,84,665	President-Manufacturing	PGDBM, B.E. Mechanical	21	06/01/2014	47	GE India Industrial Pvt. Ltd.
5	Chandra Kishore Thakur	1,70,25,399	President & CEO -Power	B. Sc. , MBA	32	12/08/2014	56	Lanco Infratech Ltd.
6	Deepane Nath	1,31,95,699	Executive Pilot	B. Com, Pegasus Fight Training	23	01/07/2015	52	Jet Lite (India) Ltd.
7	Dinesh Thairani	1,54,85,349	Group President Legal & CS	C.S., LL.B	28	01/03/1994	52	Rama Paper Mills Ltd.
8	Hardik Hundia	1,29,90,912	Executive Vice President	Chartered Accountant	14	02/09/2013	36	Acme Tele Power Ltd.
9	Laxman Kumar Sharma	1,43,97,365	Vice President	Bachelor of Engineering (Civil)	29	01/08/2014	51	IOT Infrastructure & Energy Services
10	Pramod Kumar Mittal	1,03,11,477	Executive Vice President- F & A	Chartered Accountant	29	14/12/1999	56	Kailash Structurals Ltd.
11	Rajendra A. Khandalkar	2,58,96,467	President & CPO	B.E. Mechanical, Diploma In Materials Management	33	10/03/2014	55	Reliance Power Ltd.
12	Rahul Maheshwari	1,02,71,812	Chief Financial Officer	Chartered Accountnat	17	24/08/2011	41	S R Batliboi & Co.
13	Swatantra Kumar Goyal	1,44,89,379	Executive Vice President B&I	Bachelor of Engineering (Civil)	35	22/09/1995	56	Sikand Constructions
14	Tariq Alam	1,23,38,856	Executive Vice President-Bd	PHD In Electronic & Electrical Engineering, Bachelor in Electronic & Electrical Engineering	13	12/03/2014	43	Delta Solar Pte Ltd., Singapore

Annexure VI — Details of Employees

Sl. No.	Employee Name	Total Remuneration paid (in ₹)	Designation and Nature of Duties	Qualification	Exp. (Yrs.)	Date of commencement of employment	Age (Yrs.)	Last employment held before joining the Company
Employed for part of the year								
1	Atul Kumar Jain	2,34,72,166	President & CEO	Bachelor of Engineering - Chemical	34	09/06/1982	56	Punj Lloyd Group
2	Brian David Cole	1,30,08,600	Project Manager	Mechanical Engineering	44	07/09/2014	65	Apache Corporation
3	Harish Kumar	51,95,825	President -Management Services	Master in Development Management	36	01/10/2013	60	Skil Group of Companies
4	Himanshu Chiman Lal Pamchal	7,83,805	Manager-HVAC	Bachelor of Engineering - Mechanical	26	24/11/2014	51	JACOB - AMEC - CH2MHILL
5	Jon Paul Mathis	29,95,562	Manager - Commissioning & Training	Liberal Art	28	30/09/2013	59	Semi China
6	Mohan Tiwari	51,00,000	President – Special Initiatives	Bachelor of Engineering -Civil	38	01/12/2016	61	IRCON International Ltd.
7	Prabalan Chandrasekara Pandian	76,07,186	Associate Vice President	B.E. in Civil Engineering, MBA and M.S. in Project Management	25	09/08/2010	46	Nakheel - UAE
8	Ravindra Kansal	28,42,758	Group President	Bachelor of Engineering- Chemical	35	22/11/2005	57	IOB Ltd.
9	Shantanu Karkun	28,58,924	President & Ceo-B&I	B. Tech (Hons.) Civil	38	18/07/2014	60	Reliance Power Ltd.
10	Sanjay Kumar Goyal	35,28,905	VP and Bidding & Estimation Leader	Bachelor of Engineering- Civil	31	18/11/2013	52	Continental Engineering Corporation
11	Vishal Nagpaul	32,98,610	President	Bachelor of Engineering, MBA	25	06/04/2016	46	Al Muaser Petroleum Services

Notes:

1. Remuneration includes any money or its equivalent given or passed to the employees for services rendered by them and includes perquisites as defined under the Income Tax Act, 1961.
2. The above employees are/were whole time employees of the Company
3. None of the employees is a relative of any Director.

Annexure — VII

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy and Technology Absorption

Being in the construction industry, the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption do not apply to the Company. Accordingly, these particulars have not been provided.

B. Foreign Exchange Earnings and Outgo

Total Foreign Exchange Used in terms of actual outflows and Earned in terms of actual inflows:

Used	(₹ in Crores)
Project material consumed and cost of goods sold	406.44
Employee benefits expense	4.56
Foreign branches/unincorporated joint venture expenses	1,261.60
Finance costs	9.40
Contractor charges	378.30
Site expenses	0.44
Diesel and fuel	0.39
Repair and maintenance	1.08
Freight and cartage	1.80
Hire charges	5.50
Rent	0.30
Rates and taxes	0.21
Insurance	0.11
Consultancy and professional	22.83
Travelling and conveyance	16.90
Miscellaneous	3.80
Earned	
Contract revenues	1,736.92
Sales of trade goods	88.38
Hiring charges	0.37
Interest received	1.68
Management services	76.33
Others	80.05

For and on behalf of the Board

Place: Gurugram
Date : May 27, 2017

Atul Punj
Chairman and Managing Director

Annexure — VIII

Particulars of Contracts or Arrangements with Related Parties Referred to in Section 188(1) of the Companies Act, 2013

Form No. Aoc 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship:	Nil
(b)	Nature of contracts/ arrangements/ transactions:	
(c)	Duration of the contracts/ arrangements/ transactions:	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	Date(s) of approval by the Board, if any:	N.A.
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board

Place: Gurugram
Date : May 27, 2017

Atul Punj
Chairman and Managing Director

Annexure — IX

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i.	CIN	:	**L74899DL1988PLC033314**
ii.	Registration Date	:	**September 26, 1988**
iii.	Name of the Company	:	**Punj Lloyd Limited**
iv.	Category / Sub-Category of the Company	:	**Public Limited Company**
v.	Address of the Registered office and contact details	:	**Punj Lloyd House, 17-18, Nehru Place, New Delhi – 110019, Website: www.punjlloyd.com, Email: info@punjlloyd.com, Tel: +91 124 262 0123 Fax: +91 124 262 0111**
vi.	Whether listed Company	:	**Yes**
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	**Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032**

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
Engineering, procurement and construction activities	42101, 42201, 42203, 42901	88.95 %

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Spectra Punj Lloyd Limited	U51909DL1985PLC021607	Subsidiary	100.00	2(87)(ii)
2	Punj Lloyd Industries Limited	U74899DL1993PLC054888	Subsidiary	99.99	2(87)(ii)
3	Punj Lloyd Raksha Systems Private Limited	U74999DL2013PTC247911	Subsidiary	51.00	2(87)(ii)
4	Atna Investments Limited	U67120DL1989PLC035393	Subsidiary	100.00	2(87)(ii)
5	PLN Construction Limited	U74899DL1997PLC088400	Subsidiary	100.00	2(87)(ii)
6	PL Engineering Limited	U45201DL2006PLC156532	Subsidiary	80.32	2(87)(ii)
7	Punj Lloyd Engineering Pte. Ltd.	N.A.	Subsidiary	80.32	2(87)(ii)
8	Simon Carves Engineering Limited *	N.A.	Subsidiary	-	-
9	Punj Lloyd Infrastructure Limited	U45400DL2007PLC161684	Subsidiary	100.00	2(87)(ii)
10	Punj Lloyd Solar Power Limited	U40106DL2010PLC211739	Subsidiary	100.00	2(87)(ii)
11	Khagaria Purnea Highway Project Limited	U45203DL2011PLC214857	Subsidiary	100.00	2(87)(ii)
12	Indraprastha Metropolitan Development Limited	U45200DL2012PLC232075	Subsidiary	100.00	2(87)(ii)
13	PL Surya Urja Limited	U40106DL2013PLC257153	Subsidiary	100.00	2(87)(ii)
14	PL Sunshine Limited	U40106DL2015PLC277555	Subsidiary	100.00	2(87)(ii)
15	PL Surya Vidyut Limited	U40300DL2015PLC287282	Subsidiary	100.00	2(87)(ii)
16	PL Sunrays Power Limited *	U40106DL2015PLC287432	Subsidiary	-	-
17	PL Solar Renewable Limited *	U40300DL2015PLC287804	Subsidiary	-	-
18	Punj Lloyd Upstream Limited	U11100DL2007PLC161686	Subsidiary	58.06	2(87)(ii)
19	Punj Lloyd Aviation Limited	U62200DL2007PLC163930	Subsidiary	100.00	2(87)(ii)

Annexure — IX

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
20	Sembawang Infrastructure (India) Private Limited	U45203DL1996 PTC190367	Subsidiary	100.00	2(87)(ii)
21	Indtech Global Systems Limited	U74900DL1982PLC014233	Subsidiary	99.99	2(87)(ii)
22	Shitul Overseas Placement and Logicstic Ltd	U74910DL2009PLC191789	Subsidiary	100.00	2(87)(ii)
23	Dayim Punj Lloyd Construction Contracting Company Limited	N.A.	Subsidiary	51.00	2(87)(ii)
24	Punj Lloyd International Limited	N.A.	Subsidiary	100.00	2(87)(ii)
25	Punj Lloyd Kazakhastan, LLP	N.A.	Subsidiary	100.00	2(87)(ii)
26	Punj Lloyd Infrastructure Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
27	Punj Lloyd Aviation Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
28	Christos Aviation Limited	N.A.	Subsidiary	100.00	2(87)(ii)
29	Punj Lloyd Pte. Limited $	N.A.	Subsidiary	100.00	2(87)(ii)
30	PT Sempec Indonesia $	N.A.	Subsidiary	100.00	2(87)(ii)
31	PT Punj Lloyd Indonesia $	N.A.	Subsidiary	100.00	2(87)(ii)
32	Buffalo Hills Limited $	N.A.	Subsidiary	100.00	2(87)(ii)
33	Indtech Trading FZE $	N.A.	Subsidiary	100.00	2(87)(ii)
34	Punj Lloyd Engineers & Constructors Pte. Ltd.$	N.A.	Subsidiary	100.00	2(87)(ii)
35	Punj Lloyd Engineers & Constructors Zambia Ltd. $*	N.A.	Subsidiary	-	2(87)(ii)
36	Punj Lloyd Kenya Ltd. $*	N.A.	Subsidiary	-	2(87)(ii)
37	Punj Lloyd Thailand Co. Ltd. $	N.A.	Subsidiary	100.00	2(87)(i)
38	Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	N.A.	Subsidiary	100.00	2(87)(ii)
39	Punj Lloyd Sdn. Bhd.	N.A.	Subsidiary	100.00	2(87)(ii)
40	Punj Lloyd Delta Renewables Pte. Ltd. $*	N.A.	Subsidiary	-	2(87)(ii)
41	Indraprastha Renewables Private Limited (formerly Punj Lloyd Delta Renewables Pvt. Ltd.)	U51103DL2008PTC180660	Subsidiary	100.00	2(87)(ii)
42	Punj Lloyd Delta Renewables Bangladesh Ltd.*	N.A.	Subsidiary	-	-
43	Sembawang Engineers & Constructors Pte. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
44	Sembawang Development Pte. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
45	Contech Trading Pte. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
46	Sembawang Mining (Kekal) Pte. Ltd.$	N.A.	Subsidiary	97.38	2(87)(ii)
47	Sembawang (Tianjin) Construction Engineering Co. Ltd. $	N.A.	Subsidiary	68.17	2(87)(ii)
48	Sembawang UAE Pte. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
49	Sembawang Malaysia Sdn. Bhd. $	N.A.	Subsidiary	97.38	2(87)(ii)
50	Jurubina Sembawang (M) Sdn. Bhd. $	N.A.	Subsidiary	97.38	2(87)(ii)
51	Tueri Aquila FZE $	N.A.	Subsidiary	97.38	2(87)(ii)
52	Sembawang Consult Pte. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
53	Sembawang Equity Capital Pte. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
54	Sembawang Hongkong Ltd. $*	N.A.	Subsidiary	-	2(87)(ii)
55	Sembawang (Tianjin) Investment Management Co. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
56	PT Sembawang Indonesia $	N.A.	Subsidiary	97.38	2(87)(ii)
57	Reliance Contractors Pvt. Ltd. $	N.A.	Subsidiary	97.38	2(87)(ii)
58	Sembawang E&C Malaysia Sdn. Bhd. $	N.A.	Subsidiary	97.38	2(87)(ii)
59	Punj Lloyd Building & Infrastructure Private Limited #	N.A.	Subsidiary	100	2(87)(ii)
60	PL Delta Technologies Limited @	N.A.	Subsidiary	80.32	2(87)(ii)
61	Thiruvananthpuram Road Development Company Ltd. @	U45203MH2004PLC144789	Joint Venture	50.00	2(6)

Annexure — IX

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
62	Ramprastha Punj Lloyd Developers Pvt. Ltd.	U45400DL2007PTC166937	Joint Venture	50.00	2(6)
63	PLE TCI Engenharia LTDA	N.A.	Joint Venture	39.36	2(6)
64	AeroEuro Engineering India Pvt. Ltd.	U74900DL2011PTC219149	Joint Venture	40.16	2(6)
65	PT Kekal Adidaya $	N.A.	Joint Venture	48.69	2(6)
66	Punj Lloyd Dynamic LLC $	N.A.	Joint Venture	48.00	2(6)
67	PLE TCI Engineering Limited @	N.A.	Joint Venture	39.36	2(6)
68	Air Works India (Engineering) Pvt. Ltd.	U74210MH1986PTC040889	Associate	23.30	2(6)

* Entities filed for strike-of/liquidation or struck-off/ liquidated/sold during the year.

$ Entities part of Punj Lloyd Pte. Limited Group. Refer note no. 38(g) of the standalone financial statements.

Punj Lloyd Limited has subscribed to the Memorandum of the Company, but capital is yet to be infused.

@ Investment held for sale in the near future.

N.A.: Not Available

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares Held at the Beginning of the Year i.e. April 01, 2016				No. of Shares Held at the End of the Year i.e. March 31, 2017				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group									
1. **Indian**									
Individual /HUF	23,240,245	0	23,240,245	7.00	2,10,36,891	0	2,10,36,891	6.29	-0.71
Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	22,148,345	0	22,148,345	6.67	21,853,017		21,853,017	6.54	-0.13
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(1) :	45,388,590	0	45,388,590	13.67	42,889,908	0	42,889,908	12.83	-0.84
2. Foreign									
Individuals (NRIs/Foreign Individuals)	1,430,540	0	1,430,540	0.43	1,430,540	0	1,430,540	0.43	0.00
Bodies Corporate	75,691,430	0	75,691,430	22.79	75,691,430	0	75,691,430	22.65	-0.14
Institutions	0	0	0	0.00	0	0	0	0	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
Others	0	0	0	0.00	0	0	0	0	0.00
Sub-Total A(2) :	77,121,970	0	77,121,970	23.22	77,121,970	0	77,121,970	23.07	-0.15
Total A=A(1)+A(2)	122,510,560	0	122,510,560	36.89	120,011,878	0	120,011,878	35.91	-0.98
Public Shareholding									
1. Institutions									
Mutual Funds /UTI	3,061	0	3,061	0.00	0	0	0	0	0.00
Financial Institutions /Banks	22,803,219	0	22,803,219	6.87	23,001,393	0	23,001,393	6.88	0.01
Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00

Annexure — IX

Category of Shareholder	No. of Shares Held at the Beginning of the Year i.e. April 01, 2016				No. of Shares Held at the End of the Year i.e. March 31, 2017				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
Foreign Institutional Investors	10,001,435	0	10,001,435	3.01	5235605	0	5235605	1.57	-1.45
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
Others	0	0	0	0	0	0	0	0.00	0.00
Foreign nationals	**500**	**0**	**500**	**0.00**	**500**	**0**	**500**	**0.00**	**0.00**
Sub-Total B(1) :	32808215	0	32,808,215	9.88	28237498	0	28237498	8.45	-1.43
2. Non-Institutions									
Bodies Corporate	25,835,531	90	25,835,621	7.78	23,389,955	390	23,390,345	7.00	-0.78
Individuals									
(i) Individuals holding nominal share capital upto ₹ 2 lakh	134,143,762	23,602	134,167,364	40.40	141,225,416	23,870	141,249,286	42.26	1.86
(ii) Individuals holding nominal share capital in excess of ₹2 lakh	83,43,763	0	8,343,763	2.51	13421617	0	13,421,617	4.02	1.51
Others									
Clearing Members	714,985	0	714,985	0.22	890,058	0	890,058	0.27	0.05
Non Resident Indians	7,681,942	1,045	7,682,987	2.31	6,146,027	1,045	6,147,072	1.84	-0.47
NRI Non-Repatriation	0	0	0	0	849,741	0	849,741	0.25	0.25
Trusts	32,250	0	32,250	0.01	28,250	0	28,250	0.01	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	**176,752,233**	**24,737**	**176,776,970**	**53.23**	**185,951,064**	**25,305**	**185,976,369**	**55.64**	**2.41**
Total B=B(1)+B(2) :	**209,560,448**	**24,737**	**209,585,185**	**63.11**	**214,188,562**	**25,305**	**214,213,867**	**64.09**	**0.98**
Shares held by custodians for GDRs & ADRs									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C):	**332,071,008**	**24,737**	**332,095,745**	**100.00**	**334,200,440**	**25,305**	**334,225,745**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year i.e. April 01, 2016			Shareholding at the End of the Year i.e. March 31, 2017			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Cawdor Enterprises Pvt. Ltd.	75,691,430	22.79	79.56	75,691,430	22.65	79.56	-0.14
2	Satya Narain Prakash Punj / Indu Rani Punj	10,537,281	3.17	0	10,537,281	3.15	0	-0.02
3	Indu Rani Punj / Satya Narain Prakash Punj	9,997,065	3.01	0	9,997,065	2.99	0	-0.02
4	Uday Punj (HUF)	671,246	0.20	0	0*	0.00	0	-0.20
5	Manglam Punj / Uday Punj	759,962	0.23	0	0*	0.00	0	-0.23

Annexure — IX

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year i.e. April 01, 2016			Shareholding at the End of the Year i.e. March 31, 2017			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
6	Uday Punj / Manglam Punj	624,935	0.18	0	0*	0.00	0	-0.18
7	Jyoti Punj	501,725	0.15	0	501,725	0.15	0	0.00
8	Uday Punj	147,211	0.04	0	0*	0.0	0	-0.04
9	Atul Punj	1,430,540	0.43	0	1,430,540	0.43	0	0.00
10	Atul Punj (HUF)	820	0	0	820	0	0	0.00
11	Spectra Punj Finance Pvt. Ltd.	22,148,305	6.67	65.23	21,852,977	6.54	64.76	-0.13
12	PLE Hydraulics Pvt. Ltd.	40	0	0	40	0	0	0.00
	Total	**122,510,560**	**36.89**		**120,011,878**	**35.91**		**-0.96**

*Equity shares held have been reclassified as non promoter group shareholding vide NSE & BSE approval(s) dated 6/09/2016 and 20/09/2016 respectively.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name		Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Uday Punj**						
	at the beginning of the year		01-04-2016	147,211	0.04	-	-
	Date Wise Increase/ decrease in promoter shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc): Sold	Sold	27-5-2016	-40000	0.01	107211	0.03
		Sold	03-06-2016	-30000	0.00	77211	0.01
		Sold	10-06-2016	-45000	0.01	32211	0.00
		Sold	17-06-2016	-30000	0.00	2211	0.00
		Sold	24-06-2016	-2211	0.00	0	0.00
	at the end of the year		31-03-2017	-	-	0	0.00
2	**Manglam Punj / Uday Punj**						
	at the beginning of the year		01-04-2016	759962	0.23	-	-
	Date Wise Increase/ decrease in promoter shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sold	08-04-2016	-5000	0.00	754962	0.23
		Sold	29-07-2016	-45000	0.01	709962	0.21
		Sold	12-8-2016	-30000	0.00	679962	0.20
		Sold	26-08-2016	-45000	0.01	634962	0.18
		Sold	02-09-2016	-60000	0.02	574962	0.16
		Sold	09-09-2016	-45000	0.01	529962	0.15
		Sold	16-09-2016	-45000	0.01	484962	0.13
		Sold	23-09-2016	-39000	0.01	445962	0.13
						445,962	0.13
	at the end of the year		31-03-2017			* N.A.	
3	**Uday Punj (HUF)**						
	at the beginning of the year		01-04-2016	671,246	0.20	-	-
	Date Wise Increase/ decrease in promoter shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sold	08-04-2016	-5000	0.00	666246	0.20
		Sold	15-04-2016	-15000	0.00	651246	0.19
		Sold	22-04-2016	-20000	0.00	631246	0.18
		Sold	29-04-2016	-5000	0.00	626246	0.18
		Sold	27-05-2016	-40000	0.01	586246	0.17
		Sold	03-06-2016	-30000	0.00	556246	0.17

Annexure — IX

Sl. No.	Shareholder's Name		Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		Sold	10-06-2016	-45000	0.01	511246	0.16
		Sold	17-06-2016	-30000	0.00	481246	0.15
		Sold	24-06-2016	-34859	0.00	446387	0.13
		Sold	30-06-2016	-15000	0.00	431387	0.13
		Sold	08-07-2016	-45000	0.01	386387	0.12
		Sold	15-07-2016	-15000	0.00	371387	0.12
		Sold	22-07-2016	-15000	0.00	356387	0.11
		Sold	29-07-2016	-75000	0.02	281387	0.09
		Sold	05-08-2016	-15000	0.00	266387	0.08
		Sold	12-08-2016	-30000	0.00	236387	0.06
		Sold	26-08-2016	-45000	0.01	191387	0.05
		Sold	02-09-2016	-57296	0.02	134091	0.03
		Sold	09-09-2016	-60000	0.02	74091	0.02
		Sold	16-09-2016	-45000	0.01	29091	0.00
		Sold	23-09-2016	-15000	0.00	14091	0.00
				-	-	14,091	0.00
4	at the end of the year		31-03-2017			* N.A	
	Satya Narain Prakash Punj / Indu Rani Punj						
	at the beginning of the year		01-04-2016	10,537,281	3.17	-	-
	No Change						NIL
	at the end of the year		31-03-2017	-	-	10,537,281	3.17
5	**Indu Rani Punj / Satya Narain Prakash Punj**						
	at the beginning of the year		01-04-2016	9,997,065	3.01	-	-
	No Change						NIL
	at the end of the year		31-03-2017	-	-	9,997,065	3.01
6	**Atul Punj**						
	at the beginning of the year		01-04-2016	1,430,540	0.43	-	-
	No Change						NIL
	at the end of the year		31-03-2017	-	-	1,430,540	0.43
7	**Cawdor Enterprises Ltd.**						
	at the beginning of the year		01-04-2016	75,691,430	22.79	-	-
	No Change						NIL
	at the end of the year		31-03-2017	-	-	75,691,430	22.65
8	**Spectra Punj Finance Pvt. Ltd.**						
	at the beginning of the year		01-04-2016	22,148,305	6.67	-	-
		Sold	03-06-2016	-150000	0.04	21998305	6.62
		Sold	12-08-2016	-145328	0.04	21852977	6.54
	at the end of the year		31-03-2017			21852977	6.54
9	**Jyoti Punj**						
	at the beginning of the year		01-04-2016	501,725	0.15	-	-
	No Change						NIL
	at the end of the year		31-03-2017	-	-	501,725	0.15

Annexure — IX

Sl. No.	Shareholder's Name		Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
10	**Atul Punj (HUF)**						
	at the beginning of the year		01-04-2016	820	0	-	-
	No Change						NIL
	at the end of the year		31-03-2017	-	-	820	0.00
11	**PLE Hydraulics Pvt. Ltd.**						
	at the beginning of the year		01-04-2016	40	0	-	-
	No Change						NIL
	at the end of the year		31-03-2017	-	-	40	0.00
12	**Uday Punj/ Manglam Punj**						
	at the beginning of the year		01-04-2016	624,935	0.19	-	-
		Sold	30-06-2016	-15000	0.00	609935	0.19
		Sold	08-07-2016	-45000	0.01	564935	0.17
		Sold	15-07-2016	-15000	0.00	549935	0.16
		Sold	22-07-2016	-15000	0.00	534935	0.16
		Sold	29-07-2016	-45000	0.01	489935	0.14
		Sold	12-08-2016	-30000	0.00	459935	0.13
		Sold	26-08-2016	-45000	0.01	414935	0.12
		Sold	02-09-2016	-60000	0.02	354935	0.11
		Sold	09-09-2016	-60000	0.02	294935	0.08
		Sold	16-09-2016	-45000	0.01	249935	0.07
		Sold	23-09-2016	-49600	0.01	200335	0.06
	at the end of the year		31-03-2017	-	-	* N.A	0.06

*Equity shares held have been reclassified as non promoter group shareholding vide NSE & BSE approval(s) dated 6/09/2016 and 20/09/2016 respectively.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Life Insurance Corporation Of India**						
	at the beginning of the year		01-04-2016	18,352,701	5.53	-	
	No Change		NIL				
	at the end of the year		31-03-2017	-	-	18,352,701	5.49
2.	**Vanguard Total International Stock Index Fund**						
	at the beginning of the year		01/04/2016	2,352,333	0.71	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	sale	24/03/2017	2,352,333	0.31	2,352,333	0.71
	at the end of the year		31/03/2017	-	-	0	0.00

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	'Vanguard Emerging Markets Stock Index Fund, A Series						
	at the beginning of the year		01/04/2016	789216	0.24		
		Purchase	8/04/2016	139857		929073	0.28
		Purchase	15/04/2016	64031		993104	0.30
		Purchase	22/04/2017	108462		1101566	0.33
		Purchase	29/04/2017	170966		1272532	0.38
		Purchase	06/05/2017	153307		1425839	0.43
		Purchase	20/05/2017	37005		1462844	0.44
		Purchase	27/05/2017	159279		1622123	0.49
		Purchase	03/06/2017	405333		2027456	0.61
		Purchase	10/06/2016	168228		2195684	0.66
	at the end of the year		31/03/2017	-	-	2195684	0.66
3	**OHM Stock Broker Pvt. Ltd**						
	at the beginning of the year		01/04/2016	19,75,000	0.59	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	15-4-2016	-39955	0.01	1935045	0.58
		Sale	29-4-2016	-50000	0.01	1885045	0.56
		Sale	29-7-2016	-173678	0.05	1711367	0.52
		Sale	5-8-2016	-189685	0.06	1521682	0.46
		Sale	19-8-2016	-385061	0.11	1136621	0.34
		Sale	26-8-2016	-536621	0.16	600000	0.18
		Sale	2-9-2016	-600000	0.18	0	0.00
	at the end of the year		31/03/2017	-	-	0	0.00
4.	**Anil Agarwal**						
	at the beginning of the year		01/04/2016	16,85,000	0.51	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	01/04/2016	-5000	0.00	16,80,000	0.51
		Sale	08/04/2016	-5,000	0.00	16,75,000	0.50
		Purchase	15/07/2016	125,000	0.04	18,00,000	0.54
		Purchase	26/08/2016	65,000	0.02	18,65,000	0.56
		Sale	02/09/2016	-7000	0.00	18,58,000	0.56
		Sale	09/09/2016	-8000	0.00	1,850,000	0.56
		Sale	30/09/2016	-40000	0.01	18,10,000	0.55
		Sale	28/10/2016	-10000	0.00	18,00,000	0.54
		Purchase	02/12/2016	2600	0.00	18,02,600	0.54
		Purchase	24/03/2017	25000	0.01	18,27,600	0.55
	at the end of the year		31/03/2017	-	-	18,27,600	0.55
5	**California Public Employees Retirement System, SEL**						
	at the beginning of the year		01/04/2016	1,704,590	0.51	-	-

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	24/06/2016	-129,287	0.04	1,575,303	0.47
		Sale	12/08/2016	-1,575,303	0.47	0	0.00
	at the end of the year		31/03/2017	-	-	0	0.00
6	**Dimensional Emerging Markets Value Fund**						
	at the beginning of the year		01/04/2016	1,476,964	0.44	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	22/07/2016	-84942	0.03	1,392,022	0.42
		Sale	29/07/2016	-102579	0.03	1289443	0.39
		Sale	05/08/2016	-142441	0.04	1147002	0.35
		Sale	12/08/2016	-87292	0.03	1059710	0.32
		Sale	19/08/2016	-61946	0.02	997764	0.30
		Sale	26/08/2016	-62417	0.02	935347	0.28
		Sale	02/09/2016	-100190	0.03	835157	0.25
		Sale	09/09/2016	-67655	0.02	767502	0.23
		Sale	23/09/2016	-138461	0.04	629041	0.19
		Sale	30/09/2016	-99588	0.03	529453	0.16
		Sale	07/10/2016	-134673	0.04	394780	0.12
		Sale	21/10/2016	-96542	0.03	298238	0.09
		Sale	28/10/2016	-145474	0.04	152764	0.05
		Sale	04/11/2016	-116647	0.04	36117	0.01
		Sale	11/11/2016	-36117	0.01	0	0.00
	at the end of the year		31/03/2017	-	-	0	0.00
7	**IL and FS Securities Services Limited**						
	at the beginning of the year		01/04/2016	1131714	0.34	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	01/04/2016	-10305	0.00	1121409	0.34
		Purchase	08/04/2016	47763	0.01	1169172	0.35
		Sale	08/04/2016	-130370	0.04	1038802	0.31
		Purchase	15/04/2016	22175	0.01	1060977	0.32
		Sale	15/04/2016	-100	0.00	1060877	0.32
		Purchase	22/04/2016	69508	0.02	1130385	0.34
		Purchase	29/04/2016	1800	0.00	1132185	0.34
		Sale	06/05/2016	-63408	0.02	1068777	0.32
		Purchase	13/05/2016	7306	0.00	1076083	0.32
		Sale	20/05/2016	-1793	0.00	1074290	0.32
		Purchase	27/05/2016	41557	0.01	1115847	0.34

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Purchase	03/06/2016	17684	0.01	1133531	0.34
		Purchase	10/06/2016	27180	0.01	1160711	0.35
		Sale	17/06/2016	-325	0.00	1160386	0.35
		Sale	24/06/2016	-92159	0.03	1160227	0.32
		Purchase	30/06/2016	90950	0.03	1159177	0.35
		Purchase	01/07/2016	50	0.00	1159227	0.35
		Sale	01/07/2016	-65	0.00	1159162	0.35
		Purchase	08/07/2016	2942	0.00	1162104	0.35
		Sale	08/07/2016	-50	0.00	1162054	0.35
		Purchase	15/07/2016	10086	0.00	1172140	0.35
		Purchase	22/07/2016	7613	0.00	1179753	0.36
		Purchase	29/07/2016	48392	0.01	1228145	0.37
		Sale	05/08/2016	-86636	0.03	1141509	0.34
		Purchase	12/08/2016	11438	0.00	1152947	0.35
		Sale	19/08/2016	-43243	0.01	1109704	0.33
		Purchase	26/08/2016	1502	0.00	1111206	0.33
		Purchase	02/09/2016	5310	0.00	1116516	0.34
		Purchase	09/09/2016	50260	0.02	1166776	0.35
		Sale	09/09/2016	-3500	0.00	1163276	0.35
		Purchase	16/09/2016	222860	0.00	1386136	0.42
		Sale	23/09/2016	-201356	0.06	1184780	0.36
		Purchase	30/09/2016	23887	0.01	1208667	0.36
		Purchase	07/10/2016	29490	0.01	1238157	0.37
		Purchase	14/10/2016	23150	0.01	1261307	0.38
		Sale	14/10/2016	-275	0.00	1261032	0.38
		Purchase	21/10/2016	23252	0.01	1284284	0.39
		Sale	28/10/2016	-1873	0.00	1282411	0.39
		Purchase	04/11/2016	71073	0.02	1353484	0.41
		Purchase	11/11/2016	374526	0.11	1728010	0.52
		Sale	11/11/2016	-366000	0.11	1362010	0.41
		Purchase	18/11/2016	200	0.00	1362210	0.41
		Sale	18/11/2016	-29101	0.01	1333109	0.40
		Sale	25/11/2016	-226	0.00	1332883	0.40
		Purchase	02/12/2016	8256	0.00	1341139	0.40
		Purchase	09/12/2016	3061	0.00	1344200	0.40
		Sale	09/12/2016	-50	0.00	1344150	0.40
		Sale	16/12/2016	-44766	0.01	1299384	0.39
		Purchase	23/12/2016	435	0.00	1299819	0.39

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	30/12/2016	-17305	0.01	1282514	0.39
		Sale	06/01/2017	-15814	0.00	1266700	0.38
		Purchase	13/01/2017	71379	0.02	1338079	0.40
		Purchase	20/01/2017	26015	0.01	1364094	0.41
		Sale	27/01/2017	-1349	0.00	1362745	0.41
		Purchase	03/02/2017	24764	0.01	1387509	0.42
		Sale	10/02/2017	-6029	0.00	1381480	0.42
		Purchase	17/02/2017	5850	0.00	1387330	0.42
		Sale	24/02/2017	-8858	0.00	1378472	0.42
		Purchase	03/03/2017	4500	0.00	1382972	0.42
		Sale	03/03/2017	-21324	0.01	1361648	0.41
		Purchase	10/03/2017	12900	0.00	1374548	0.41
		Sale	10/03/2017	-4400	0.00	1370148	0.41
		Sale	31/03/2017	-82145	0.02	1288003	0.39
						1221001	0.37
	at the end of the year		31/03/2017	-	-	1221001	0.37
8.	**Emerging Markets Core Equity Portfolio (The Portfo**						
	at the beginning of the year		01/04/2016	1131312	0.34	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	19/08/2016	-69823	0.02	1061489	0.32
		Sale	26/08/2016	-61420	0.02	1000069	0.30
		Sale	02/09/2016	-104196	0.03	895873	0.27
		Sale	09/09/2016	-70322	0.02	825551	0.25
		Sale	23/09/2016	-167993	0.05	657558	0.20
		Sale	30/09/2016	-80879	0.02	576679	0.17
		Sale	07/10/2016	-122026	0.04	454653	0.14
		Sale	14/10/2016	-45557	0.01	409096	0.12
		Sale	21/10/2016	-133599	0.04	275497	0.08
		Sale	28/10/2016	-111301	0.03	164196	0.05
		Sale	04/11/2016	-91139	0.03	73057	0.02
		Sale	11/11/2016	-46908	0.01	26149	0.01
		Sale	18/11/2016	-26149	0.01	0	0
	at the end of the year		31/03/2017	-	-	0	0.00
9.	**Integrated Core Strategies Asia Pte Ltd.**						
	at the beginning of the year		01/04/2016	58969	0.02	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	22/4/2016	-14467	0.00	44502	0.01
		Sale	29/4/2016	-35255	0.01	9247	0.00
		Sale	06/05/2016	-9247	0.00	0	0.00
		purchase	24/03/2017	939203	0.28	939203	0.28

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	at the end of the year		31/03/2017			939203	0.28
10	**R K R Investments Services Pvt. Ltd.**						
	at the beginning of the year Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):		01/04/2016	464900	0.14	-	-
		Purchase	03/06/2016	50000	0.02	514900	0.16
		Purchase	10/06/2016	50000	0.02	564900	0.17
		Purchase	17/06/2016	290000	0.09	854900	0.26
		Purchase	09/12/2016	50000	0.02	904900	0.27
	at the end of the year		31/03/2017			904900	0.27
11	**Goldman Sachs (Singapore) PTE**						
	at the beginning of the year		01/04/2016	0	0.00	-	-
			24/03/2017	1841932	0.55		
	at the end of the year	Purchase	31/03/2017	1,841,932	0.55	1,841,932	0.55
12.	**AXIS BANK LIMITED**						
	at the beginning of the year		01/04/2016	672385	0.20	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	purchase	01/04/2016	20000	0.01	692385	0.21
		sale	08/04/2016	-15020	0.00	677365	0.20
		sale	15/04/2016	-150	0.00	677215	0.20
		purchase	22/04/2016	74454	0.02	751669	0.23
		purchase	29/04/2016	288100	0.09	1039769	0.31
		purchase	06/05/2016	21000	0.01	1060769	0.32
		sale	13/05/2016	-600	0.00	1060169	0.32
		purchase	20/05/2016	11224	0.00	1071393	0.32
		sale	27/05/2016	-8836	0.00	1062557	0.32
		purchase	03/06/2016	27150	0.01	1089707	0.33
		sale	10/06/2016	-30000	0.01	1059707	0.32
		sale	17/06/2016	-29530	0.01	1030177	0.31
		Purchase	24/06/2016	49683	0.01	1079860	0.33
		sale	30/06/2016	-280034	0.08	799826	0.24
		purchase	08/07/2016	180000	0.05	979826	0.30
		sale	15/07/2016	-107340	0.03	872486	0.26
		purchase	22/07/2016	5218	0.00	877704	0.26
		purchase	29/07/2016	10382	0.00	888086	0.27
		sale	05/08/2016	-238500	0.07	649586	0.20
		purchase	19/08/2016	15198	0.00	664784	0.20
		sale	26/08/2016	-24098	0.01	640686	0.19
		sale	02/09/2016	-50085	0.02	590601	0.18
		purchase	09/09/2016	295164	0.09	885765	0.27
		sale	16/09/2016	-45884	0.01	839881	0.25

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	purchase	23/09/2016	76930	0.02	916811	0.28
		sale	30/09/2016	-8885	0.00	907926	0.27
		purchase	07/10/2016	10526	0.00	918452	0.28
		purchase	14/10/2016	20000	0.01	938452	0.28
		purchase	21/10/2016	21415	0.01	959867	0.29
		sale	28/10/2016	-1130	0.00	958737	0.29
		sale	04/11/2016	-20700	0.01	938037	0.28
		purchase	11/11/2016	97110	0.03	1035147	0.31
		purchase	18/11/2016	7520	0.00	1042667	0.31
		sale	25/11/2016	-585	0.00	1042082	0.31
		sale	02/12/2016	-103000	0.03	939082	0.28
		sale	23/12/2016	-11373	0.00	927709	0.28
		sale	30/12/2016	-21050	0.01	906659	0.27
		purchase	06/01/2017	90485	0.03	997144	0.30
		purchase	13/01/2017	93300	0.03	1090444	0.33
		sale	20/01/2017	-10500	0.00	1079944	0.33
		purchase	27/01/2017	11358	0.00	1091302	0.33
		sale	03/02/2017	-1544	0.00	1089758	0.33
		purchase	10/02/2017	6983	0.00	1096741	0.33
		sale	17/02/2017	-1000	0.00	1095741	0.33
		purchase	24/02/2017	197500	0.06	1293241	0.39
		sale	03/03/2017	-363980	0.11	929261	0.28
		purchase	10/03/2017	84000	0.03	1013261	0.31
		purchase	31/03/2017	385	0.00	1013646	0.30
		sale	31/03/2017	-24560	0.01	989086	0.30
	at the end of the year		31/03/2017			998314	0.30
13.	**Globe Capital Market Limited**						
	at the beginning of the year		01/04/2016	982917	0.30	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	sale	01/04/2016	-685	0.00	982232	0.30
		sale	08/04/2016	-22821	0.01	959411	0.29
		purchase	15/04/2016	370	0.00	959781	0.29
		sale	15/04/2016	-1000	0.00	958781	0.29
		purchase	22/04/2016	4556	0.00	963337	0.29
		sale	22/04/2016	-20478	0.01	942859	0.28
		sale	29/04/2016	-19584	0.01	923275	0.28
		purchase	06/05/2016	2788	0.00	926063	0.28
		sale	06/05/2016	-1000	0.00	925063	0.28
		purchase	13/05/2016	8776	0.00	933839	0.28

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	purchase	20/05/2016	2780	0.00	936619	0.28
		sale	20/05/2016	-159242	0.05	777377	0.23
		purchase	27/05/2016	70000	0.02	847377	0.26
		sale	27/05/2016	-66980	0.02	780397	0.23
		purchase	03/06/2016	28491	0.01	808888	0.24
		sale	03/06/2016	-43970	0.01	764918	0.23
		purchase	10/06/2016	82730	0.02	847648	0.26
		sale	10/06/2016	-79400	0.02	768248	0.23
		purchase	17/06/2016	3438	0.00	771686	0.23
		purchase	24/06/2016	65000	0.02	836686	0.25
		sale	24/06/2016	-83650	0.03	753036	0.23
		purchase	30/06/2016	185	0.00	753221	0.23
		sale	30/06/2016	-42277	0.01	710944	0.21
		purchase	01/07/2016	4000	0.00	714944	0.22
		sale	01/07/2016	-3650	0.00	711294	0.21
		purchase	08/07/2016	10316	0.00	721610	0.22
		purchase	15/07/2016	7647	0.00	729257	0.22
		sale	15/07/2016	-5000	0.00	724257	0.22
		purchase	22/07/2016	39800	0.01	764057	0.23
		sale	22/07/2016	-6911	0.00	757146	0.23
		purchase	29/07/2016	470	0.00	757616	0.23
		sale	29/07/2016	-100	0.00	757516	0.23
		purchase	05/08/2016	51220	0.02	808736	0.24
		sale	05/08/2016	-38796	0.01	769940	0.23
		purchase	12/08/2016	52526	0.02	822466	0.25
		sale	12/08/2016	-44000	0.01	778466	0.23
		purchase	19/08/2016	3651	0.00	782117	0.24
		sale	26/08/2016	-64943	0.02	717174	0.22
		purchase	02/09/2016	100000	0.03	817174	0.25
		sale	02/09/2016	-133873	0.04	683301	0.21
		purchase	09/09/2016	94983	0.03	778284	0.23
		sale	09/09/2016	-96987	0.03	681297	0.21
		purchase	16/09/2016	7716	0.00	689013	0.21
		sale	16/09/2016	-8575	0.00	680438	0.20
		purchase	23/09/2016	47242	0.01	727680	0.22
		sale	30/09/2016	-66958	0.02	660722	0.20
		purchase	07/10/2016	11051	0.00	671773	0.20
		sale	07/10/2016	-1550	0.00	670223	0.20

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	sale	14/10/2016	-899	0.00	669324	0.20
		purchase	21/10/2016	34887	0.01	704211	0.21
		purchase	28/10/2016	35679	0.01	739890	0.22
		sale	28/10/2016	-7000	0.00	732890	0.22
		purchase	04/11/2016	133000	0.04	865890	0.26
		sale	04/11/2016	-219	0.00	865671	0.26
		purchase	11/11/2016	26750	0.01	892421	0.27
		sale	11/11/2016	-11294	0.00	881127	0.27
		purchase	18/11/2016	800	0.00	881927	0.27
		sale	18/11/2016	-6250	0.00	875677	0.26
		purchase	25/11/2016	1650	0.00	877327	0.26
		sale	25/11/2016	-2300	0.00	875027	0.26
		purchase	02/12/2016	149	0.00	875176	0.26
		sale	02/12/2016	-6600	0.00	868576	0.26
		purchase	09/12/2016	6300	0.00	874876	0.26
		sale	09/12/2016	-9969	0.00	864907	0.26
		purchase	16/12/2016	3400	0.00	868307	0.26
		sale	16/12/2016	-10000	0.00	858307	0.26
		purchase	23/12/2016	2864	0.00	861171	0.26
		purchase	30/12/2016	273	0.00	861444	0.26
		sale	30/12/2016	-38572		822872	0.25
		purchase	31/12/2016	4416	0.00	827288	0.25
		sale	31/12/2016	-4823	0.00	822465	0.25
		sale	06/01/2017	-12094	0.00	810371	0.24
		purchase	13/01/2017	1898	0.00	812269	0.24
		sale	13/01/2017	-200	0.00	812069	0.24
		purchase	20/01/2017	100000		912069	0.27
		sale	20/01/2017	-5378	0.00	906691	0.27
		purchase	27/01/2017	8972	0.00	915663	0.28
		sale	27/01/2017	-500	0.00	915163	0.28
		purchase	03/02/2017	6260	0.00	921423	0.28
		sale	03/02/2017	-31500	0.01	889923	0.27
		sale	10/02/2017	-16221	0.00	873702	0.26
		purchase	17/02/2017	7684	0.00	881386	0.27
		sale	17/02/2017	-35000	0.01	846386	0.25
		purchase	24/02/2017	52564	0.02	898950	0.27
		sale	24/02/2017	-40500	0.01	858450	0.26
		purchase	03/03/2017	4099	0.00	862549	0.26

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		purchase	10/03/2017	138821	0.04	1001370	0.30
		Purchase	17/03/2017	250	0.00	1001620	0.30
		Sale	17/03/2017	-42985	0.01	958635	0.29
		Purchase	24/03/2017	80	0.01	958715	0.29
		sale	24/03/2017	-15522	0.01	943193	0.29
		purchase	31/03/2017	67000	0.03	1010193	0.30
		sale	31/03/2017	-43833	0.02	966360	0.29
	At the end of the year		31/03/2017			966360	0.29
14.	**KARVY STOCK BROKING LTD.**						
	At the beginning of the year		01/04/2016	1642039	0.49	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	purchase	01/04/2016	5745	0.00	1647784	0.50
		sale	01/04/2016	-5800	0.00	1641984	0.49
		purchase	08/04/2016	114	0.00	1642098	0.49
		sale	08/04/2016	-25522	0.00	1616576	0.49
		purchase	15/04/2016	9814	0.00	1626390	0.49
		sale	15/04/2016	-150	0.00	1626240	0.49
		purchase	22/04/2016	38921	0.01	1665161	0.50
		sale	22/04/2016	-7921	0.00	1657240	0.50
		sale	29/04/2016	-38015	0.01	1619225	0.49
		purchase	06/05/2016	9461	0.00	1628686	0.49
		sale	06/05/2016	-15130	0.00	1613556	0.49
		purchase	13/05/2016	6909	0.00	1620465	0.49
		sale	13/05/2016	-5181	0.00	1615284	0.49
		sale	20/05/2016	-5766	0.00	1609518	0.48
		purchase	27/05/2016	19063	0.00	1628581	0.49
		sale	27/05/2016	-18005	0.00	1610576	0.48
		purchase	03/06/2016	43627	0.01	1654203	0.50
		sale	03/06/2016	-35434	0.01	1618769	0.49
		purchase	10/06/2016	31107	0.01	1649876	0.50
		sale	10/06/2016	-2772	0.00	1647104	0.50
		purchase	17/06/2016	5165	0.00	1652269	0.50
		sale	17/06/2016	-5860	0.00	1646409	0.50
		purchase	24/06/2016	9780	0.00	1656189	0.50
		sale	24/06/2016	-23766	0.00	1632423	0.49
		purchase	30/06/2016	20244	0.00	1652667	0.50
		sale	30/06/2016	-42858	0.01	1609809	0.48
		purchase	01/07/2016	5118	0.00	1614927	0.49
		purchase	08/07/2016	92939	0.00	1707866	0.51

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	sale	08/07/2016	-30167	0.01	1677699	0.51
		purchase	15/07/2016	62289	0.02	1739988	0.52
		sale	15/07/2016	-93878	0.03	1646110	0.50
		purchase	22/07/2016	12640	0.00	1658750	0.50
		sale	22/07/2016	-5155	0.00	1653595	0.50
		purchase	29/07/2016	73301	0.02	1726896	0.52
		sale	29/07/2016	-25729	0.00	1701167	0.51
		purchase	05/08/2016	26304	0.00	1727471	0.52
		sale	05/08/2016	-18750	0.00	1708721	0.51
		purchase	12/08/2016	10416	0.00	1719137	0.52
		sale	12/08/2016	-11331	0.00	1707806	0.51
		purchase	19/08/2016	30006	0.01	1737812	0.52
		sale	19/08/2016	-1403	0.00	1736409	0.52
		purchase	26/08/2016	5732	0.00	1742141	0.52
		sale	26/08/2016	-7576	0.00	1734565	0.52
		purchase	02/09/2016	130931	0.04	1865496	0.56
		sale	02/09/2016	-47607	0.02	1817889	0.55
		purchase	09/09/2016	81124	0.03	1899013	0.57
		sale	09/09/2016	-81097	0.03	1817916	0.55
		sale	16/09/2016	-64139	0.02	1753777	0.53
		purchase	23/09/2016	117542	0.04	1871319	0.56
		sale	23/09/2016	-76859	0.03	1794460	0.54
		purchase	30/09/2016	12252	0.00	1806712	0.54
		sale	30/09/2016	-78205	0.03	1728507	0.52
		purchase	07/10/2016	1851	0.00	1730358	0.52
		sale	07/10/2016	-27132	0.00	1703226	0.51
		purchase	14/10/2016	8600	0.00	1711826	0.52
		sale	14/10/2016	-6676	0.00	1705150	0.51
		purchase	21/10/2016	9754	0.00	1714904	0.52
		sale	21/10/2016	-24700	0.00	1690204	0.51
		purchase	28/10/2016	41071	0.01	1731275	0.52
		sale	28/10/2016	-40505	0.01	1690770	0.51
		purchase	04/11/2016	3541	0.00	1694311	0.51
		sale	04/11/2016	-95714	0.03	1598597	0.48
		purchase	11/11/2016	21152	0.00	1619749	0.49
		sale	11/11/2016	-2	0.00	1619747	0.49
		purchase	18/11/2016	6102	0.00	1625849	0.49
		sale	18/11/2016	-7644	0.00	1618205	0.49

Annexure — IX

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2016		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	purchase	25/11/2016	301	0.00	1618506	0.49
		sale	25/11/2016	-7088	0.00	1611418	0.49
		purchase	02/12/2016	12592	0.00	1624010	0.49
		sale	02/12/2016	-8018	0.00	1615992	0.49
		purchase	09/12/2016	4460	0.00	1620452	0.49
		sale	09/12/2016	-12667	0.00	1607785	0.48
		purchase	16/12/2016	2754	0.00	1610539	0.48
		sale	16/12/2016	-10818	0.00	1599721	0.48
		purchase	23/12/2016	351898	0.10	1951619	0.59
		sale	23/12/2016	-10850	0.00	1940769	0.58
		purchase	30/12/2016	5164	0.00	1945933	0.59
		sale	30/12/2016	-5022	0.00	1940911	0.58
		purchase	31/12/2016	50	0.00	1940961	0.58
		purchase	06/01/2017	6654	0.00	1947615	0.59
		sale	06/01/2017	-9840	0.00	1937775	0.58
		purchase	13/01/2017	1316	0.00	1939091	0.58
		sale	13/01/2017	-6297	0.00	1932794	0.58
		purchase	20/01/2017	4863	0.00	1937657	0.58
		sale	20/01/2017	-4200	0.00	1933457	0.58
		purchase	27/01/2017	2610	0.00	1936067	0.58
		sale	27/01/2017	-1298	0.00	1934769	0.58
		purchase	03/02/2017	12285	0.00	1947054	0.59
		purchase	10/02/2017	1860	0.00	1948914	0.59
		sale	10/02/2017	-16722	0.00	1932192	0.58
		purchase	17/02/2017	21054	0.00	1953246	0.59
		sale	17/02/2017	-200	0.00	1953046	0.59
		purchase	24/02/2017	31786	0.01	1984832	0.60
		sale	24/02/2017	-13913	0.00	1970919	0.59
		purchase	03/03/2017	14043	0.00	1984962	0.60
		sale	03/03/2017	-14740	0.00	1970222	0.59
		purchase	10/03/2017	9589	0.00	1979811	0.60
		sale	10/03/2017	-19918	0.00	1959893	0.59
		Purchase	17/03/2017	1460	0.00	1961353	0.59
		Sale	17/03/2017	-4307	0.00	1957046	0.59
		Purchase	24/03/2017	29384	0.01	1986430	0.60
		sale	24/03/201	-500	0.00	1985930	0.60
		purchase	31/03/2017	18773	0.00	2004703	0.60
		sale	31/03/2017	-963	0.00	2003740	0.60
	At the end of the year		31/03/2017			2003740	0.60

Annexure — IX

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Date	No. of shares held at the beginning of the year i.e. April 01, 2016		Cumulative shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Mr. Atul Punj**					
	at the beginning of the year	01-04-2016	1,431,360	0.43	-	-
	No Change			NIL		
	at the end of the year	31-03-2017	-	-	1,431,360	0.43
2	**Mr. Phiroz Adi Vandrevala**					
	at the beginning of the year	01-04-2016	5,000	0.001	-	-
	No Change					NIL
	at the end of the year	31-03-2017	-	-	5,000	0.001
3.	**Mr. Uday Walia**					
	at the beginning of the year	01-04-2016	NA	NA	-	-
	No Change			NIL		
	at the end of the year	31-03-2017	-	-	0	0.00
4.	**Mr. Shiv Punj**					
	at the beginning of the year	01-04-2016	NA	NA	-	-
	No Change			NIL		
	at the end of the year	31-03-2017	-	-	0	0.00
5.	**Mr. Rajat Khare***					
	at the beginning of the year	01-04-2016	NA	NA	-	-
	No Change			NIL		
	at the end of the year	31-03-2017	-	-	0	0.00
6.	**Mr. Shravan Sampath****					
	at the beginning of the year	01-04-2016	NA	NA	-	-
	No Change		NIL			
	at the end of the year	31-03-2017	-	-	0	0.00
7.	**Mr. Atul Kumar Jain*****					
	at the beginning of the year	01-04-2016	NA	NA	-	-
	No Change			NIL		
	at the end of the year	31-03-2017	-	-	0	0.00
8.	**Ms. Jyoti Punj#**					
	at the beginning of the year	01-04-2016	501,725	0.15	-	-
	No Change			NIL		
	at the end of the year	31-03-2017			501,725	0.15
9.	**Dinesh Thairani (Company Secretary)**					
	at the beginning of the year	01-04-2016	0	0.00	-	-
	ESOP allotment	14/3/2017	320,000	0.09		
	at the end of the year	31-03-2017	-	-	320,000	0.09
10.	**Mr. Rahul Maheshwari##**					
	at the beginning of the year	01-04-2016	0	0.00	-	-
	ESOP allotment	14/3/2017	220,000	0.06		
	at the end of the year	31-03-2017			217,900	0.06

* Since he was appointed as a Director of the Company w.e.f. May 20, 2016
** Since he was appointed as a Director of the Company w.e.f. May 27, 2016
*** Since he was appointed as a Director of the Company w.e.f. August 10, 2016
# Since she was appointed as a Director of the Company w.e.f. August 18, 2016
Since he was appointed as CFO of the Company w.e.f.May 27, 2016

Annexure — IX

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹ Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (2016-17)				
i) Principal Amount	6,211.76	-	-	6,211.76
ii) Interest due but not paid	114.44	-	-	114.44
iii) Interest accrued but not due	38.89	-	-	38.89
Total (i+ii+iii)	**6,365.09**	**-**	**-**	**6,365.09**
Change in Indebtedness during the financial year (2016-17)				
• Addition	312.80	20.10		332.90
• Reduction	123.12	-		123.12
Net Change	**189.68**	**20.10**		**209.78**
Indebtedness at the end of the financial year (2016-17)				
i) Principal Amount	6,401.44	20.10		6,421.54
ii) Interest due but not paid	272.20	-		272.20
iii) Interest accrued but not due	16.92	-		16.92
Total (i+ii+iii)	**6,690.56**	**20.10**		**6,710.66**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Atul Punj	Mr. Shiv Punj	Mr. Atul Kumar Jain	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify (PF, NPS, Gratuity, Mediclaim, Superannuation, Bonus/Ex-gratia as applicable)	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Phiroz Adi Vandrewala	Mr. Uday Walia	Mr. Rajat Khare*	Mr. Shravan Sampath**	
1	Independent Directors					
	• Fee for attending board /committee meetings	1,50,000	2,00,000	1,50,000	1,50,000	6,50,000
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (1)	**1,50,000**	**2,00,000**	**1,50,000**	**150,000**	**6,50,000**

Annexure — IX

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Ms. Jyoti Punj***				
2	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	50,000				50,000
	• Commission	0				0
	• Others, please specify	0				0
	Total (2)	**50,000**				**50,000**
	Total (B) = (1 + 2)					**7,00,000**
	Total Managerial Remuneration#					NIL
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

* Since he was appointed as a Director of the Company w.e.f. May 20, 2016
** Since he was appointed as a Director of the Company w.e.f. May 27, 2016
*** Since she was appointed as a Director of the Company w.e.f. August 18, 2016
# As per the provisions of Sub Section (2) read with sub section (5) of Section 197 of the Companies Act, 2013, sitting fees paid to directors are to be excluded while calculating the overall managerial remuneration.

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS (Mr. Dinesh Thairani)	CFO (Mr. Rahul Maheshwari)* (27-5-2016 to 31-3-2017)	
1.	Gross salary	79,89,664	42,76,809	1,22,66,473
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6,68,400 -	4,53,367 -	11,21,767 -
2.	Stock Option	57,60,000	39,60,000	97,20,000
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission - as % of profit - Others, specify	N.A.	N.A.	N.A.
5.	Others, please specify (PF , NPS, Gratuity, Mediclaim, Super Annuation)	10,67,285	6,22,358	16,89,643
	Total:	**1,54,85,349**	**93,12,534**	**2,47,97,883**

* Since appointed as CFO of the Company w.e.f. May 27, 2016, ESOP & PLI Amount is fully considered during CFO tenure for Mr. Rahul Maheshwari.

VII. Penalties/Punishment/Compounding of Offences:

Type	Section of the Companies Act, 2013	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

NIL

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

PART "A" - SUBSIDIARIES

(All amounts in INR Crores, unless otherwise stated)

Sl. No.	Name of the Entities	Country of Incorporation	Date of Aquisition/ Incorporation	% holding of Group as on March 31, 2017	Reporting Currency	Exchange rate as on March 31, 2017	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
1	Spectra Punj Lloyd Limited	India	31-Mar-99	100.00%	INR	1.00	5.00	(1.80)	77.72	74.52	-	9.27	(0.52)	-	(0.52)	-
2	Punj Lloyd Industries Limited	India	23-Feb-99	99.99%	INR	1.00	11.50	0.06	14.15	2.59	13.85	0.08	(0.57)	-	(0.57)	-
3	Atna Investments Limited	India	28-Jul-00	100.00%	INR	1.00	5.15	(4.46)	1.09	0.40	0.43	0.05	0.03	(0.01)	0.02	-
4	PLN Construction Limited	India	8-Nov-04	100.00%	INR	1.00	2.00	15.53	126.09	108.56	-	32.05	0.12	(0.19)	(0.07)	-
5	Punj Lloyd International Limited	British Virgin Islands	8-Nov-98	100.00%	USD	64.85	0.65	(0.26)	10.94	10.55	-	-	(0.56)	-	(0.56)	-
6	Punj Lloyd Kazakhstan, LLP	Kazakhstan	6-Mar-02	100.00%	KZT	0.21	22.90	(112.31)	19.59	109.00	-	16.41	8.11	-	8.11	-
7	Punj Lloyd Building & Infrastructure Private Limited #	Sri Lanka	7-Dec-15	100.00%	LKR	0.43	-	-	-	-	-	-	-	-	-	-
8	PL Engineering Limited	India	13-Dec-06	80.32%	INR	1.00	26.23	24.49	118.25	67.53	5.80	59.79	(22.22)	-	(22.22)	-
9	Punj Lloyd Infrastructure Limited	India	4-Apr-07	100.00%	INR	1.00	22.65	30.32	416.99	364.02	213.90	2.99	(2.73)	-	(2.73)	-
10	Punj Lloyd Upstream Limited	India	4-Apr-07	58.06%	INR	1.00	62.69	(188.55)	114.68	240.54	-	-	(107.49)	-	(107.49)	-
11	Punj Lloyd Aviation Limited	India	25-May-07	100.00%	INR	1.00	63.80	(87.41)	66.68	90.29	53.00	1.60	(16.09)	-	(16.09)	-
12	Sembawang Infrastructure (India) Private Limited	India	2-Jun-06	100.00%	INR	1.00	9.58	(27.32)	4.80	22.54	-	0.61	(0.11)	-	(0.11)	-
13	Indtech Global Systems Limited	India	31-Mar-09	99.99%	INR	1.00	0.82	0.20	1.05	0.03	-	0.08	0.07	(0.02)	0.05	-
14	Shitul Overseas Placement and Logistics Limited #	India	1-Jul-09	100.00%	INR	1.00	0.20	(0.03)	0.17	-	-	-	(0.00)	-	(0.00)	-
15	Dayim Punj Lloyd Construction Contracting Company Limited	Saudi Arabia	19-Dec-10	51.00%	SAR	17.29	3.46	19.49	140.02	117.07	-	237.05	99.63	-	99.63	-
16	Punj Lloyd Infrastructure Pte Limited	Singapore	25-Nov-10	100.00%	USD	64.85	3.86	(99.14)	1,398.13	1,493.41	1,154.34	85.81	(59.12)	-	(59.12)	-
17	Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	28-Aug-07	100.00%	MYR	14.65	1.10	118.22	205.17	85.85	1.46	90.16	3.67	(9.91)	(6.24)	-
18	Punj Lloyd Sdn. Bhd.	Malaysia	5-Apr-10	100.00%	MYR	14.65	1.46	(38.46)	243.12	280.12	-	649.12	17.01	(3.65)	13.36	-
19	Punj Lloyd Aviation Pte Limited	Singapore	2-Jan-14	100.00%	SGD	46.39	235.48	(104.74)	130.95	0.21	-	0.14	(33.48)	-	(33.48)	-
20	Christos Aviation Limited	Bermuda	24-Oct-12	100.00%	USD	64.85	0.00	(0.29)	0.00	0.29	-	0.00	-	-	-	-
21	Indraprastha Renewables Private Limited (formerly Punj Lloyd Delta Renewables Private Limited)	India	5-Nov-09	100.00%	INR	1.00	0.19	(26.80)	18.09	44.70	-	4.41	(4.81)	-	(4.81)	-
22	Punj Lloyd Delta Renewables Bangladesh Limited *	Bangladesh	5-Nov-09	-	BDT	0.81	-	-	-	-	-	-	-	-	-	-
23	Punj Lloyd Raksha Systems Private Limited	India	4-Feb-15	51.00%	INR	1.00	6.87	(0.06)	6.82	0.01	-	0.07	0.04	(0.01)	0.03	-
24	Punj Lloyd Engineering Pte Limited	Singapore	13-Oct-10	80.32%	SGD	46.39	0.00	1.15	35.01	33.86	-	63.45	0.59	-	0.59	-
25	Simon Carves Engineering Limited *	United Kingdom	8-Apr-11	-	GBP	81.41	-	-	-	-	-	18.93	(7.22)	0.29	(6.93)	-
26	PL Delta Technologies Limited @	India	10-Sep-12	80.32%	INR	1.00	-	-	-	-	-	-	-	-	-	-
27	Punj Lloyd Solar Power Limited	India	24-Dec-10	100.00%	INR	1.00	15.10	(0.27)	63.52	48.69	-	10.88	(0.81)	-	(0.81)	-
28	Khagaria Purnea Highway Project Limited	India	25-Feb-11	100.00%	INR	1.00	46.60	0.28	628.91	582.03	-	73.64	(0.18)	-	(0.18)	-
29	Indraprastha Metropolitan Development Limited	India	25-Feb-12	100.00%	INR	1.00	0.05	(0.41)	84.71	85.07	-	-	(0.01)	-	(0.01)	-
30	PL Surya Urja Limited	India	3-Sep-13	100.00%	INR	1.00	20.00	(3.19)	156.40	139.59	-	26.05	(1.77)	-	(1.77)	-
31	PL Sunshine Limited	India	5-Mar-15	100.00%	INR	1.00	21.10	(3.29)	148.07	130.26	-	22.14	(1.90)	-	(1.90)	-

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

PART "A" - SUBSIDIARIES

(All amounts in INR Crores, unless otherwise stated)

Sl. No.	Name of the Entities	Country of Incorporation	Date of Aquisition/ Incorporation	% holding of Group as on March 31, 2017	Reporting Currency	Exchange rate as on March 31, 2017	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
32	PL Sunrays Power Limited *	India	16-Nov-15	-	INR	1.00	-	-	-	-	-	0.00	(1.62)	(0.00)	(1.62)	-
33	PL Surya Vidyut Limited	India	9-Nov-15	100.00%	INR	1.00	0.01	(0.01)	2.12	2.12	-	-	(0.00)	-	(0.00)	-
34	PL Solar Renewable Limited *	India	26-Nov-15	-	INR	1.00	-	-	-	-	-	0.00	(1.36)	0.00	(1.36)	-
35	Punj Lloyd Pte Limited $	Singapore	28-Mar-06	100.00%	SGD	46.39	-	-	-	-	-	25.20	17.67	-	17.67	-
36	PT Punj Lloyd Indonesia $	Indonesia	28-Feb-97	100.00%	USD	64.85	-	-	-	-	-	21.00	12.38	0.03	12.41	-
37	PT Sempec Indonesia $	Indonesia	2-Jun-06	100.00%	USD	64.85	-	-	-	-	-	0.00	(0.29)	-	(0.29)	-
38	Punj Lloyd Engineers and Constructors Pte Limited $	Singapore	26-Nov-08	100.00%	SGD	46.39	-	-	-	-	-	0.84	0.84	-	0.84	-
39	Punj Lloyd Engineers and Constructors Zambia Limited $*	Zambia	14-Jan-13	-	ZMW	6.69	-	-	-	-	-	0.19	0.19	-	0.19	-
40	Buffalo Hills Limited $	British Virgin Islands	30-Sep-09	100.00%	USD	64.85	-	-	-	-	-	-	(0.00)	-	(0.00)	-
41	Indtech Trading FZE $	United Arab Emirates	7-Dec-10	100.00%	AED	17.65	-	-	-	-	-	-	(0.12)	-	(0.12)	-
42	Punj Lloyd Kenya Limited $*	Kenya	2-Mar-11	-	KES	0.63	-	-	-	-	-	-	(0.14)	-	(0.14)	-
43	Punj Lloyd Thailand (Co) Limited $	Thailand	6-Jun-11	100.00%	THB	1.89	-	-	-	-	-	-	(0.09)	-	(0.09)	-
44	Punj Lloyd Delta Renewables Pte Limited $*	Singapore	5-Nov-09	-	USD	64.85	-	-	-	-	-	0.01	(0.00)	-	(0.00)	-
45	Sembawang Engineers and Constructors Pte Limited $	Singapore	2-Jun-06	97.38%	SGD	46.39	-	-	-	-	-	38.12	(413.17)	0.14	(413.03)	-
46	Sembawang Development Pte Limited $	Singapore	2-Jun-06	97.38%	SGD	46.39	-	-	-	-	-	-	-	-	-	-
47	Contech Trading Pte Limited $	Singapore	2-Jun-06	97.38%	SGD	46.39	-	-	-	-	-	-	-	-	-	-
48	Sembawang Mining (Kekal) Pte Limited $	Singapore	31-Mar-11	97.38%	SGD	46.39	-	-	-	-	-	-	-	-	-	-
49	Sembawang (Tianjin) Construction Engineering Co. Limited $	China	2-Jun-06	68.17%	RMB	9.41	-	-	-	-	-	-	-	-	-	-
50	Sembawang UAE Pte Limited $	Singapore	2-Jun-06	97.38%	SGD	46.39	-	-	-	-	-	-	-	-	-	-
51	Sembawang Consult Pte Ltd. $	Singapore	8-Aug-06	97.38%	SGD	46.39	-	-	-	-	-	-	-	-	-	-
52	Sembawang (Malaysia) Sdn Bhd $	Malaysia	2-Jun-06	97.38%	MYR	14.65	-	-	-	-	-	-	-	-	-	-
53	Jurubina Sembawang (M) Sdn Bhd $	Malaysia	2-Jun-06	97.38%	MYR	14.65	-	-	-	-	-	-	-	-	-	-
54	Tueri Aquila FZE $	United Arab Emirates	2-Jun-06	97.38%	AED	17.65	-	-	-	-	-	-	-	-	-	-
55	Sembawang Equity Capital Pte Limited $	Singapore	1-Aug-09	97.38%	SGD	46.39	-	-	-	-	-	-	-	-	-	-
56	Sembawang Hong Kong Limited $*	Hong Kong	13-Oct-09	-	HKD	8.35	-	-	-	-	-	-	-	-	-	-
57	Sembawang (Tianjin) Investment Management Co Limited $	China	12-Nov-10	97.38%	RMB	9.41	-	-	-	-	-	-	-	-	-	-
58	PT Sembawang Indonesia $	Indonesia	28-Oct-10	97.38%	IDR	0.00	-	-	-	-	-	-	-	-	-	-
59	Reliance Contractors Private Limited $	Singapore	2-Aug-13	97.38%	SGD	46.39	-	-	-	-	-	-	-	-	-	-
60	Sembawang E&C Malaysia Sdn. Bhd. $	Malaysia	25-Jul-14	97.38%	MYR	14.65	-	-	-	-	-	-	-	-	-	-

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

PART "B" : JOINT VENTURES AND ASSOCIATES

(All amounts in INR Crores, unless otherwise stated)

Sl. No.	Name of Joint Ventures / Associates	Latest reported balance sheet date	No. of shares and amount of Investment held by the company at the year end	Extent of holding %	Networth attributable to shareholding as per latest reported balance sheet	Profit / (Loss) for the year considered in consolidation	Profit / (Loss) for the year not considered in consolidation	Description of how there is significant influence	Reason why the joint venture/ associate is not consolidated
Joint Ventures (Investment as per equity method)									
1	Thiruvananthpuram Road Development Company Limited @	-	17,030,000 equity shares amounting to ₹ 17.03 crores	50.00%	-	-	-		Held for disposal
2	Ramprastha Punj Lloyd Developers Private Limited	March 31, 2017	5,000 equity shares amounting to ₹ 0.01 crores	50.00%	-	-	-	Note - B	
3	Punj Lloyd Dynamic LLC $	March 31, 2017	Joint Venture of Punj Lloyd Engineers and Constructors Pte Limited	48.00%	-	-	-		
4	AeroEuro Engineering India Private Limited	March 31, 2017	Joint Venture of PL Engineering Limited	40.16%	-	-	-	Note - B	
5	PLE TCI Engineering Limited # @	-	Joint Venture of PL Engineering Limited	39.36%	-	-	-	Note - B	Held for disposal
6	PLE TCI Engenharia Ltda #	March 31, 2017	Joint Venture of PL Engineering Limited	39.36%	-	-	-	Note - B	
7	PT Kekal Adidaya $	March 31, 2017	Joint Venture of Sembawang Mining (Kekal) Pte Limited	48.69%	-	-	-		
Associates (Investment as per equity method)									
1	Air Works India (Engineering) Private Limited	March 31, 2017	Associate of Punj Lloyd Aviation Limited	23.24%	39.34	(5.72)	-	Note - B	

Notes:

A. Amounts below INR 50,000 are expressed as 0.00
B. There is significant influence due to percentage (%) of Share Capital.
C. Reporting period of all the entities is from April 01, 2016 to March 31, 2017. Entities sold are wherein the control was lost, during the year have been consolidated upto that date only.

*Entities either in the process of strike-off/liquidation or struck off/ liquidated during the year

Entities yet to commence operations

@Entities held with an intention of disposal in near future, hence excluded from consolidation.

$ Entities part of Punj Lloyd Pte. Limited Group. Refer note no. 38(g) to the standalone financial statments.

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

Atul Punj
Chairman and Managing Director
DIN: 00005612

Shiv Punj
Director
DIN: 03227629

Rahul Maheshwari
Chief Financial Officer

Dinesh Thairani
Group President – Legal & Company Secretary

Place: Gurugram
Date: May 27, 2017

Standalone
Ind-AS
Financial Statements

Independent Auditors' Report

To the Members of Punj Lloyd Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Punj Lloyd Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information, (hereinafter referred to as "the Standalone Ind AS Financial Statements") in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's overseas branches and an unincorporated joint venture.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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; the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the branches and an unincorporated joint venture, 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 state of affairs of the Company as at March 31, 2017, its loss, total comprehensive loss, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to note no. 32 to the standalone Ind AS financial statements regarding unbilled revenue (work-in-progress) aggregating ₹735.80 Crores as at March 31, 2017, representing claims made by the Company which are subject matter of arbitration. Pending ultimate outcome of the matter which is presently unascertainable, no adjustments have been made in the standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor Walker Chandiok & Co LLP whose report for the year ended March 31, 2016 and March 31, 2015 dated May 27, 2016 and May 22, 2015

respectively expressed an unmodified opinion on those standalone Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

We did not audit the Financial Statements of certain branches and an unincorporated joint venture included in the standalone Ind AS financial statements, whose financial statements reflect total assets (net of elimination) of ₹427.76 Crores at March 31, 2017 and total revenues (net of elimination) of ₹1,208.30 Crores for the year ended on that date. These financial statements have been audited by other auditors whose reports and additional information thereon have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and an unincorporated joint venture, is based solely on the reports of the such other auditors. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

c. The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

d. 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 and with the returns received from branches not visited by us;

e. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

f. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".

h. 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, as detailed in Note 29 to the standalone Ind AS financial statements;

   ii. the Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as detailed in Note 33 to the standalone Ind AS financial statements;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

   iv. the company has provided requisite disclosures in its Standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the company.

For **BGJC & Associates LLP**
(formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308
Place: Gurugram
Date: May 27, 2017

Annexure 1 to Independent Auditors' Report

(Referred to in paragraph on Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.

(b) The Company has a regular program of physical verification of its property, plant and equipments under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, certain property, plant and equipments were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipments' and 'Investment property') are held in the name of the Company, which have been verified from pledged documents.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification carried out during the year.

(iii) The Company has not granted any loans, secured or unsecured, to parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3 (iii) (a), 3 (iii) (b), 3 (iii) (c) of the Order are not applicable.

(iv) In our opinion, the provisions of clause 3(iv) of the order are not applicable since during the year, the Company has not entered into transaction covered under the sections 185 and 186 of the Act.

(v) In our opinion, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under subsection (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, have not been regularly deposited to the appropriate authority and there have been significant delays in a large number of 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 became payable.

(b) The dues outstanding with respect to sales tax, service tax, value added tax, entry tax, customs duty, excise duty on account of any dispute, are as follows:

₹ in crores

Nature of dues	Name of the statute	Amount	Paid under protest	Period to which it relates	Forum where dispute is pending
Sales Tax and Value Added Tax	Andhra Pradesh General Sales Tax Act, 1957	9.48	0.99	1998-99 to 2004-05, 2010-11	Sales Tax Appellate Tribunal, Vizag
	Bihar Value Added Tax Act, 2005	25.51	-	2009-10	Commercial Tax Tribunal, Patna
		0.83	-	2011-12	High Court, Patna
	Haryana Value Added Tax Act, 2003	4.64	0.91	2003-04, 2004-05 2005-06	Sales Tax Appellate Tribunal, Chandigarh
		0.79	-	2009-10	Joint Commissioner Appeal, Chandigarh

Annexure 1 to Independent Auditors' Report

Nature of dues	Name of the statute	Amount	Paid under protest	Period to which it relates	Forum where dispute is pending
	Madhya Pradesh Commercial Tax Act, 1994	0.05	-	2003-04	High Court, Bhopal
	Madhya Pradesh Value Added Tax Act, 2002	0.65	-	2009-10 2010-11	Commercial Tax Tribunal, Bhopal
	Punjab Value Added Tax Act, 2005	37.47	4.14	2008-09 2012-13	Joint Commissioner, Patiala
		24.33	2.36	2011-12	Commercial Tax Tribunal, Chandigarh
		21.39	-	2009-10, 2010-11	Joint Commissioner, Patiala
	Rajasthan Value Added Tax, 2003	1.80	-	2012-13	Deputy Commissioner, Kota
	Karnataka Value Added Tax Act, 2003	4.78	0.02	2009-10	High Court, Bengaluru
		7.30	-	2010-11, 2013-14	Joint Commissioner, Bengaluru
	West Bengal Value Added Tax Act, 2003	23.60	-	2009-10	Appellate & Revisional Board, Kolkata
		0.58	0.10	2012-13, 2013-14	Sr. Joint Commissioner (Appeal), Midnapur
	Orissa Value Added Tax Act, 2004	1.79	-	2010-11 to 2012-13	High Court, Cuttack
		20.96	0.13	2010-11 to 2012-13	Joint Commissioner Appeal, Cuttack
Entry Tax	Bihar Entry Tax Act, 1993	0.21	-	2009-10	Commissioner of Commercial Tax, Patna
	Haryana Local Area Development Tax Act, 2000	0.40	-	2003-04	Supreme Court, New Delhi
	Chhattisgarh Entry Tax Act,1976	0.26	0.35	2005-06, 2006-07	Supreme Court, New Delhi
	Madhya Pradesh Entry Tax Act, 1976	0.01	0.25	2003-04	High Court, Bhopal
		0.35	-	2009-10, 2010-11	Commercial Tax Tribunal, Bhopal
	Uttar Pradesh Trade Tax Act, 1948	0.11	-	2010-11	Additional Commissioner (Appeal), Aligarh
		0.85	-	1998-99, 2003-04	Additional Commissioner (Appeal), Mathura
	Karnataka Sales Tax Act,1957	0.12	0.57	2002-03, 2004-05	Jt. Commissioner Appeal, Bengaluru
Excise Duty	Central Excise Act, 1944	0.73	0.23	2006-07	Commissioner of Custom & Central Excise, Mumbai
Service Tax	The Finance Act, 2004 and the Service Tax Rules	8.06	-	2003-04, 2005-06, 2006-07	CESTAT, Delhi

Annexure 1 to Independent Auditors' Report

(viii) The Company has delayed in the repayment of dues to banks, financial institutions and debenture holders as detailed below:

₹ in crores

Particulars	Period of delays (in days)	
	Up to 90	91 and above
Banks		
Andhra Bank	6.84	0.11
Axis Bank Limited	9.27	0.87
Bank of Baroda	0.33	-
Bank of India	5.86	0.88
Central Bank of India	13.78	8.59
DBS Bank Limited	0.04	-
Dhanlaxmi Bank Limited	0.10	0.52
HDFC Bank Limited	0.08	-
IDBI Bank Limited	22.78	2.75
Indian Overseas Bank Limited	10.84	-
The Jammu And Kashmir Bank Limited	0.68	-
Karur Vysya Bank Limited	0.29	0.06
Oriental Bank of Commerce Limited	12.18	8.49
RBL Bank Limited	4.71	-
Standard Chartered Bank Limited	-	1.41
State Bank of Hyderabad	0.50	-
State Bank of India	10.22	0.01
State Bank of Patiala	7.34	3.33
United Bank of India	14.20	-
Financial Institutions		
IFCI Limited	76.64	18.16
L & T Infrastructure Finance Company Limited	0.05	12.54
Magma Fincorp Limited	0.09	1.31
Religare Finvest Limited	0.15	1.52
SREI Equipment Finance Limited	1.65	0.53
Tata Capital Financial Services Limited	1.58	1.18
Debentures	-	3.00

As at the year end, following are the amounts of defaults in repayment of dues to banks, financial institutions and debenture holders:

₹ in crores

Particulars	Period of default (in days)	
	Up to 90	91 and above
Banks		
Andhra Bank	1.57	-
Bank of Baroda	0.07	-
Bank of India	0.18	-
Central Bank of India	1.46	-
DBS Bank Limited	0.22	0.39
Dhanlaxmi Bank Limited	0.09	-
ICICI Bank Limited	2.84	8.93

Annexure 1 to Independent Auditors' Report

Particulars	Period of default (in days)	
	Up to 90	91 and above
IDBI Limited	2.23	-
The Jammu And Kashmir Bank Limited	0.34	0.34
Oriental Bank of Commerce Limited	3.36	-
RBL Bank Limited	1.47	-
Standard Chartered Bank Limited	24.64	143.78
State Bank of Hyderabad	0.36	-
State Bank of India	1.81	-
United Bank of India	3.38	-
Financial Institutions		
International Finance Corporation	10.64	49.77
IFCI Limited	8.86	-
L & T Infrastructure Finance Company Limited	10.01	-
SREI Infrastructure Finance Ltd	0.07	-
Tata Capital Financial Services Limited	0.50	-
Debentures	20.19	420.30

(ix) The Company has utilized the money raised by way of the term loans during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer/further public offer (including debt instruments) during the year.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year covered by our audit.

(xi) The Company has not paid / provided for any managerial remuneration. Accordingly, provisions of clause 3 (xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the order are not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the requisite details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) In our opinion, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
ICAI Firm Registration No.: 003304N

Darshan Chhajer
Partner
Membership No. 088308

Date: May 27, 2017
Place: Gurugram

Annexure 2 to Independent Auditors' Report

Referred to in paragraph under report on others Other Legal and Regulatory Requirements in Independent Auditors' Report of even date to the members of Punj Lloyd Limited on the standalone Ind AS financial statements for the year ended March 31, 2017.

Independent Auditors' report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the companies act 2013 "the Act"

We have audited the internal financial controls over financial reporting of Punj Lloyd Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditors' Responsibility

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 and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls over financial reporting. 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 were established and maintained and if such controls operated effectively in all material respects.

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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include 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 standalone Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 controls 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

In our opinion and based on reliance on work performed by other auditors, 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, 2017, 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 issued by the ICAI.

Other Matters

We did not audit the internal financial controls over financial reporting insofar as it related to certain branches and an unincorporated joint venture included in the standalone Ind AS financial statements, whose financial statements reflect total assets (net of elimination) of ₹427.76 Crores at March 31, 2017 and total revenues (net of elimination) of ₹1,208.30 Crores for the year ended on that date, our report on the adequacy and operating effectiveness of the internal financial controls over financial reporting for the Company, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid branches and an unincorporated joint venture, is solely based on the information provided by the auditors of such branches/ unincorporated joint venture. Our opinion is not modified in respect of this matter.

For **BGJC & Associates LLP**

(formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308
Place: Gurugram
Date: May 27, 2017

Balance Sheet
as at March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Notes	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	706.06	798.52	1,063.93
Capital work-in-progress		4.70	0.24	-
Investment property	5	91.42	93.07	94.72
Intangible assets	6	1.84	2.08	2.87
Intangible assets under development		0.72	0.62	2.89
Financial assets				
Investments	7(a)	772.73	1,726.97	1,949.22
Loans	7(b)	5.72	5.72	5.72
Other bank balances	7(e)	-	2.91	11.63
Deferred tax assets (net)	8	-	-	-
Other non-current assets	9	163.25	151.79	165.85
		1,746.44	**2,781.92**	**3,296.83**
Current assets				
Inventories	10	88.57	94.19	99.11
Unbilled revenue (work-in-progress)		6,133.46	6,237.72	5,958.61
Financial assets				
Loans	7(b)	396.49	410.90	726.35
Trade receivables	7(c)	2,386.60	2,098.89	2,008.12
Cash and cash equivalents	7(d)	366.15	316.34	182.73
Other bank balances	7(e)	119.40	56.86	63.90
Other financial assets	7(f)	236.46	466.67	282.85
Current tax assets (net)		49.37	167.47	255.64
Other current assets	9	486.50	289.51	580.15
		10,263.00	**10,138.55**	**10,157.46**
Total assets		**12,009.44**	**12,920.47**	**13,454.29**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	66.85	66.42	66.42
Other equity		136.30	1,917.31	3,645.37
Share application money pending allotment		0.20	-	-
		203.35	**1,983.73**	**3,711.79**
Non-current liabilities				
Financial liabilities				
Borrowings	12(a)	1,045.12	1,538.37	582.49
Provisions	13	4.06	1.50	0.58
Deferred tax liabilities (net)	8	-	-	-
Other non-current liabilities	14	-	-	6.37
		1,049.18	**1,539.87**	**589.44**
Current liabilities				
Financial liabilities				
Borrowings	12(b)	4,182.87	3,946.63	3,967.53
Trade payables		2,354.11	2,412.55	2,267.86
Other financial liabilities	12(c)	1,537.03	985.61	1,108.54
Other current liabilities	14	2,503.37	1,893.07	1,731.29
Provisions	13	124.41	103.46	18.61
Current tax liabilities (net)		55.12	55.55	59.23
		10,756.91	**9,396.87**	**9,153.06**
Total equity and liabilities		**12,009.44**	**12,920.47**	**13,454.29**
Summary of significant accounting policies	2			

The accompanying notes form an integral part of the financial statements.
This is the standalone balance sheet referred to in our report of even date.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Notes	Year ended	
		March 31, 2017	March 31, 2016
Income			
Revenue from operations	15	3,761.02	3,347.82
Other income	16	298.73	179.89
Total income		**4,059.75**	**3,527.71**
Expenses			
Projects materials consumed and cost of traded goods sold		1,651.56	1,731.26
Employee benefits expense	17	383.16	433.77
Other expenses	18	1,917.40	1,732.34
Total expenses		**3,952.12**	**3,897.37**
Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)		**107.63**	**(369.66)**
Depreciation and amortization expense	19	125.13	227.90
Finance costs	20	881.66	897.73
Loss before tax		**(899.16)**	**(1,495.29)**
Tax expenses	21		
- Current tax		6.86	17.84
- Adjustment of tax relating to earlier years		(55.44)	-
- Deferred tax		-	0.58
Total tax expense		**(48.58)**	**18.42**
Loss for the year		**(850.58)**	**(1,513.71)**
Other comprehensive income (OCI)			
A. OCI to be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of foreign operations		16.36	12.24
Net OCI to be reclassified to profit or loss in subsequent years		16.36	12.24
B. OCI not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(losses) on defined benefit plans		0.97	(0.40)
Net gain/ (loss) on FVTOCI of equity securities		(954.24)	(226.19)
Net OCI not to be reclassified to profit or loss in subsequent years		(953.27)	(226.59)
Other comprehensive income for the year, net of tax (refer note no. 8)		**(936.91)**	**(214.35)**
Total comprehensive income for the year		**(1,787.49)**	**(1,728.06)**
Earnings per equity share [nominal value per share ₹ 2 each (Previous year ₹ 2)]	22		
Basic and Diluted (in ₹)		(25.60)	(45.58)
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
This is the standalone statement of profit and loss referred to in our report of even date.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

Statement of Changes in Equity

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Equity share capital (A)	Other equity										Total (A+B)
		Reserves and Surplus						Other comprehensive income (OCI)			Total other equity (B)	
		Capital reserve	Securities premium reserve	Stock option outstanding account	Debenture redemption reserve	General reserve	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Other items of OCI		
As at April 01, 2015	66.42	25.61	2,486.60	-	112.87	98.18	155.56	766.55	-	-	3,645.37	3,711.79
Loss for the year	-	-	-	-	-	-	(1,513.71)	-	-	-	(1,513.71)	(1,513.71)
Change in fair value of investments	-	-	-	-	-	-	-	(226.19)	-	-	(226.19)	(226.19)
Currency translation differences	-	-	-	-	-	-	-	-	12.24	-	12.24	12.24
Remeasurement of the net defined benefit liability/ asset	-	-	-	-	-	-	-	-	-	(0.40)	(0.40)	(0.40)
OCI reclassifed to retained earnings	-	-	-	-	-	-	(0.40)	-	-	0.40	-	-
As at March 31, 2016	66.42	25.61	2,486.60	-	112.87	98.18	(1,358.55)	540.36	12.24	-	1,917.31	1,983.73
Exercise of Employee Stock Options	0.43	-	3.35	(3.35)	-	-	-	-	-	-	-	0.43
Employee stock option expense	-	-	-	6.48	-	-	-	-	-	-	6.48	6.48
Loss for the year	-	-	-	-	-	-	(850.58)	-	-	-	(850.58)	(850.58)
Change in fair value of investments	-	-	-	-	-	-	-	(954.24)	-	-	(954.24)	(954.24)
Currency translation differences	-	-	-	-	-	-	-	-	16.36	-	16.36	16.36
Remeasurement of the net defined benefit liability/ asset										0.97	0.97	0.97
OCI reclassifed to retained earnings	-	-	-	-	-	-	0.97	-	-	(0.97)	-	-
As at March 31, 2017	**66.85**	**25.61**	**2,489.95**	**3.13**	**112.87**	**98.18**	**(2,208.16)**	**(413.88)**	**28.60**	**-**	**136.30**	**203.15**

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

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2017	**March 31, 2016**
Cash flow from operating activities		
Loss before tax	**(899.16)**	**(1,495.29)**
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization expense	125.13	227.90
Profit on sale of property, plant & equipments (net)	(23.19)	(46.85)
Unrealized foreign exchange gain (net)	96.62	(23.69)
Unspent liabilities and provisions written back	(118.87)	(9.63)
Irrecoverable balances written off	366.30	293.07
Provision for foreseeable losses	23.11	85.03
Net gain on sale of long-term investments	-	(1.05)
Employee share based payment expense	6.13	-
Interest expense	817.25	722.05
Interest (income)	(100.16)	(77.12)
Dividend (income)	(0.23)	-
Operating profit before working capital changes	**292.93**	**(325.58)**
Movement in working capital:		
Trade payables	85.27	154.80
Provisions	23.92	85.36
Financial liabilities	(53.60)	(308.55)
Other liabilities	610.29	188.95
Trade receivables	(643.98)	(286.24)
Unbilled revenue (work-in-progress)	81.15	(364.14)
Inventories	5.62	4.92
Financial assets	183.14	76.16
Other assets	(208.44)	274.98
Cash generated from operations	376.30	(499.34)
Direct taxes refunds (net)	166.24	66.65
Net cash flow from operating activities (A)	**542.54**	**(432.69)**
Cash flow from investing activities		
Purchase of property, plant & equipments (including CWIP and capital advances)	(52.33)	(17.57)
Proceeds from sale of property, plant & equipments	38.05	80.51
Proceeds from sale of non-current investments (net)	-	4.83
Redemption/maturity in bank deposits (having original maturity of more than three months)	0.12	0.01
Interest received	37.50	67.08
Dividends received	0.23	-
Decrease/ (Increase) in margin money deposits	(59.75)	15.75
Net cash flow from investing activities (B)	**(36.18)**	**150.61**
Cash flow from financing activities		
Proceeds from long-term borrowings	113.11	1,234.23
Repayment of long-term borrowings	(137.66)	(207.39)
Proceeds/ (Repayment) from short-term borrowings (net)	236.24	(20.90)

Statement of Cash Flows
for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2017	**March 31, 2016**
Interest paid	(681.45)	(614.40)
Proceeds from exercise of stock options	0.63	-
Net cash flow from financing activities (C)	**(469.13)**	**391.54**
Net change in cash and cash equivalents (A + B + C)	**37.23**	**109.46**
Effect of exchange differences on cash and cash equivalents held in foreign currency	(7.43)	6.05
Exchange difference	17.55	15.50
Cash and cash equivalents at the beginning of the year	316.34	182.73
Cash and cash equivalents at the end of the year	**363.70**	**313.74**
Components of cash and cash equivalents		
Balances with banks:		
On current accounts	120.48	77.28
On EEFC account	166.78	136.37
Deposit with original maturity of less than three months	74.36	98.71
Cash on hand	4.53	3.98
Less : Book overdraft	(2.45)	(2.60)
Total cash and cash equivalents [refer notes 7(d) & 12(c)]	**363.70**	**313.74**

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

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

(All amounts in INR Crores, unless otherwise stated)

1. Corporate information

Punj Lloyd Limited (the Company) is a public limited company domiciled in India. Its equity shares are listed on two recognized stock exchanges in India. The principal place of business of the Company is located at Gurugram, India. The Company is primarily engaged in the business of engineering, procurement and construction in the oil, gas and infrastructure sectors. The Company caters to both domestic and international markets.

These financial statements for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the directors on May 27, 2017.

2. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

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

The financial statements up to the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under section 133 of the Act, read together with Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act, then applicable.

These financial statements are the first financial statements of the Company prepared in accordance with Ind AS. Refer note 40 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Basis of measurement

These financial statements have been prepared on an accrual and historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- certain items of property, plant and equipments which have been fair valued on the transition date

The Company has applied the same accounting policies for preparing its opening Ind AS financial statements and all subsequent periods presented in these financial statements.

(b) Property, plant and equipment

Property, plant and equipment, excluding freehold land, but including capital work-in-progress are stated at cost, less accumulated depreciation and impairment losses, if any. Freehold land is carried at historical cost. The cost includes the purchase price and expenditure that is directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with Ministry of Corporate Affairs ("MCA") circular dated August 09, 2012, exchange differences adjusted to the cost of tangible assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Transition to Ind AS

On transition to Ind AS, the Company has opted to fair value certain items of property, plant and equipment at the transition date, i.e., April 01, 2015 and used that as the deemed cost of the property, plant and equipment.

Depreciation method, estimated useful lives and de-recognition

Depreciation is calculated using the straight-line method to allocate the cost, net of the residual values, over the estimated useful lives as follows:

Asset Description	Useful lives (years)
Factory buildings	30
Other buildings	60
Plant and equipment	3 – 20

(All amounts in INR Crores, unless otherwise stated)

Furniture and fixtures, office equipments and tools	3 – 20
Vehicles	3 – 10

The property, plant and equipment acquired under finance leases, including assets acquired under sale and lease back transactions, is depreciated over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use thereof. Any gain or loss arising on de-recognition of the assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of profit and loss when the asset is derecognized.

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

(c) Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

Development expenditures are recognized as an intangible asset when the Company is able to demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use
- its intention to complete and its ability and intention to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during development

The Company amortizes intangible assets with finite lives using the straight-line method over the period of licenses or based on the nature and estimated useful economic life, i.e., six years, whichever is lower.

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

The amortized period and the method is reviewed at each financial year end and adjusted prospectively.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(d) 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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or countries in which the Company operates, or for the market in which the asset is used.

(All amounts in INR Crores, unless otherwise stated)

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been, had no impairment loss been recognized. Such reversal is recognized in the statement of profit and loss.

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as an investment property. Investment properties are measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives, i.e., 60 years.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(f) Sale and lease back transactions

If a sale and leaseback transaction results in a finance lease, the profit or loss, i.e., excess or deficiency of sale proceeds over the carrying amounts is deferred and amortized over the lease term in proportion to the depreciation of the leased asset. The unamortized portion of the profit is classified under "Other liabilities" in the financial statements.

If a sale and leaseback transaction results in an operating lease, profit or loss is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, the loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the profit is deferred and amortized over the period for which the asset is expected to be used.

(g) Leases

Where the Company is the lessee

Lease where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (see note 2.(k)).

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life or the lease term of the asset.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating lease is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are classified in the balance sheet based on their nature.

(h) Inventories

Project materials are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the materials to their present location and condition. Cost is determined on weighted average basis.

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.

(i) Unbilled revenue (work-in-progress)

Unbilled revenue (work-in-progress) 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.

(j) 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.

i) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing is classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue is classified under "Other liabilities" in the financial statements. Claims on construction contracts are included based on Management's estimate of the probability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Company assesses the carrying value of various claims periodically, and makes adjustments for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers.

ii) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company. Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Company's share in unincorporated joint ventures.

iii) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.

iv) Revenue from management services is recognized pro-rata over the period of the contract as and when the services are rendered.

v) Rental income arising from operating leases on investment properties is generally accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss. These are accounted for otherwise where the payments to the lessor are structured to increase in line with expected general inflation, to compensate for the expected inflationary cost increases.

vi) Interest income from debt instruments is recognized using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the

(All amounts in INR Crores, unless otherwise stated)

financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

vii) Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders of the investee approve the dividend.

viii) Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.

ix) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

(k) Borrowing costs

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 in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(l) Foreign currencies

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

ii) Transaction and balances

Transactions in foreign currencies are initially recorded in the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences resulting from the settlement or translation of such transactions are generally recognized in profit or loss, except the following:

a. Exchange differences are deferred in equity if they are attributable to part of the net investment in a foreign operation. They are recognized initially in other comprehensive income (OCI) and reclassified to statement of profit and loss on disposal of the net investment, as part of gain or loss on disposal.

b. Exchange differences arising on long-term foreign currency monetary items (recognized upto March 31, 2016), related to acquisition of a depreciable asset are capitalized and depreciated over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

iii) Translation of foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate of exchange at the reporting date,
- Income and expenses are translated at quarterly average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- All resulting exchange differences are recognized in OCI.

On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, i.e. April 01, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but comprises only translation differences arising after the transition date.

(m) 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.

A. Financial assets

(i) 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.

(ii) 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.

(iii) 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.

B. Financial liabilities

(i) 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.

(ii) 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.

(n) 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.

(o) Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and pension fund

Gratuity obligations

The Company operates a defined benefit gratuity plan for employees employed in India. The Company has obtained group gratuity scheme policies from Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the balance sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Company makes contribution to statutory provident fund and pension funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee benefits in overseas locations

In overseas branches and unincorporated joint venture operation, provision for retirement and other employee benefits are recognized as prescribed in the local labour laws of the respective country, for the accumulated period of service at the end of the financial year.

(p) Income taxes

Income tax comprises current income tax and deferred tax. The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction where the Company operates, adjusted by changes in deferred tax assets and liabilities attributed to temporary differences and to unused tax losses.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generate taxable income.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset 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 asset to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set-off current tax assets against liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of

(All amounts in INR Crores, unless otherwise stated)

profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is recognized in OCI or directly in equity, respectively.

(q) Segment reporting

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

(r) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year, adjusted for the events such as bonus issue, share split or otherwise that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss 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.

(s) Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the Company's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(t) Cash and cash equivalents

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

(u) Dividends

The Company recognized a liability for the amount of any dividend declared when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders.

(v) Contingent liabilities

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

(w) Provisions

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

(All amounts in INR Crores, unless otherwise stated)

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.

(x) Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the management considers this to be the project period.

(y) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. Significant accounting judgements, estimates and assumptions:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

Critical estimates and judgements

In applying the accounting policies, following are the items/ areas that involved a higher degree of judgement or complexity and which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Fair valuation of unlisted securities:

The fair value of financial instruments that are not traded in an active market is determined using internationally accepted valuation principles. The inputs to these valuations are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discount rates, liquidity risk, credit risk, earning growth factors and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Revenue recognition:

The Company uses the percentage-of-completion method (POCM) in accounting for its long term construction contracts. Use of POCM requires the Company to estimate the total cost to complete a contract. Changes in the factors underlying the estimation of the total contract cost could affect the amount of revenue recognized.

Impairment of financial assets:

The Company basis the impairment provisions for financial assets on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets:

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is sensitive to inputs like discount rate, expected future cash-inflows and growth rate used for extrapolation purposes.

Defined benefit plan (employee benefits):

The cost of defined benefit gratuity plan and other employee benefits and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(All amounts in INR Crores, unless otherwise stated)

Taxes:

Deferred tax assets are recognized for unused tax losses and unabsorbed depreciation to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company does not have any tax planning opportunities available that could support the recognition of unused tax losses and unabsorbed depreciation as deferred tax assets. On this basis, the Company has accounted for deferred tax assets on temporary differences, including unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized as at the balance sheet date, for which it is reasonably certain that future taxable income would be generated by reversal of such deferred tax liability.

4. Property, plant and equipment

	Land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Tools	Vehicles	Total
Gross carrying amount								
At April 01, 2015	100.11	88.12	1,931.34	30.79	19.19	13.36	80.16	2,263.07
Additions	-	-	20.90	0.05	0.21	-	0.18	21.34
Disposals (-)	-	-	257.36	3.74	5.86	0.19	10.76	277.91
Other adjustments								
Exchange differences	-	-	4.41	-	-	-	-	4.41
Currency translation	-	-	4.15	0.20	0.29	-	(1.13)	3.51
At March 31, 2016	**100.11**	**88.12**	**1,703.44**	**27.30**	**13.83**	**13.17**	**68.45**	**2,014.42**
Additions	-	-	46.87	0.09	-	0.04	-	47.00
Disposals(-)	-	-	153.43	7.95	1.69	-	3.57	166.64
Other adjustments								
Exchange differences	-	-	(1.98)	-	-	-	-	(1.98)
Currency translation	-	-	(9.31)	(0.36)	(0.11)	-	(3.48)	(13.26)
At March 31, 2017	**100.11**	**88.12**	**1,585.59**	**19.08**	**12.03**	**13.21**	**61.40**	**1,879.54**
Accumulated depreciation								
At April 01, 2015	-	-	1,083.99	25.50	17.99	6.28	65.38	1,199.14
Charge for the year	-	2.66	210.56	2.74	0.73	0.99	7.56	225.24
Disposals(-)	-	-	196.19	3.70	5.79	0.13	10.02	215.83
Other adjustments								
Currency translation	-	-	7.92	(0.26)	0.30	-	(0.61)	7.35
At March 31, 2016	**-**	**2.66**	**1,106.28**	**24.28**	**13.23**	**7.14**	**62.31**	**1,215.90**
Charge for the year	-	2.66	115.27	1.41	0.33	0.80	1.93	122.40
Disposals(-)	-	-	139.62	7.52	1.63	-	3.09	151.86
Other adjustments								
Currency translation	-	-	(9.13)	(0.34)	(0.10)	-	(3.39)	(12.96)
At March 31, 2017	**-**	**5.32**	**1,072.80**	**17.83**	**11.83**	**7.94**	**57.76**	**1,173.48**
Net block								
At April 01, 2015	**100.11**	**88.12**	**847.35**	**5.29**	**1.20**	**7.08**	**14.78**	**1,063.93**
At March 31, 2016	**100.11**	**85.47**	**597.17**	**3.02**	**0.60**	**6.03**	**6.14**	**798.52**
At March 31, 2017	**100.11**	**82.80**	**512.79**	**1.25**	**0.20**	**5.27**	**3.64**	**706.06**

(All amounts in INR Crores, unless otherwise stated)

a. The Company has elected to adjust exchange differences arising on translation/settlement of long-term foreign currency monetary items, pertaining to acquisition of a depreciable asset, to the cost of such asset. Accordingly, during the current year, foreign exchange gain of 1.98 (Previous year: foreign exchange loss of Regular 4.41) has been adjusted in the gross block of plant and equipment.

b. Gross block of vehicles includes vehicles of cost 1.25 (March 31, 2016: 1.25; April 01, 2015: 1.27) taken on finance lease. Accumulated depreciation there on is 1.25 (March 31, 2016: 1.14; April 01, 2015: 0.90).

c. Gross block of plant and equipment includes equipment of cost 105.35 (March 31, 2016: 110.11; April 01, 2015: 114.16) taken on finance lease. Accumulated depreciation thereon is 105.30 (March 31, 2016: 109.75; April 01, 2015: 75.90).

d. For assets pledged as security, refer note 12(a) & 12(b) and for capital commitments refer note 28.

5. Investment properties

	March 31, 2017	March 31, 2016
Gross carrying amount		
Opening gross carrying amount	98.76	98.76
Additions	-	-
Closing gross carrying amount	98.76	98.76
Accumulated depreciation		
Opening accumulated depreciation	5.69	4.04
Charge for the year	1.65	1.65
Closing accumulated depreciation	7.34	5.69
Net carrying amount (April 01, 2015: 94.72)	**91.42**	**93.07**

Amounts recognized in profit or loss for investment properties:

	March 31, 2017	March 31, 2016
Rental income	6.62	3.86
Direct operating expenses from property that generated rental income	(0.07)	(0.07)
Direct operating expenses from property that did not generated rental income	(0.58)	(0.80)
Profit from investment properties before depreciation	**5.97**	**2.99**
Depreciation	(1.65)	(1.65)
Profit from investment properties	**4.32**	**1.34**

There is no contractual obligation for repairs, maintenance or enhancements which has not been recognised as liability.

Leasing arrangements

The Company has leased its investment property to tenants on long-term operating lease, with rentals payable monthly. The non-cancellable period of lease is 5 years and includes an escalation clause of 15% after three years. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Within one year	6.62	6.62	-
Later than one year but not later than 5 years	16.32	22.94	-
Later than five years	-	-	-

Fair value			
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Investment properties	102.27	102.27	102.27

The fair value has been derived based on market observable inputs for identical assets.

(All amounts in INR Crores, unless otherwise stated)

6. Intangible assets*

	March 31, 2017	March 31, 2016
Gross carrying amount		
Opening gross carrying amount	3.09	2.87
Additions	0.83	0.22
Disposals(-)	0.00	-
Other adjustments		
Currency translation	0.00	(0.00)
Closing gross carrying amount	**3.92**	**3.09**
Accumulated amortization		
Opening accumulated amortization	1.01	-
Charge for the year	1.08	1.01
Disposals(-)	0.00	-
Other adjustments		
Currency translation	0.00	(0.00)
Closing accumulated amortization	**2.09**	**1.01**
Net block (April 01, 2015: 2.87)	**1.84**	**2.08**

*Software

7. Financial assets

7(a) Investments

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Fair valued through Other Comprehensive Income			
Trade investments			
Unquoted equity instruments			
Investment in subsidiaries			
Punj Lloyd International Limited	-	-	-
100,000 (March 31, 2016: 100,000; April 01, 2015: 100,000) equity shares of USD 1 each fully paid up.			
Punj Lloyd Industries Limited	11.47	10.70	12.65
11,500,195 (March 31, 2016: 11,500,195; April 01, 2015: 11,500,200) equity shares of ₹ 10 each fully paid up.			
Atna Investments Limited	0.70	0.45	0.41
515,221 (March 31, 2016: 515,221; April 01, 2015: 515,221) equity shares of ₹ 100 each fully paid up.			
PLN Construction Limited	-	-	-
2,000,000 (March 31, 2016: 2,000,000; April 01, 2015: 2,000,000) equity shares of ₹ 10 each fully paid up.			

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Punj Lloyd Pte Limited 573,346 (March 31, 2016: 573,346; April 01, 2015: 573,346) equity shares of SGD 100 each and 1 (March 31, 2016: 1; April 01, 2015: 1) equity share of SGD 1 fully paid up. Also refer note 38(g).	-	157.36	541.75
PL Engineering Limited 5,000,000 (March 31, 2016: 5,000,000; April 01, 2015: 5,000,000) equity shares of ₹ 10 each fully paid up.	48.77	52.00	52.00
PLI Ventures Advisory Services Private Limited Nil (March 31, 2016: Nil; April 01, 2015: 10,100) equity shares of ₹ 10 each fully paid up.	-	-	-
Punj Lloyd Aviation Limited 53,998,710 (March 31, 2016: 53,998,710; April 01, 2015: 53,998,710) equity shares of ₹ 10 each fully paid up.	49.35	49.35	61.07
Punj Lloyd Infrastructure Limited 22,650,000 (March 31, 2016: 22,650,000; April 01, 2015: 22,650,000) equity shares of ₹ 10 each fully paid up. Of the above, 6,795,000 (March 31, 2016: 6,795,000; April 01, 2015: Nil) equity shares are pledged with bank.	50.30	47.07	37.10
Punj Lloyd Upstream Limited 36,397,350 (March 31, 2016: 36,397,350; April 01, 2015: 36,397,350) equity shares of ₹ 10 each fully paid up.	-	-	-
Sembawang Infrastructure (India) Private Limited 9,575,000 (March 31, 2016: 9,575,000; April 01, 2015: 9,575,000) equity shares of ₹10 each fully paid up.	-	-	-
Indtech Global Systems Limited 82,418 (March 31, 2016: 82418; April 01, 2015: 82,418) equity shares of ₹100 each fully paid up.	1.02	0.97	0.92
Shitul Overseas Placement and Logistics Limited 102,000 (March 31, 2016: 102,000; April 01, 2015: 102,000) equity shares of ₹ 10 each fully paid up.	0.10	0.10	0.10
Dayim Punj Lloyd Construction Contracting Company Limited 51,000 (March 31, 2016: 51,000; April 01, 2015: 51,000) equity shares of SAR 20 each fully paid up.	44.35	13.89	6.06

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Spectra Punj Lloyd Limited 5,000,000 (March 31, 2016: 5,000,000; April 01, 2015: 5,000,000) equity shares of ₹10 each fully paid up.	-	-	-
Punj Lloyd Infrastructure Pte Limited 835,625 (March 31, 2016: 835,625; April 01, 2015: 10) equity shares of SGD 1 each fully paid up. Above equity shares are encumbered vide a non-disposal undertaking.	554.46	604.84	443.58
PT Punj Lloyd Indonesia 7,805 (March 31, 2016: 7,805; April 01, 2015: 7,805) equity shares of USD 500 each fully paid up.	-	-	-
Investment in joint ventures			
Thiruvananthpuram Road Development Company Limited Nil (March 31, 2016: Nil; April 01, 2015: 17,030,000) equity shares of ₹ 10 each fully paid up.	-	-	-
Ramprastha Punj Lloyd Developers Private Limited 5,000 (March 31, 2016: 5,000; April 01, 2015: 5,000) equity shares of ₹ 10 each fully paid up.	-	-	-
Investment in others			
GMR Hyderabad Vijaywada Expressways Private Limited 500,000 (March 31, 2016: 500,000; April 01, 2015: 500,000) equity shares of ₹ 10 each fully paid up.	-	-	-
Hazaribagh Ranchi Expressway Limited 13,100 (March 31, 2016: 13,100; April 01, 2015: 13,100) equity shares of ₹ 10 each fully paid up.	0.01	0.01	0.01
Kaefer Private Limited 74,520 (March 31, 2016: 74,520; April 01, 2015: 74,520) equity shares of ₹ 100 each fully paid up.	-	-	-
Unquoted other instruments **Investment in subsidiary**			
Punj Lloyd Pte Limited 450,000 (March 31, 2016: 450,000; April 01, 2015: 450,000) redeemable convertible preference share of SGD 100 each and 1,400,000 (March 31, 2016: 1,400,000; April 01, 2015: 1,400,000) redeemable convertible preference share A of SGD 100 each fully paid up. Also refer note 38(g).	-	782.46	782.46

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Punj Lloyd Kazakhstan LLP	12.19	7.76	11.08
KZT 1,107,977,200 (March 31, 2016: 1,107,977,200; April 01, 2015: 1,107,977,200) being 100% of the amount of Charter Capital.			
Non-trade			
Unquoted equity instruments			
Investment in others			
RFB Latex Limited	-	-	-
200,000 (March 31, 2016: 200,000; April 01, 2015: 200,000) equity shares of ₹ 10 each fully paid up.			
Arooshi Enterprises Private Limited	-	-	-
598,500 (March 31, 2016: 598,500; April 01, 2015: 598,500) equity shares of ₹ 10 each fully paid up.			
Quoted equity instruments			
Investment in others			
Reliance Defence and Engineering Limited	0.01	0.01	0.01
1,000 (March 31, 2016: 1,000; April 01, 2015: 1,000) equity shares of ₹ 10 each fully paid up.			
	772.73	**1,726.97**	**1,949.22**
Aggregate carrying value of quoted investments	0.01	0.01	0.01
Aggregate market value of quoted investments	0.01	0.01	0.01
Aggregate carrying value of unquoted investments	772.72	1,726.96	1,949.22

7(b) Loans

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Unsecured, considered good						
Security deposits	5.72	5.72	5.72	5.99	6.15	7.43
Loan to subsidiaries	-	-	-	388.88	401.93	717.55
Loan to employees	-	-	-	1.62	2.82	1.37
Unsecured, considered doubtful						
Loan to subsidiaries	-	-	-	47.00	40.65	46.67
Less: Allowance for doubtful loans	-	-	-	(47.00)	(40.65)	(46.67)
	5.72	**5.72**	**5.72**	**396.49**	**410.90**	**726.35**

(All amounts in INR Crores, unless otherwise stated)

7(c) Trade receivables

	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Unsecured, considered good	2,386.60	2,098.89	2,008.12
Doubtful	207.19	107.66	152.50
Less: Allowance for doubtful debts	(207.19)	(107.66)	(152.50)
Net trade receivables	**2,386.60**	**2,098.89**	**2,008.12**
Retention money included in total receivables	813.04	874.20	711.41

Of the above, trade receivables from related parties are as below:

	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Trade receivable from related parties	843.42	794.42	739.87
Less: Allowance for doubtful receivables	(81.87)	(48.81)	(55.92)
Net receivable	**761.55**	**745.61**	**683.95**

7 (d) Cash and cash equivalents

	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Balances with banks:			
On current accounts #	120.48	77.28	175.92
On EEFC account	166.78	136.37	1.60
Deposit with original maturity of less than three months	74.36	98.71	1.09
Cash on hand	4.53	3.98	4.12
	366.15	**316.34**	**182.73**
#Balance with banks in unpaid dividend accounts	0.19	0.22	0.25

7(e) Other bank balances

	Non-current			Current		
	As at			As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**	**March 31, 2017**	**March 31, 2016**	**April 01, 2015**
Deposits with original maturity for more than 12 months	-	-	-	0.18	0.30	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-	-	0.31
Margin money deposit	-	2.91	11.63	119.22	56.56	63.59
	-	**2.91**	**11.63**	**119.40**	**56.86**	**63.90**

(All amounts in INR Crores, unless otherwise stated)

7(f) Other financial assets

	Current		
	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Unsecured, considered good			
Advances to related parties	195.22	417.49	213.31
Interest receivable	21.19	29.08	56.27
Insurance claim receivable	15.73	15.71	-
Receivables against sale of investments	0.42	0.42	0.42
Assets held for disposal	3.86	3.86	7.63
Other receivable	0.04	0.11	5.22
Unsecured, considered doubtful			
Advances to related parties	17.42	12.89	5.91
Interest receivable from related parties	24.04	23.59	19.62
Less: Allowance for doubtful advances/receivable	(41.46)	(36.48)	(25.53)
	236.46	**466.67**	**282.85**

8. Deferred tax (net)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	39.70	32.43	5.93
Others	40.94	55.47	80.05
Unabsorbed tax losses#	165.68	339.40	256.68
Gross deferred tax assets	**246.32**	**427.30**	**342.66**
Deferred tax liability			
Property, plant and equipments, investment property & intangible assets	71.41	73.03	105.14
Financial assets carried at fair value through OCI	174.91	354.27	237.52
Gross deferred tax liability	**246.32**	**427.30**	**342.66**
Net Deferred tax liability	**-**	**-**	**-**

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

9. Other assets

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
(Unsecured, considered good)						
Capital advances	0.01	0.00	1.96	-	-	-
Advances other than capital advances						
Prepayments to vendors for supply of goods/ services	-	-	-	467.76	264.90	539.06
Prepaid expenses	4.62	4.84	5.05	3.01	1.11	3.80
Others						
Value added tax / sales tax recoverable (net)	158.62	146.95	131.08	-	-	-

(All amounts in INR Crores, unless otherwise stated)

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Balances with statutory/ government authorities	-	-	-	15.73	23.50	37.29
Export benefit receivable	-	-	27.76	-	-	-
	163.25	**151.79**	**165.85**	**486.50**	**289.51**	**580.15**

10. Inventories

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Project materials	88.57	94.19	99.11
	88.57	**94.19**	**99.11**

11. Equity share capital

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Authorized share capital			
450,000,000 (March 31, 2016: 450,000,000, April 01, 2015: 450,000,000) equity shares of ₹ 2 par value each	90.00	90.00	90.00
10,000,000 (March 31, 2016: 100,000,000, April 01, 2015: 10,000,000) preference shares of ₹ 10 par value each	10.00	10.00	10.00
	100.00	**100.00**	**100.00**
Issued, subscribed and fully paid-up shares			
Equity shares of ₹ 2 par value	66.85	66.42	66.42
	66.85	**66.42**	**66.42**

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

Equity shares

	As at March 31, 2017		As at March 31, 2016	
	Nos	Amount	Nos	Amount
At the beginning of the year	332,095,745	66.42	332,095,745	66.42
Exercise of Employee Stock Options	2,130,000	0.43	-	-
Outstanding as at the end of the year	334,225,745	66.85	332,095,745	66.42

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

(All amounts in INR Crores, unless otherwise stated)

(c) Details of shareholders holding more than 5% of the equity shares in the Company

Shareholder Name:	Cawdor Enterprises Limited		Spectra Punj Finance Private Limited	
	Nos.	% holding	Nos.	% holding
As at April 01, 2015	75,691,430	22.79	22,148,305	6.67
As at March 31, 2016	75,691,430	22.79	22,148,305	6.67
As at March 31, 2017	75,691,430	22.65	21,852,977	6.54

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, please refer note 24.

(e) Over the period of five years immediately preceding March 31, 2017, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

12. Financial liabilities

12 (a) Non-current borrowings

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Debentures (secured)						
10.50% debentures redeemable at par at the end of 5 years from the deemed date of allotment, i.e., October 15, 2010.	-	-	-	300.00	300.00	300.00
Secured by first charge on Flat No. 201, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India and subservient charge on the moveable tangible and current assets of the Company.						
12.00% debentures redeemable at par in ten equal half-yearly installments beginning at the end of 5 years from the date of allotment, i.e., January 02, 2009.	29.79	59.44	88.94	105.00	75.00	45.00
Secured by first pari passu charge on the moveable tangible assets of the project division of the Company and further secured by exclusive charge on the Flat No. 202, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India.						
Term loans						
Indian rupee loan from banks (secured)						
Loans carrying weighted average rate of interest of 10.44% (March 31, 2016: 11.88%; April 01, 2015: 11.49%), repayable in 36 to 60 monthly installments.	-	0.82	1.75	0.10	0.98	7.75
Secured by way of exclusive charge on the equipment purchased out of the proceeds of loans.						
Loans carrying weighted average rate of interest of 11.75% (March 31, 2016: 11.92%; April 01, 2015: 12.74%), repayable in 15 to 16 quarterly installments beginning at the end of 1 year from the disbursement.	-	6.19	36.91	9.38	22.29	44.05

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.						
Loan carried rate of interest of (March 31, 2016: 12.25%; April 01, 2015: 12.25%), repayable in 22 equal quarterly installments beginning at the end of 1 year from the date of first disbursement.	-	-	13.49	-	13.36	34.09
Secured by way of pari passu first charge on the existing and future moveable tangible assets of the project division of the Company, pari passu second charge on current assets of the project division of the Company (excluding receivables of the projects financed by other banks).						
Loan carrying rate of interest of 12.75% (March 31, 2016: 12.75%; April 01, 2015: 12.75%), repayable in 17 equal quarterly installments beginning at the end of 12 months from the date of first disbursement.	-	49.44	106.97	168.24	117.65	58.82
Secured by way of first charge on the corporate offices of the Company, at Plot No. 78 & 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India. Further secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company (upto 0.5 times of loan outstanding).						
Loans carrying weighted average rate of interest of 10.82% (March 31, 2016: 10.85%) repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement.	870.74	1,195.68	-	403.74	-	-
Secured by way of first ranking pari-passu charge on the existing and future current assets, except receivables of foreign projects financed by foreign lenders, of the Company and first ranking pari-passu charge on the existing and future movable and immovable tangible assets of the Company, except those specifically charged to others lenders of Company. Collaterally secured by personal guarantee of Chairman and Managing Director.Further secured by pledge of 17,516,100 equity shares of Air Works India (Engineering) Private Limited; first pari passu charge on the land & building at Malanpur (M.P); pledge of 6,795,000 shares of Punj Lloyd Infrastructure Limited and second charge on 74,667,260 shares of Company held by two promoter group companies, pledged to IFCI Limited.						
Foreign currency loan from banks (secured)						
3 months EBOR plus 2.50% (April 01, 2015: 3 months EBOR plus 2.50%) loan repayable in 14 equal quarterly installments, beginning at the end of 1 quarter from the date of its origination.	-	-	-	-	10.29	14.52
Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.						

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Foreign currency loan from others (secured)						
Loan carrying rate of interest of 5.77% (March 31, 2016: 5.77%, April 01, 2015: 5.77%), repayable in 17 equal half yearly installments, beginning at the end of 4 years from the date of its origination. Secured by first pari passu charge on the moveable tangible assets of the project division of the Company.	-	-	59.42	91.59	93.58	29.75
Indian rupee loan from financial institutions (secured)						
Loans carrying weighted average rate of interest of 12.80% (March 31, 2016: 12.91%; April 01, 2015: 13.12%), repayable in 29 to 60 monthly installments beginning at the end of 12 months from the date of first disbursement. Secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	23.47	26.61	2.56	6.73	3.38	36.41
Loan carrying rate of interest of 13.60% (March 31, 2016: 13.85%; April 01, 2015: 13.85%), repayable in 16 quarterly installments beginning at the end of 12 months from the date of first disbursement. Secured by way of first pari passu charge on existing and future moveable tangible assets of the project division of the Company.	7.25	-	-	4.75	12.50	18.75
Loan carried rate of interest of 16.00%, repayable in 12 monthly installments beginning at the end of 1 month from the date of first disbursement. Secured by way of first charge on the present and future current assets of the project division of the Company (excluding receivables of the projects financed by other banks).		-	-		-	6.00
Loan carrying rate of interest of 13.00% (March 31, 2016: 13.00%; April 01, 2015: 13.00%), repayable in 36 monthly installments starting from October 2016. Secured by way of first ranking pari-passu charge on entire current assets of the Company, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to other lenders of Company.	29.17	48.58	58.23	25.92	9.72	-
Loan carrying rate of interest of 13.25% (March 31, 2016: 13.25%; April 01, 2015: 13.95%), repayable in 12 equal quarterly installments after the moratorium period of 2 years from the date of disbursement.	71.66	132.98	182.72	66.67	66.67	16.67

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company and subservient charge on the corporate offices of the Company, at Plot No. 78 & 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India.						
Loan carrying rate of interest of 10.91% (March 31, 2016: 10.93%; April 01, 2015: 11.50%), repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement.	13.04	18.63	10.20	11.43	1.35	-
Secured by way of first ranking pari-passu charge on the existing and future current assets, except receivables of foreign projects financed by foreign lenders, of the Company and first ranking pari-passu charge on the existing and future movable and immovable tangible assets of the Company, except those specifically charged to others lenders of Company. Collaterally secured by personal guarantee of Chairman and Managing Director.Further secured by pledge of 17,516,100 equity shares of Air Works India (Engineering) Private Limited; first pari passu charge on the land & building at Malanpur (M.P); pledge of 6,795,000 shares of Punj Lloyd Infrastructure Limited and second charge on 74,667,260 shares of Company held by two promoter group companies, pledged to IFCI Limited.						
Other loans (secured)						
Finance lease obligations carried weighted average rate of interest of 14.89%.		-	21.30		-	39.58
Secured by first and exclusive charge by way of hypothecation on specific equipments financed through the loan.						
	1,045.12	**1,538.37**	**582.49**	**1,193.55**	**726.76**	**651.39**
The above amount includes						
Secured borrowings	1,045.12	1,538.37	582.49	1,193.55	726.76	651.39
Amount disclosed under the head "Other financial liabilities" (refer note 12(c))	-	-	-	(1,193.55)	(726.76)	(651.39)
Net amount	**1,045.12**	**1,538.37**	**582.49**	**-**	**-**	**-**

12 (b) Current borrowings

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Secured			
Working capital loan repayable on demand			
Loans carrying weighted average rate of interest of 13.75% (March 31, 2016: 12.91%, April 01, 2015: 13.28%).	161.39	281.48	153.82
Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company.			

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Loans carrying rate of interest of 12.50% (March 31, 2016: 12.50%, April 01, 2015: 12.50%).	26.91	27.49	25.85
Secured by way of exclusive charge on the receivables of the specific projects financed, first pari passu charge on the current assets of the project division (excluding receivables of the projects financed by the other banks), pari passu second charge on the movable tangible assets of the project division of the Company.			
Loans carrying weighted average rate of interest of 11.47% (March 31, 2016: 11.49%, April 01, 2015: 13.02%).	3,659.52	3,315.99	3,463.71
Secured by way of first ranking pari-passu charge on existing and future current assets of the Company, except receivables of foreign projects financed by foreign lenders. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to other lenders.			
Loan carrying rate of interest of 16.00% (March 31, 2016: 4.50%, April 01, 2015: Nil).	16.79	15.61	-
Secured by way of pari passu charge on the receivables financed.			
Loan carrying rate of interest of 3 months LIBOR + 6% (March 31, 2016: 3 months LIBOR + 6%, April 01, 2015: 3 months LIBOR + 6%).	255.78	278.60	136.19
Secured by way of pari passu charge on the receivables financed.			
Loan carrying rate of interest of 4.00% (March 31, 2016: 4.38%, April 01, 2015: Nil).	15.82	17.14	-
Secured by way of pari passu charge on the receivables financed.			
Loan carrying rate of interest of 3 Months FGB EIBOR + 2.5% (March 31, 2016: 3 Months FGB EIBOR + 2.5%, April 01, 2015: 3 Months FGB EIBOR + 2.5% p.a.).	26.56	10.32	5.49
Secured by way of charge on the receivables and assets of the project financed.			
Unsecured			
Buyer's line of credit from banks carried weighted average rate of interest of 1.92% (April 01, 2015: 0.82%).	20.10	-	141.49
Cash credit from a bank carried rate of interest of 3 months EIBOR + 2.5%.	-	-	40.98
	4,182.87	**3,946.63**	**3,967.53**
The above amount includes:			
Secured borrowings	4,162.77	3,946.63	3,785.06
Unsecured borrowings	20.10	-	182.47
	4,182.87	**3,946.63**	**3,967.53**

(All amounts in INR Crores, unless otherwise stated)

12(c) Other financial liabilities

	Current		
	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Current maturities of long term borrowings [note 12(a)]	1,193.55	726.77	651.39
Interest accrued but not due on borrowings	16.92	38.89	24.34
Interest accrued and due on borrowings	272.20	114.44	21.35
Book overdraft	2.45	2.60	-
Unpaid dividends #	0.19	0.22	0.25
Due to subsidiaries	43.92	94.71	403.32
Security deposits	7.80	7.98	7.89
	1,537.03	**985.61**	**1,108.54**

There is no amount currently due and outstanding which is to be credited to Investor Education and Protection Fund.

13. Provisions

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Provision for employee benefits						
Provision for gratuity (also refer note 23)	4.06	1.50	0.58	-	1.49	1.50
Provision for compensated absences	-	-	-	16.27	16.94	17.11
	4.06	**1.50**	**0.58**	**16.27**	**18.43**	**18.61**
Other provisions						
Provision for foreseeable losses	-	-	-	108.14	85.03	-
	-	**-**	**-**	**108.14**	**85.03**	**-**
	4.06	**1.50**	**0.58**	**124.41**	**103.46**	**18.61**

14. Other liabilities

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Service tax payable	-	-	-	18.30	0.76	0.23
Tax deducted at source payable	-	-	-	18.83	25.70	20.29
Advance billing	-	-	-	745.15	210.97	145.61
Advances from customers	-	-	-	1,712.68	1,654.08	1,535.52
Unearned income	-	-	6.37	-	-	27.16
Others	-	-	-	8.41	1.56	2.48
	-	**-**	**6.37**	**2,503.37**	**1,893.07**	**1,731.29**

(All amounts in INR Crores, unless otherwise stated)

15. Revenue from operations

	Year ended	
	March 31, 2017	March 31, 2016
Contract revenue	3,345.51	2,727.86
Sale of traded goods	337.87	556.93
Other operating revenue		
Hire charges	0.37	3.09
Management services	77.27	59.94
	3,761.02	**3,347.82**

16. Other income

	Year ended	
	March 31, 2017	March 31, 2016
Scrap sales	19.13	17.18
Insurance claims	9.53	-
Unspent liabilities and provisions written back	118.87	9.63
Interest income on		
Bank deposits	3.53	3.00
Financial assets, carried at amortized costs	70.10	33.26
Others	26.53	40.86
Net gain on sale of long-term investments	-	1.05
Profit on sale of property, plant & equipments (net)	23.19	46.85
Dividend income on non-trade long term investments	0.23	-
Rental income from investment property	6.62	3.86
Bad debts recovered	-	2.71
Others	21.00	21.49
	298.73	**179.89**

17. Employee benefit expense

	Year ended	
	March 31, 2017	March 31, 2016
Salaries, wages and bonus	340.88	389.74
Contribution to provident funds	12.62	10.84
Employee share based payment expense	6.13	-
Gratuity expense (also refer note 23)	2.06	1.92
Compensated absences	2.52	4.77
Staff welfare expenses	18.95	26.50
	383.16	**433.77**

(All amounts in INR Crores, unless otherwise stated)

18. Other expenses

	Year ended	
	March 31, 2017	March 31, 2016
Contractor charges	957.06	855.18
Site expenses	55.33	32.14
Diesel and fuel	63.83	38.44
Repair and maintenance		
Buildings	0.46	2.96
Plant and equipments	4.04	1.68
Others	2.18	2.10
Rent	26.83	24.21
Freight and cartage	43.38	35.23
Hire charges	51.47	58.53
Rates and taxes	29.91	12.97
Insurance	11.65	18.41
Travelling and conveyance	47.24	24.66
Payment to auditors (refer below)	0.53	1.26
Consultancy and professional	131.38	134.87
Exchange difference (net)	75.48	65.28
Irrecoverable balances written off [Including provision for ECL of 110.86 (Previous year: (-)39.90)]	366.30	293.07
CSR expenditure (also refer note 38(c))	0.00	0.01
Provision for foreseeable losses on onerous contract	23.11	85.03
Miscellaneous	27.22	46.31
	1,917.40	**1,732.34**

Details of payment to auditors:

	Year ended	
	March 31, 2017	March 31, 2016
As auditors:		
Audit fee	0.20	0.45
Limited reviews	0.30	0.70
Certification	0.02	0.06
Reimbursement of expenses	0.01	0.05
	0.53	**1.26**

19. Depreciation and amortization expense

	Year ended	
	March 31, 2017	March 31, 2016
Depreciation of property, plant and equipment	122.40	225.24
Depreciation on investment properties	1.65	1.65
Amortisation of intangible assets	1.08	1.01
	125.13	**227.90**

(All amounts in INR Crores, unless otherwise stated)

20. Finance costs

	Year ended	
	March 31, 2017	March 31, 2016
Interest	817.25	722.05
Bank charges	64.41	175.68
	881.66	**897.73**

21. Income tax expenses

	2016-17	2015-16
(a) Income Tax expense		
Current Tax	6.86	17.84
Adjustments for current tax of prior periods	(55.44)	-
Deferred Tax	-	0.58
Total tax expense	**(48.58)**	**18.42**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(899.16)	(1,495.29)
Tax at the Indian tax rate of 30.90% (Previous year - 30.90%)	(277.84)	(462.05)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Provisions for diminution in value of Investments	-	10.58
Tax losses of provision for unforeseeable losses & credit losses	27.68	26.28
Overseas tax	6.86	(48.79)
Effect of deferred tax asset not recognised	228.05	431.05
Tax relating to earlier years	(55.44)	-
Other items	22.11	61.36
Total tax expense	**(48.58)**	**18.42**
(c) Tax Losses:		
Unused tax losses for which no deferred tax asset has been recognised	2,294.83	727.76
Potential tax benefit @ tax rate	709.10	224.88

22. Earnings per share (EPS)

	2016-17	2015-16
Net loss after tax attributable to equity share holders	(850.58)	(1,513.71)
Weighted average number of equity shares outstanding during the year (Nos.)	332,200,786	332,095,745
Basic EPS (₹)	(25.60)	(45.58)
Adjustment for calculation of diluted EPS on account of stock options	1,803,559	-
Weighted average number of equity shares for calculating diluted EPS (Nos.) *	332,200,786	332,095,745
Diluted EPS	(25.60)	(45.58)
Nominal value per equity share (₹)	2.00	2.00

* As the Company has incurred loss during the current year, dilutive effect of stock options on weighted average number of equity shares would have an anti-dilutive impact and hence, not considered.

(All amounts in INR Crores, unless otherwise stated)

23. Post-employment benefit plans

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. All permanent employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognized funds (in form of insurance policies) in India.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, the funded status and the amounts recognized in the balance sheet for the plan.

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2016	**12.69**	**(9.70)**	**2.99**
Current service cost	1.84	-	1.84
Interest expenses/(income)	0.90	(0.68)	0.22
Total amount recognized in profit or loss	**2.74**	**(0.68)**	**2.06**
Re-measurements:			
- Due to changes in financial assumptions	(0.70)	-	(0.70)
- Due to experience adjustments	(1.53	-	1.53
- Return on assets (excluding interest income)	-	0.14	0.14
Total amount recognized in OCI	**0.83**	**0.14**	**0.97**
Benefits payments	(1.97)	1.97	-
Employer contributions	-	(0.02)	(0.02)
March 31, 2017	**12.63**	**(8.57)**	**4.06**

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2015	**11.93**	**(9.85)**	**2.08**
Current service cost	1.77	-	1.77
Interest expenses/(income)	0.89	(0.74)	0.15
Total amount recognized in profit or loss	**2.66**	**(0.74)**	**1.92**
Re-measurements:			
- Due to changes in financial assumptions	(0.04)	-	(0.04)
- Due to experience adjustments	(0.31)	-	(0.31)
- Return on assets (excluding interest income)	-	(0.05)	(0.05)
Total amount recognized in OCI	**(0.35)**	**(0.05)**	**(0.40)**
Benefits payments	(2.25)	2.25	-
Employer contributions	-	(1.41)	(1.41)
March 31, 2016	**12.69**	**(9.70)**	**2.99**

The net liability disclosed above entirely relates to the funded gratuity plans. 100% plan assets are allocated in insurance company products portfolio. The Company expects to contribute 1.50 (Previous year: 1.50) to gratuity fund in the next year.

(All amounts in INR Crores, unless otherwise stated)

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

	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	6.90%	7.75%	7.80%
Expected rate of return on assets	6.90%	9.00%	9.00%
Salary increase rate	5.50%	5.50%	5.50%
Employee turnover			
upto age 30 years	15.00%	15.00%	15.00%
31-44 years	10.00%	10.00%	10.00%
45 and above	5.00%	5.00%	5.00%
Retirement age (in years)	60	60	60
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate		

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Sensitivity analysis

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase by 50 basis points	Decrease by 3.24%
	Decrease by 50 basis points	Increase by 3.56%
Salary increase rate	Increase by 50 basis points	Increase by 4.04%
	Decrease by 50 basis points	Decrease by 3.56%

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which is the risk of change in the interest rates due to market volatility. A decrease therein will increase plan liabilities. Apart from the interest rate, the other significant risks associated with defined benefit plans are inflation risk, economic environment and regulatory changes.

The Company manages its investment positions to achieve long-term investments that are in line with the obligations under the employee benefit plans. The designated trust actively monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed its processes to manage its risks from previous periods.

Maturity profile of the defined benefit obligations

The weighted average duration of the defined benefit obligation is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

Period	Amount
Within one year	1.54
Between 1 – 2 years	1.28
Between 2 – 5 years	5.19
Over 5 years	11.26

(All amounts in INR Crores, unless otherwise stated)

24. Employee stock option plans (ESOP)

The Company provides various share based payment schemes to its employees. During the year ended March 31, 2017, the relevant details of the schemes are as follows:

	ESOP 2005	ESOP 2006
Date of Board of Directors approval	September 05, 2005 and February 12, 2016	June 27, 2006 and February 12, 2016
Date of Remuneration Committee approval	Various dates subsequent to September 05, 2005	Various dates subsequent to June 27, 2006
Date of Shareholder's approval	September 29, 2005 and April 3, 2006	September 22, 2006
Number of options	4,000,000	5,000,000
Method of settlement	Equity	
Vesting period (for fresh grant)	One year from the date of grant	
Exercise period (for fresh grant)	Five years from the date of vesting or one year from the date of separation from service, whichever is earlier	
Vesting condition	Employee should be in service	

The details of activities under ESOP 2005 have been summarized below:

	Number of options		Weighted average exercise price (₹)	
	2016-2017	2015-2016	2016-2017	2015-2016
Outstanding at the beginning of the year	2,972,760	-	2.00	-
Granted during the year	-	2,972,760	-	2.00
Exercised during the year	1,702,760*	-	2.00	-
Expired during the year	500,000	-	2.00	-
Outstanding at the end of the year	770,000	2,972,760	2.00	2.00
Exercisable at the end of the year	770,000	-	2.00	-

*Out of these, 770,000 ESOPs exercised on March 31, 2017 were allotted on April 26, 2017.

The details of activities under ESOP 2006 have been summarized below:

	Number of options		Weighted average exercise price (₹)	
	2016-2017	2015-2016	2016-2017	2015-2016
Outstanding at the beginning of the year	1,897,240	-	2.00	-
Granted during the year	-	1,897,240	-	2.00
Exercised during the year	1,447,240**	-	2.00	-
Expired during the year	250,000	-	2.00	-
Outstanding at the end of the year	200,000	1,897,240	2.00	2.00
Exercisable at the end of the year	200,000	-	2.00	-

**Out of these, 250,000 ESOPs exercised on March 31, 2017 were allotted on April 26, 2017.

The weighted average share price at the date of exercise of the options exercised during the year ended March 31, 2017 was ₹ 20.46. The weighted average remaining contractual life of the stock options outstanding as at March 31, 2017 is 2.45 years.

(All amounts in INR Crores, unless otherwise stated)

No options were granted during the year ended March 31, 2017. The fair value at the grant date of options granted during the year ended March 31, 2016 was ₹ 15.72, which was determined using the Black Scholes Model. The Model took into account the following inputs for computing the fair value:

Particulars	Input
Dividend yield (%)	7.50
Expected volatility (%) [computed based on past two years historical share price]	53.06
Risk-free interest rate (%)	7.87
Share price (₹)	22.40
Exercise price (₹)	2.00
Expected life of options granted (in years)	3.50

Total expenses arising from share based payments transactions recognized in profit & loss as part of employee benefit expense is 6.13 (previous year Nil).

25. Segment information

(a) Description of segments and principal activities

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

The Company has identified the business segments as reportable segment. The business segment comprise: Engineering, procurement and construction (EPC) services and Trading of goods. 'EPC' segment includes providing of engineering, procurement and construction services in oil, gas and infrastructure sectors and 'Trading of goods' segment includes purchase and sale of steel and related products.

(b) Summarized segment information is as follows:

	EPC		Traded goods		Corporate unallocable		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue (external)	3,345.88	2,730.95	337.87	556.93	77.27	59.94	3,761.02	3,347.82
Segment results	(224.56)	(717.06)	(3.39)	(1.31)	71.88	47.91	(156.07)	(670.45)
Finance costs							(881.66)	(897.73)
Interest income							100.16	77.12
Other income							38.41	(4.22)
Income tax							48.58	(18.42)
Net loss							(850.58)	(1,513.71)
Other information								
Depreciation and amortization	119.74	215.52	-	-	5.39	12.38	125.13	227.90
Other significant non-cash expense	372.43	265.31	-	-	57.95	27.76	430.38	293.07
Capital expenditure	45.82	20.85	-	-	7.35	1.57	53.17	22.42

Revenue (external) includes 1,104.36 generated from two customers contributing 10% or more of the total revenue (Previous year: 957.61 from two customers). These revenues are attributed to the EPC segment.

(All amounts in INR Crores, unless otherwise stated)

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

	2016-17	2015-16
India	1,856.37	1,374.62
Other countries	1,904.65	1,973.20
Total	**3,761.02**	**3,347.82**

(c) Segment assets and liabilities

As at March 31, 2017 and March 31, 2016

	EPC		Traded goods		Corporate unallocable		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment assets	9,155.46	9,045.30	600.23	566.73	2,253.75	3,308.44	12,009.44	12,920.47
Segment liabilities	4,765.19	4,191.44	201.92	193.44	6,838.98	6,551.85	11,806.09	10,936.73

As at April 01, 2015

	EPC	Traded goods	Corporate unallocable	Total
Segment assets	9,022.02	498.35	3,933.92	13,454.29
Segment liabilities	3,608.18	362.70	5,771.62	9,742.50

The total of non-current assets, other than financial assets and deferred tax assets, broken down by location of the assets is shown in the table below.

	March 31, 2017	March 31, 2016	April 01, 2015
India	840.69	896.73	1,060.45
Other countries	127.31	149.59	269.81
Total	**968.00**	**1,046.32**	**1,330.26**

26. Interest in other entities

(a) Subsidiaries

The Company's interest and share in subsidiaries are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Company, directly or indirectly, and the country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest as at		
		March 31, 2017	March 31, 2016	April 01, 2015
		%	%	%
Subsidiaries				
Spectra Punj Lloyd Limited	India	100.00	100.00	100.00
Punj Lloyd Industries Limited	India	99.99	99.99	100.00
Atna Investments Limited	India	100.00	100.00	100.00
PLN Construction Limited	India	100.00	100.00	100.00
Punj Lloyd International Limited	British Virgin Islands	100.00	100.00	100.00
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00	100.00	100.00
Punj Lloyd Pte. Limited $	Singapore	100.00	100.00	100.00

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at		
		March 31, 2017	March 31, 2016	April 01, 2015
		%	%	%
PL Engineering Limited	India	80.32	80.32	80.32
Punj Lloyd Infrastructure Limited	India	100.00	100.00	100.00
Punj Lloyd Upstream Limited	India	58.06	58.06	58.06
Punj Lloyd Aviation Limited	India	100.00	100.00	100.00
Sembawang Infrastructure (India) Private Limited	India	100.00	100.00	100.00
Indtech Global Systems Limited	India	99.99	99.99	99.99
Shitul Overseas Placement and Logistics Limited	India	100.00	100.00	100.00
PLI Ventures Advisory Services Private Limited	India	-	-	100.00
Dayim Punj Lloyd Construction Contracting Company Limited	Saudi Arabia	51.00	51.00	51.00
Punj Lloyd Infrastructure Pte. Limited	Singapore	100.00	100.00	100.00
Punj Lloyd Building and Infrastructure Private Limited	Sri Lanka	100.00	100.00	-
Step Down Subsidiaries				
PT Punj Lloyd Indonesia $	Indonesia	100.00	100.00	100.00
PT Sempec Indonesia $	Indonesia	100.00	100.00	100.00
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00	100.00
Punj Lloyd Sdn. Bhd.	Malaysia	100.00	100.00	100.00
Punj Lloyd Engineers and Constructors Pte. Limited $	Singapore	100.00	100.00	100.00
Punj Lloyd Engineers and Constructors Zambia Limited $*	Zambia	-	100.00	100.00
Buffalo Hills Limited $	British Virgin Islands	100.00	100.00	100.00
Indtech Trading FZE $	United Arab Emirates	100.00	100.00	100.00
PLI Ventures Limited	Mauritius	-	-	100.00
Punj Lloyd Aviation Pte. Limited	Singapore	100.00	100.00	100.00
Christos Aviation Limited	Bermuda	100.00	100.00	100.00
Punj Lloyd (B) Sdn. Bhd.	Brunei	-	-	100.00
Punj Lloyd Kenya Limited $*	Kenya	-	100.00	100.00
PL Global Developers Pte. Limited	Singapore	-	-	100.00
Graystone Bay Limited	British Virgin Islands	-	-	100.00
Punj Lloyd Thailand (Co.) Limited $	Thailand	100.00	100.00	100.00
Punj Lloyd Delta Renewables Pte. Limited $*	Singapore	-	51.00	51.00
Indraprastha Renewables Private Limited (formerly Punj Lloyd Delta Renewables Private Limited)	India	100.00	51.00	51.00
Punj Lloyd Delta Renewables Bangladesh Limited*	Bangladesh	-	51.00	51.00
Punj Lloyd Raksha Systems Private Limited	India	51.00	51.18	100.00
Punj Lloyd Engineering Pte. Limited	Singapore	80.32	80.32	80.32
Simon Carves Engineering Limited *	United Kingdom	-	80.32	80.32
PL Delta Technologies Limited @	India	80.32	80.32	80.32
Punj Lloyd Solar Power Limited	India	100.00	100.00	100.00

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at		
		March 31, 2017	March 31, 2016	April 01, 2015
		%	%	%
Khagaria Purnea Highway Project Limited	India	100.00	100.00	100.00
Indraprastha Metropolitan Development Limited	India	100.00	100.00	100.00
PL Surya Urja Limited	India	100.00	100.00	100.00
PL Sunshine Limited	India	100.00	100.00	100.00
PL Solar Renewable Limited *	India	-	100.00	-
PL Surya Vidyut Limited	India	100.00	100.00	-
PL Sunrays Power Limited *	India	-	100.00	-
Sembawang Engineers and Constructors Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang Development Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang Libya for General Contracting & Real Estate Investment Joint Stock Company	Libya	-	-	63.30
Contech Trading Pte. Limited $	Singapore	97.38	97.38	97.38
Construction Technology (B) Sdn. Bhd.	Brunei	-	-	97.38
Sembawang Mining (Kekal) Pte. Limited $	Singapore	97.38	97.38	97.38
PT Indo Precast Utama	Indonesia	-	-	97.38
PT Indo Unggul Wasturaya	Indonesia	-	-	65.24
Sembawang (Tianjin) Construction Engineering Co. Limited $	China	68.17	68.17	68.17
Sembawang Infrastructure (Mauritius) Limited	Mauritius	-	-	97.38
Sembawang UAE Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang Consult Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang (Malaysia) Sdn. Bhd. $	Malaysia	97.38	97.38	97.38
Jurubina Sembawang (M) Sdn. Bhd. $	Malaysia	97.38	97.38	97.38
Tueri Aquila FZE $	United Arab Emirates	97.38	97.38	97.38
Sembawang Bahrain SPC	Bahrain	-	-	97.38
Sembawang Equity Capital Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang of Singapore – Global Project Underwriters Pte. Limited	Singapore	-	-	97.38
Sembawang of Singapore – Global Project Underwriters Limited	Hong Kong	-	-	97.38
Sembawang Hong Kong Limited $*	Hong Kong	-	97.38	97.38
Sembawang (Tianjin) Investment Management Co. Limited $	China	97.38	97.38	97.38
PT Sembawang Indonesia $	Indonesia	97.38	97.38	97.38
Reliance Contractors Private Limited $	Singapore	97.38	97.38	97.38
Sembawang E&C Malaysia Sdn. Bhd. $	Malaysia	97.38	97.38	97.38

(All amounts in INR Crores, unless otherwise stated)

(b) Joint operations

The Company's interest in joint operations is set out below.

Name of entity	Nature of operations	Place of business	Ownership interest as at		
			March 31, 2017	March 31, 2016	April 01, 2015
			%	%	%
Joint operations of the Company:					
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Revival of Ratnagiri Gas and Power Private Limited LNG Terminal project	India	50.00	50.00	50.00
Punj Lloyd Group Joint Venture	Design and construction services of platform compression facilities	Thailand	75.00	75.00	75.00
Public Works Company Tripoli Punj Lloyd Joint Venture	Laying of sewerage and water pipeline and city road development	Libya	60.00	60.00	60.00
Joint operations through subsidiaries:					
Kumagai-Sembawang-Mitsui Joint Venture $	Design and construction of the Potong Pasir and on Keng MRT Stations, including tunnels	Singapore	43.82	43.82	43.82
Kumagai-SembCorp Joint Venture $	Design and construction of Paya Lebar Deep Tunnel Sewerage System	Singapore	48.69	48.69	48.69
Kumagai-SembCorp Joint Venture (DTSS) $	Design and construction of the Changi Airport MRT Station, including tunnels	Singapore	48.69	48.69	48.69
Semb-Corp Daewoo Joint Venture $	Design and construction of Kallang and Paya Lebar Expressway	Singapore	58.43	58.43	58.43
Sembawang – Leader Joint Venture	Construction of Shatin to Central Link Diamond Hill Station	Hong Kong	-	-	53.56

Joint venture partners have direct rights to the assets of the operations and are jointly and severally liable for liabilities incurred by the operations. The Company recognizes its direct right to the jointly held assets, liabilities, revenue and expenses.

(c) Interest in associates and joint ventures

The Company's interest and share in associates and joint ventures are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Company, directly or indirectly, and the country of incorporation or registration is also their principal place of business.

Name of entity	Nature of operations	Place of business	Ownership interest as at		
			March 31, 2017	March 31, 2016	April 01, 2015
			%	%	%
Joint ventures of the Company:					
Thiruvananthpuram Road Development Company Limited@	Thiruvananthpuram city road improvement	India	50.00	50.00	50.00
Ramprastha Punj Lloyd Developers Private Limited	Real estate developers	India	50.00	50.00	50.00
Joint ventures through subsidiaries:					
PT Kekal Adidaya $	Extraction of coal	Indonesia	48.69	48.69	48.69
AeroEuro Engineering India Private Limited	Designing in aerospace sector	India	40.16	40.16	40.16

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Nature of operations	Place of business	Ownership interest as at		
			March 31, 2017	March 31, 2016	April 01, 2015
			%	%	%
Punj Lloyd Dynamic LLC $	Construction work	Qatar	48.00	48.00	48.00
Sembawang Caspi Engineers and Constructors LLP	Engineering, procurement and construction work	Kazakhstan	-	-	48.69
PLE TCI Engenharia Ltda	Engineering and design consultancy services	Brazil	39.36	39.36	39.36
Sembawang Precast System LLC	Pre cast production including precasting of columns and tunnel segments	United Arab Emirates	-	-	48.69
PLE TCI Engineering Limited @	Engineering and Designing	India	39.36	39.36	39.36
Associates through subsidiaries:					
Air Works India (Engineering) Private Limited	Aviation – Maintenance, Repair and Overhaul	India	23.24	23.30	23.30
Reco Sin Han Pte. Limited	Real estate developers	Singapore	-	-	19.48

$ Entities part of Punj Lloyd Pte. Limited Group ('PLPL Group'). Pursuant to appointment of judicial manager of PLPL by the Singapore High Court as per the Singapore Companies Act w.e.f. June 27, 2016, the Company has lost control over the PLPL Group. Also refer note 38(g).
* Entities filed for strike-off/ liquidation or struck-off/ liquidated/ sold during the year.
@ Entities held with an intention of disposal in near future.

27. Related Parties

(a) Details of related parties

(i) Parties over which the Company has control

Interest in subsidiaries, including associates and joint ventures, are set out in note 26.

(ii) Key management personnel

Atul Punj	Chairman and Managing Director
Atul Kumar Jain	Director (w.e.f. August 10, 2016)
Shiv Punj*	Director (w.e.f. March 25, 2016)
Luv Chhabra**	Director (Corporate Affairs)
P. N. Krishnan**	Director – Finance
J. P. Chalasani**	Managing Director & Group CEO

*Prior to his appointment as a Director, he used to be a relative of a KMP.
**Resigned in previous year.

Non-executive director

Jyoti Punj (w.e.f. August 18, 2016)

Non-executive and independent directors

Phiroz Vandrevala
Uday Walia
Shravan Sampath
Rajat Khare

(All amounts in INR Crores, unless otherwise stated)

(iii) Enterprises over which Key Managerial Personnel or their relatives exercise significant influence and with whom transactions have taken place during the year:

Pt. Kanahya Lal Dayawanti Punj Charitable Society	- Chairmanship of Father of Chairman
PTA Engineering and Manpower Services Private Limited	- Shareholding of Chairman
PLE Hydraulics Private Limited	- Shareholding of Chairman
Artcon Private Limited	- Shareholding of Chairman
Manglam Equipment Private Limited	- Shareholding of Chairman
Petro IT Limited	- Shareholding of Brother of Chairman

(iv) Other related parties – Post employment benefit plan of the Company

Punj Lloyd Group Employee's Provident Fund Trust
Punj Lloyd Employee's Group Gratuity Trust
Punj Lloyd Group Employee's Superannuation Trust

(b) Key management personnel (KMP) compensation

	2016-17	2015-16
Short-term employee benefits	-	4.96
Post-employment benefits *	-	0.55
	-	**5.51**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, these amounts pertaining to KMP are not identifiable and reportable.

(c) Transaction with related parties

	2016-17	2015-16
Sales and purchase of goods and services		
With subsidiaries:		
Contract revenue	5.40	148.89
Sale of traded goods	88.38	268.21
Hire income	-	1.94
Management services	14.56	27.39
Interest income	7.75	9.46
Other income	9.51	4.82
Project material consumed and cost of goods sold	-	69.55
Contractor charges	23.94	49.24
Repair and maintenance	-	0.11
Hire charges	-	2.44
Consultancy and professional	19.08	23.06
With enterprises where KMPs or their relatives have influence		
Rent expense	2.13	3.55
With relative of KMP		
Employee benefit expenses	-	0.27
With other related parties - post employment benefit plans		
Contribution towards post employment benefit plans	5.32	7.12
Other transactions		
With subsidiaries:		
Investments made	-	3.94
Loan received back	5.71	9.04

(All amounts in INR Crores, unless otherwise stated)

(d) Outstanding balances

	March 31, 2017	March 31, 2016	April 01, 2015
Subsidiaries			
Loan receivable	435.88	442.58	764.22
Trade receivable	841.89	792.89	738.34
Interest receivable	35.63	35.67	62.48
Other advances (advances to related parties)	212.63	343.86	140.06
Other payable (Due to related parties)	(-) 43.92	(-) 94.71	(-) 403.32
Mobilization advance	(-) 9.45	(-) 35.16	(-) 30.58
Associate			
Trade receivable	1.53	1.53	1.53
Joint operation			
Other advances (advances to related parties)	-	86.52	79.16
Enterprises where KMPs or their relative have influence			
Trade payable	(-) 5.06	(-) 3.82	(-) 2.21
KMP remuneration payable	-	(-) 0.20	(-) 0.27

(e) Commitments on behalf of related parties

	March 31, 2017	March 31, 2016	April 01, 2015
Subsidiaries			
Bank guarantees	586.39	837.45	948.16
Corporate guarantees	3,164.93	3,204.45	3,782.83

(f) Cumulative provision for doubtful debts against outstanding balances

	March 31, 2017	March 31, 2016	April 01, 2015
Subsidiaries			
Loan receivable	47.00	40.65	46.67
Trade receivable	81.87	48.81	55.92
Interest receivable	24.04	23.59	19.62
Other advances (advances to related parties)	17.42	12.89	5.91

(g) Terms and conditions of transactions with related parties

All related party transactions are in ordinary course of business and on arm's length basis. All outstanding balances are unsecured and repayable in cash.

28. Commitments

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognized as liabilities (net of advances) is as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Property, plant and equipment	6.17	30.52	0.00
Intangible assets	1.64	0.00	0.20

(All amounts in INR Crores, unless otherwise stated)

(b) Non-cancellable operating leases

The Company leases various offices and guest houses under non-cancellable operating leases expiring, generally, within eleven months to three years. There are no contingent rents in the lease agreements. Upon renewal, the terms of the leases are renegotiated. There is no escalation clause in the lease agreements. There are no significant restrictions imposed by lease arrangements. The amount of total future minimum lease payments under non-cancellable operating leases as at March 31, 2017 is Nil (Previous year: Nil). Rental expenses relating to operating lease for the year ended March 31, 2017 is 26.83 (Previous year: 24.21).

(c) Finance lease obligations

The Company has finance leases and hire purchase contracts for certain project equipments, vehicles and building, the cost of which is included in the gross block of plant and equipment, vehicles and investment property respectively under tangible assets and investment properties. The lease term is for one to ninety nine years. There is no escalation clause in the lease agreements. There are no significant restrictions imposed by lease arrangements.

	March 31, 2017	March 31, 2016	April 01, 2015
Gross block at the end of financial year	205.36	210.12	214.19
Written down value at the end of financial year	91.47	93.54	133.35
Details of payments made during the year:			
Principal	-	60.88	36.49
Interest	-	8.14	12.04

The break-up of minimum lease payments outstanding as at reporting date is as under

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015		
	Total	Total	Principal	Interest	Total
Payable within one year	-	-	39.58	6.64	46.22
Payable after one year but before end of fifth year	-	-	21.30	1.50	22.80

29. Contingent liabilities

		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
a)	Liquidated damages deducted by customers not accepted by the Company and pending final settlement. #	113.05	113.05	170.05
b)	Corporate guarantees given on behalf of subsidiaries, joint ventures and associates	1,681.13	1,754.46	1,863.91
c)	Value added tax demands: *			
	on disallowance of deduction on labour and services of the works contracts pending with sales tax authorities and High Court	3.14	16.57	39.29
	for non submission of statutory forms	0.11	0.11	0.11
	for purchases against statutory forms not accepted by department	8.49	7.76	8.76
	against the CST demand on sales in-transit/ sale in the course of import	0.79	0.07	2.84
d)	Entry tax demands *	3.97	3.99	4.68

excludes possible liquidated damages which can be levied by customers for delay in execution of projects. The management, based on consultation with various experts, believes that there exist strong reasons why no liquidated damages shall be levied by these customers. Although, there can be no assurances, the Company believes, based on information currently available, that the

(All amounts in INR Crores, unless otherwise stated)

ultimate resolution of these proceedings is not likely to have an adverse effect on the results of operations, financial position or liquidity of the Company.

*The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of the above matters. However, based on favorable decisions/outcomes in similar cases earlier and based on legal opinions /consultations with solicitors, the management believes that there are good chances of success in above mentioned cases and hence, no provision there against is necessary.

e) In respect of the direct tax matters which are subject to legal proceedings in the ordinary course of business, the management, based on the expert opinions, is confident that these matters, when ultimately concluded, will not have a material impact on the result of operations or the financial position of the Company.

f) The Company, directly or indirectly through its subsidiaries, is severally or jointly involved in certain legal cases with its customers / vendors in the ordinary course of business. The management believes that due to the nature of these disputes and in view of numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial changes. The Company regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, changes its estimates accordingly. In view of aforesaid reasons, as of the reporting date, it is unable to determine the ultimate outcome of these matters.

30. Loans and advances in the nature of loans given to subsidiaries in terms of disclosure required as per Schedule V, read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the entities	Outstanding amount as at *			Maximum amount outstanding during the year ended	
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016
Punj Lloyd Kazakhstan LLP	34.16	34.90	33.26	34.90	34.90
Punj Lloyd Pte Limited	-	-	313.83	-	313.83
Punj Lloyd Aviation Limited	27.44	27.44	27.44	27.44	27.44
Punj Lloyd Infrastructure Limited	310.49	315.49	315.51	315.49	315.51
Punj Lloyd Upstream Limited	16.79	16.81	16.81	16.81	16.81
PT Punj Lloyd Indonesia	-	7.29	6.94	7.29	7.29
Punj Lloyd International Limited	-	-	-	-	-
PLI Ventures Advisory Services Private Limited	-	-	-	-	-
Sembawang Infrastructure (India) Private Limited	-	-	-	-	-
Spectra Punj Lloyd Limited	-	-	-	-	-
Punj Lloyd Infrastructure Pte. Limited	-	-	3.76	-	3.94
PLN Construction Limited	-	-	-	-	4.88

All the above loans are repayable on demand.
*Represent amounts net of provision captured on 'Expected Credit Loss (ECL)' method as per Ind-AS 109 – Financial Instruments.

31. The disclosures as per provisions of Clauses 39, 40 and 42 of Indian Accounting Standard 11 – 'Construction Contracts' are as under:

		2016-17	2015-16
a)	Contract revenue recognized as revenue in the period (Clause 39 (a))	3,330.07	2,714.34
b)	Aggregate amount of costs incurred and recognized profits (less recognized losses) up to the reporting date on contract under progress (Clause 40 (a))	16,829.22	16,056.17
c)	Advance received on contract under progress (Clause 40 (b))	1,712.68	1,654.08
d)	Retention amounts on contract under progress (Clause 40 (c))	813.04	874.20
e)	Gross amount due from customers for contract work as an asset (Clause 42(a))	6,133.46	6,237.72
f)	Gross amount due to customers for contract work as a liability (Clause 42 (b))	745.15	210.97

(All amounts in INR Crores, unless otherwise stated)

32. The Company, during earlier years, accrued claims amounting to 735.80 (Previous year 735.80) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on the said project since it was of the view that the delay in execution of the project was attributable to the customer. After all the discussions in various forums to resolve the matter mutually failed, the Company, with a view to resolve the matter in finality, expeditiously and with legal enforceability, re-commenced the arbitration proceedings. The management is confident of satisfactory settlement of the dispute and recovery of the said amounts, accordingly no adjustments have been considered necessary in these financial statements.

33. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/ Indian Accounting Standards for the material foreseeable losses on such long term contracts (including derivative contracts, if any) has been made in the books of accounts.

34. The Company has defaulted in repayment of dues (including interest) amounting to 717.80 as on March 31, 2017 (March 31, 2016: 563.44; April 01, 2015: 92.55).

35. Financial instruments

(a) Financial instruments by category

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	FVTOCI	Amortized cost	FVTOCI	Amortized cost	FVTOCI	Amortized cost
Financial assets						
Non-current investments	772.73	-	1,726.97	-	1,949.22	-
Trade receivables	-	2,386.60	-	2,098.89	-	2,008.12
Loans	-	402.21	-	416.62	-	732.07
Cash and cash equivalents	-	366.15	-	316.34	-	182.73
Other bank balances	-	119.40	-	59.77	-	75.53
Other financial assets	-	236.46	-	466.67	-	282.85
	772.73	**3,510.82**	**1,726.97**	**3,358.29**	**1,949.22**	**3,281.30**
Financial liabilities						
Borrowings	-	5,227.99	-	5,485.00	-	4,550.02
Trade payables	-	2,354.11	-	2,412.55	-	2,267.86
Other financial liabilities	-	1,537.03	-	985.61	-	1,108.54
	-	**9,119.13**	**-**	**8,883.16**	**-**	**7,926.42**

(b) Fair value hierarchy

Financial instruments are classified into three levels in order to provide an indication about the reliability of the inputs used in determining the fair values.
The categories used are as follows:
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.

	Level 1	Level 2	Level 3	Total
As at March 31, 2017				
Non-current investments				
Quoted	0.01	-	-	0.01
Unquoted	-	-	772.72	772.72
Total	0.01	-	772.72	772.73

(All amounts in INR Crores, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
As at March 31, 2016				
Non-current investments				
Quoted	0.01	-	-	0.01
Unquoted	-	-	1,726.96	1,726.96
Total	0.01	-	1,726.96	1,726.97
As at April 01, 2015				
Non-current investments				
Quoted	0.01	-	-	0.01
Unquoted	-	-	1,949.21	1,949.21
Total	0.01	-	1,949.21	1,949.22

There are no transfers between any levels during the year.

(c) Fair value of financial instruments measured at amortized cost

The carrying amounts of the financial instruments measured at amortized cost, disclosed in note (a) above, approximates to their fair values. Accordingly, the fair values of such instruments have not been disclosed separately.

(d) Valuation techniques and processes used to determine fair value

Fair value of quoted investments is based on the quotation as at the reporting date. For unquoted investments, fair value is determined based on the present values, calculated using internationally accepted valuation principles, by independent valuers.

(e) Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement.

Non-current investments - Unquoted

As at	Fair value	Significant unobservable inputs*	
		Earnings growth rate	Risk adjusted discount rate
March 31, 2017	772.72	0 - 4.00	8.23 - 9.64
March 31, 2016	1,726.96	0 - 4.00	5.77 - 8.03
April 01, 2015	1,949.21	0 - 4.00	6.41 - 7.85

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(f) Reconciliation of financial instruments categorized under Level 3

	2016-17	2015-16
Opening	1,726.96	1,949.21
Addition	-	3.94
Gains/(losses) recognized in OCI	(954.24)	(226.19)
Closing	772.72	1,726.96

36. Financial risk management objective and policies

The Company's principal financial instruments are as follows:

Financial assets: Investments, Cash and bank balance, Loans, Trade and other receivables,

Financial liabilities: Borrowings, Trade and other payables.

The main purpose of these financial instruments is to regulate, finance and support the Company's operations.

The Company is exposed to various financial risks such as credit, liquidity and market risk. An experienced and qualified team ensures that all financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(All amounts in INR Crores, unless otherwise stated)

A. **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and other financial instruments.

A.1. Trade receivables

The Company executes various projects for public sector/ government undertaking and others at various locations, including overseas. Trade receivables are contractual amounts due from these customers for works certified. Trade receivables are non-interest bearing and are generally on 30 to 45 days credit, depending upon contractual terms. The management evaluates the outstanding receivables on a periodic basis and provides for the impairment loss based on the established ECL policy, as described below.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on its trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances, clubbed with, historical experience with the customer and/ or the industry in which the customer operates and assessment of litigation, if applicable. Receivables are written off when they are no more deemed collectible.

Though the Company executes projects with repeat customers but there is no significant customer level concentration of the credit risk as at any of the reported periods. Further, there is no concentrated risk based on the location where the Company operates.

A.2. Other financial assets

Loans and receivable from related parties are periodically reviewed by the management in conjunction with the re-measured fair values of the Company's investments in those parties. Where the carrying amount of any receivable exceeds the re-measured fair value of investment, an impairment loss, to that extent, is provided for in the financial statements.

Cash and bank balances are managed by the Company's treasury department. Concentration risk is constantly monitored to mitigate financial loss.

The Company's maximum exposure to credit risk for the components of the financial assets as at March 31, 2017, March 31, 2016 and April 01, 2015 is to the extent of their respective carrying amounts as disclosed in note 7.

B. **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements, both immediate and long-term. The finance needs are monitored and managed by the Company's treasury department, in consultation with the project teams and management. The Company takes support from its secured lenders to finance and support the Company's operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans (term and working capital loans), including debentures. The working capital loans are generally revolving in nature and linked with the current assets of the projects. Of the total term debts of 2,238.67, approximately 53% is payable in less than one year at March 31, 2017 (March 31, 2016: 32% of 2,265.13; April 01, 2015: 53% of 1,233.88) based on the carrying value of such borrowings reflected in the financial statements. Certain delays and defaults were noticed in scheduled repayment during the reported financial years. However, the Company is taking necessary corrective actions to rectify the defaults and is also in talks with its existing lender to carve out an overall financial restructuring. Such restructuring, when executed, would give the sufficient liquidity to chart out the business turnaround and would also provide an extended period to repay its current debt portfolio, including the over-due amounts.

Other financial liabilities, like trade and other payables, matures predominantly within one year.

C. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk.

The sensitivity analysis as shown below relates to the position as at March 31, 2017 and March 31, 2016. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to cash flow interest rate risk. As at March 31, 2017 and March 31, 2016, the Company's borrowings at variable rate were mainly denominated in INR and USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying mount nor the future cash flows will fluctuate because of a change in market interest rates.

(All amounts in INR Crores, unless otherwise stated)

C.1.1. Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Total borrowings*	6,421.55	6,211.76	5,201.41
Less: fixed rate borrowings	776.62	780.89	772.98
Variable rate borrowings	**5,644.93**	**5,430.87**	**4,428.43**

*excluding interest accrued on borrowings.

C.1.2. Interest rate sensitivity

With all other variables held constant, increase of 50 basis points (bps) will result in a loss of 28.22 before tax (Previous year: 27.15) and a decrease of 50 bps will result in a gain of 28.22 before tax (Previous year: 27.15).

C.2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's un-hedged foreign currency exposure of its Indian operations and Company's net investment in its foreign operations.

C.2.1. Foreign currency risk exposure

The Company's significant exposure to foreign currency risk at the end of the reported periods, expressed in INR, are as follows:

As at March 31, 2017

	USD	SGD	AED	OMR	QAR	LYD	THB
Financial assets	845.02	1,112.85	-	-	-	-	-
Financial liabilities	(662.82)	(8.20)	(2.75)	-	-	-	-
Net investment in foreign operations	-	-	290.27	135.36	670.31	277.00	637.31
Net exposure	**182.20**	**1,104.65**	**287.52**	**135.36**	**670.31**	**277.00**	**637.31**

As at March 31, 2016

	USD	SGD	AED	OMR	QAR	LYD	THB
Financial assets	553.15	2,215.34	0.60	-	-	-	-
Financial liabilities	(515.64)	(3.02)	(1.07)	-	-	-	-
Net investment in foreign operations	-	-	210.35	(8.19)	627.34	526.74	556.78
Net exposure	**37.52**	**2,212.32**	**209.87**	**(8.19)**	**627.34**	**526.74**	**556.78**

As at April 01, 2015

	USD	SGD	AED	OMR	QAR	LYD	THB
Financial assets	978.45	2,103.51	-	-	-	-	-
Financial liabilities	(822.69)	(336.49)	-	-	-	-	-
Net investment in foreign operations	-	-	195.42	13.19	562.86	789.32	677.56
Net exposure	**155.76**	**1,767.02**	**195.42**	**13.19**	**562.86**	**789.32**	**677.56**

(All amounts in INR Crores, unless otherwise stated)

C.2.2. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in currency exchange rate	Profit/(loss) effect before tax	
		March 31, 2017	March 31, 2016
USD	+5%	9.11	1.88
SGD	+5%	55.23	110.62
AED	+5%	14.38	10.49
OMR	+5%	6.77	(0.41)
QAR	+5%	33.52	31.37
LYD	+5%	13.85	26.34
THB	+5%	31.87	27.84

A decrease of 5% in the above currency's exchange rates would result in an equivalent reciprocal effect.

C.3. Other price risk

Company's exposure to equity securities price risk arises from quoted investments held and classified in the balance sheet as fair value through OCI. Company's exposure is insignificant, since Company's investment in such securities is immaterial.

37. Capital management

Risk management:

For the purpose of the capital management, capital includes the issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company monitors capital on the basis of a gearing ratio, which is, net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet) plus net debt. The Company's strategy is to maintain a gearing ratio within 100%. The gearing ratios were as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Borrowings	6,710.67	6,365.09	5,247.10
Less: Cash and cash equivalents	366.15	316.34	182.73
Net debt	**6,344.52**	**6,048.75**	**5,064.37**
Equity	203.35	1,983.73	3,711.79
Equity and net debt	**6,547.87**	**8,032.48**	**8,776.16**
Gearing ratio (%)	96.89	75.30	57.70

Loan covenants:

Under the terms of some borrowing facilities, the Company is required to comply with the certain financial covenants. The Company aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants could permit the bank to immediately call loans and borrowings. There have been some breaches in the financial covenants during the reporting periods; however the management, in collaboration with its bankers, is taking necessary corrective measures to rectify the breaches.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

38. Others

a) Details of loan given, investments made and guarantee given covered u/s 186(4) of the 2013 Act have been disclosed under the respective heads of 'Related party transactions' given in note 27.

(All amounts in INR Crores, unless otherwise stated)

b) Contract revenues include 160.49 (Previous year 239.02) representing the retention money which will be received by the Company after the satisfactory performance of the respective projects. The period of release of retention money may vary from six months to eighteen months depending upon the terms and conditions of the projects.

c) The amount to be incurred towards Corporate Social Responsibility (CSR) for the financial year ended March 31, 2017, as prescribed under section 135 of the 2013 Act, is Nil. The Company has however incurred 0.00 (Previous year: 0.01) on promoting rural, nationally recognized, paralympic and Olympic sports.

d) 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, the discosure in respect to Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

S.No.	Particulars	2016-17	2015-16
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount	6.48	5.97
	- Interest thereon	1.35	1.30
ii)	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	0.45	0.43
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.35	1.30
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	0.90	0.87

e) The Company has international and domestic transaction with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Management of the Company is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the financial statements, particularly on account of tax expense and that of provision of taxation.

f) Capitalization of expenditure

During the current and previous year ended on March 31, 2017 and March 31, 2016, the Company has not capitalized any expenditure of revenue nature to the cost of tangible asset/ intangible assets under development.

g) During the current year, the Singapore High Court ('the Court') heard upon the applications filed by Punj Lloyd Pte. Limited and Sembawang Engineers and Constructors Pte. Limited, subsidiaries of the Company, in previous year for placing them under the Judicial Management (JM). The Court approved the same and placed both the subsidiaries under the JM w.e.f. June 27, 2016. Pursuant to appointment of Judicial Managers, the Company lost control over these subsidiaries and consequent adjustments were made in the financial statements. Based on management's perception, the fair values of investment in the above subsidiaries have been considered nil as at March 31, 2017.

h) **Standards issued but not yet effective:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in

(All amounts in INR Crores, unless otherwise stated)

liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect of this amendment on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect of this amendment on the financial statements is being evaluated by the Company.

i) Amounts in the financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 millions.

39. Specified Bank Notes (SBN) disclosure

In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, details of SBN and Other Denomination Notes (ODN), held and transacted during the period from November 08, 2016 to December 30, 2016 are given below:

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 08, 2016	0.59	1.26	1.85
(+) Non permitted receipts	-	-	-
(+) Permitted receipts	-	1.04	1.04
(-) Permitted payments	0.00	1.68	1.68
(-) Amount deposited in banks	0.59	0.00	0.59
Closing cash on hand as on December 30, 2016	-	0.62	0.62

40. First-time adoption of Ind AS

Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in preparation of an opening Ind AS balance sheet as at April 01, 2015 (the transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 (as amended) (previous GAAP or Indian GAAP). This note explains how the transition from previous GAAP to Ind AS has been effected by the Company and how the same has affected the reported financial position, financial performance and cash flows of the Company:

A. Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 – 'First-time Adoption of Indian Accounting Standard' optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

(a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to measure an item of property, plant and equipment (PPE) at the date of transition at its fair value.

Accordingly, the Company has elected to measure some of its items of PPE at the date of transition to its fair value and use that fair value as its deemed cost at that date.

(b) Cumulative translation differences

Ind AS 101 permits cumulative translation gains or losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 – 'The Effects of Changes in Foreign Exchange Rates' from the date a foreign operation came into existence.

Accordingly, the Company has elected to reset all cumulative translation gains or losses to zero by transferring it to opening retained earnings at its transition date.

(c) Long term foreign currency monetary items

Ind AS 101 permits a first-time adopter to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP.

Accordingly, the Company has elected to continue to adjust exchange differences arising on translation/ settlement of long-term foreign currency monetary items, pertaining to the acquisition of a depreciable asset, to the cost of such asset and depreciates the same over the remaining life of the asset.

(All amounts in INR Crores, unless otherwise stated)

A.2 Ind AS mandatory exceptions availed:

(a) Estimates

Ind AS estimates as at April 01, 2015 and March 31, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the said dates as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVTOCI; and
- Impairment of financial assets based on expected credit loss model.

(b) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 – 'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has elected to apply the same.

(c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliation between previous GAAP and Ind AS

The following tables represent the reconciliation of equity, total comprehensive income and cash flows for prior periods from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at March 31, 2016 and the date of transition, i.e., April 01, 2015:

	Notes to first-time adoption	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP*	Adjustment	Ind AS	Previous GAAP*	Adjustment	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	1, 2, 4	836.43	(37.91)	798.52	1,109.51	(45.58)	1,063.93
Capital work-in-progress		0.24	-	0.24	-	-	-
Investment property	2	-	93.07	93.07	-	94.72	94.72
Other intangible assets		2.08	-	2.08	2.87	-	2.87
Intangible assets under development		0.62	-	0.62	2.89	-	2.89
Financial assets							
Investments	3	1,146.49	580.48	1,726.97	1,180.56	768.66	1,949.22
Loans		5.72	-	5.72	5.72	-	5.72
Other bank balances		2.91	-	2.91	11.63	-	11.63
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets	4	146.95	4.84	151.79	160.80	5.05	165.85
		2,141.44	**640.48**	**2,781.92**	**2,473.98**	**822.85**	**3,296.83**
Current assets							
Inventories		94.19	-	94.19	99.11	-	99.11
Unbilled revenue (work-in-progress)		6,237.72	-	6,237.72	5,958.61	-	5,958.61
Financial assets							
Trade receivables	5	2,278.42	(179.53)	2,098.89	2,267.20	(259.08)	2,008.12
Cash and cash equivalents		316.34	-	316.34	182.73	-	182.73
Other bank balances		56.86	-	56.86	63.90	-	63.90
Loans	5	446.54	(35.64)	410.90	773.02	(46.67)	726.35
Others	5	496.52	(29.85)	466.67	307.37	(24.52)	282.85
Current Tax Assets (Net)		167.47	-	167.47	255.64	-	255.64
Other current assets	4	289.30	0.21	289.51	579.94	0.21	580.15
		10,383.36	**(244.81)**	**10,138.55**	**10,487.52**	**(330.06)**	**10,157.46**
Total assets		**12,524.80**	**395.67**	**12,920.47**	**12,961.50**	**492.79**	**13,454.29**

(All amounts in INR Crores, unless otherwise stated)

	Notes to first-time adoption	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP*	Adjustment	Ind AS	Previous GAAP*	Adjustment	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		66.42	-	66.42	66.42	-	66.42
Other equity	10	1,500.96	416.35	1,917.31	3,138.23	507.14	3,645.37
		1,567.38	**416.35**	**1,983.73**	**3,204.65**	**507.14**	**3,711.79**
Non-current liabilities							
Financial liabilities							
Borrowings	6	1,549.88	(11.51)	1,538.37	586.99	(4.50)	582.49
Provisions		1.50	-	1.50	0.58	-	0.58
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-current liabilities		-	-	-	6.37	-	6.37
		1,551.38	**(11.51)**	**1,539.87**	**593.94**	**(4.50)**	**589.44**
Current liabilities							
Financial liabilities							
Borrowings		3,946.63	-	3,946.63	3,967.53	-	3,967.53
Trade payables	7	2,414.32	(1.77)	2,412.55	2,271.08	(3.22)	2,267.86
Other financial liabilities	5	993.01	(7.40)	985.61	1,115.17	(6.63)	1,108.54
Other current liabilities		1,893.07	-	1,893.07	1,731.29	-	1,731.29
Provisions		103.46	-	103.46	18.61	-	18.61
Current tax liabilities (net)		55.55	-	55.55	59.23	-	59.23
		9,406.04	**(9.17)**	**9,396.87**	**9,162.91**	**(9.85)**	**9,153.06**
Total equity and liabilities		**12,524.80**	**395.67**	**12,920.47**	**12,961.50**	**492.79**	**13,454.29**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.2 Reconciliation of total comprehensive income for the year ended March 31, 2016:

	Notes to first-time adoption	Previous GAAP*	Adjustment	Ind AS
Income				
Revenue from operations		3,347.82	-	3,347.82
Other income	5, 7	146.63	33.26	179.89
Total income		**3,494.45**	**33.26**	**3,527.71**
Expenses				
Projects materials consumed and cost of goods sold		1,731.26	-	1,731.26
Employee benefits expense	8	434.17	(0.40)	433.77
Other expenses	3, 4, 5	1,821.44	(89.10)	1,732.34
Total expenses		**3,986.87**	**(89.50)**	**3,897.37**
Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)		**(492.42)**	**122.76**	**(369.66)**
Depreciation and amortization expense	1, 4	233.93	(6.03)	227.90
Finance costs	6	904.74	(7.01)	897.73
Loss before tax		**(1,631.09)**	**135.80**	**(1,495.29)**
Tax expenses		18.42	-	18.42
Loss for the year		**(1,649.51)**	**135.80**	**(1,513.71)**
Other comprehensive income, net of tax	11	-	(214.35)	(214.35)
Total comprehensive income		**(1,649.51)**	**(78.55)**	**(1,728.06)**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(All amounts in INR Crores, unless otherwise stated)

B.3 Reconciliation of total equity as at March 31, 2016 and April 01, 2015:

	Notes to first-time adoption	March 31, 2016	April 01, 2015
Total equity (shareholders fund) as per previous GAAP		1,567.38	3,204.65
Impact on account of:			
Fair valuation of certain items of PPE and depreciation thereon	1	60.21	54.40
Fair valuation of investments	3	584.34	776.29
Measurement of financial assets and liabilities at amortized cost (net)	5, 6, 7	(58.59)	(98.86)
Expected credit loss	5	(169.61)	(224.69)
Total equity (shareholders fund) as per Ind-AS		**1,983.73**	**3,711.79**

B.4 Reconciliation of total comprehensive income for the year ended March 31, 2016:

	Notes to first-time adoption	March 31, 2016
Loss for the year as per previous GAAP		(1,649.51)
Adjustments on account of:		
Depreciation impact on fair valuation of certain items of PPE	1	5.82
Reversal of provision for diminution in value of investments	3	34.23
Measurement of financial assets and liabilities at amortized cost (net)	5, 6, 7	40.27
Re-measurement of post employment benefit obligations	8	0.40
Expected credit loss	5	55.08
Loss after tax as per Ind AS		**(1,513.71)**
Other comprehensive income	11	(214.35)
Total comprehensive income as per Ind AS		**(1,728.06)**

B.5 Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016:

	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	(430.07)	(2.62)	(432.69)
Net cash flows from investing activities	150.59	0.02	150.61
Net cash flows from financing activities	391.54	-	391.54
Net change in cash and cash equivalents	**112.06**	**(2.60)**	**109.46**
Exchange differences	21.55	-	21.55
Cash and cash equivalents at the beginning of the year	182.73	-	182.73
Cash and cash equivalents at the end of the year	**316.34**	**(2.60)**	**313.74**

C. Notes to first-time adoption:

Note 1: Fair valuation of property, plant and equipment (PPE)

The Company has elected to fair value certain items of PPE as at the transition date. This resulted in an increase in total equity as at March 31, 2016 by 60.21 (April 01, 2015: 54.40) and decrease of loss for the year ended March 31, 2016 by 5.81.

Note 2: Investment property

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit/ (loss) as a result of this adjustment.

Note 3: Fair valuation of investments

Under the previous GAAP, the long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, as per the policy adopted by the Company, these investments are required to be measured at

(All amounts in INR Crores, unless otherwise stated)

fair value. The resulting fair value changes of these investments in equity instruments, mainly designated as at FVTOCI, have been recognized in FVTOCI reserve as at the transition date and subsequently in the other comprehensive income for the year ended March 31, 2016. This increased other reserve by 540.36 as at March 31, 2016 (April 01, 2015: 766.55).

Consequent to the above, the total equity as at March 31, 2016 increased by 584.34 (April 01, 2015: 776.29) and other comprehensive income for the year ended March 31, 2016 decreased by 226.19.

Note 4: Leases

Under the previous GAAP, the Company was amortizing the initial amount paid against land leased over the lease period. Under Ind AS 17 – 'Leases', land leases are also required to be classified as finance or an operating lease. Accordingly, the Company has reclassified the unamortized portion of lease rent to prepaid expenses. Consequently, the prepaid expenses as at March 31, 2016 increased by 5.05 (April 01, 2015: 5.26). There is no impact on the total equity or profit/ (loss) as a result of this adjustment.

Note 5: Receivables

(including related parties receivables and payables classified under respective heads of financial assets and liabilities)

As per Ind AS 109 – 'Financial Instruments', the Company is required to apply expected credit loss (ECL) model for recognizing allowance for doubtful debts. As a result, the total equity as at March 31, 2016 decreased by 169.61 (April 01, 2015: 224.69) and the loss for the year ended March 31, 2016 decreased by 55.08.

Note 6: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowing on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have reduced by 11.51 (April 01, 2015: 4.50) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended March 31, 2016 reduced by 7.01, net, as a result of said adjustment.

Note 7: Trade payable

Under the previous GAAP, retention money of the vendors (that are payable upon fulfillment of the contractual terms) were recorded at their transaction value. Under Ind AS, these are required to be recognized at fair value, if the effect of time value of money is material. Accordingly, trade payables as at March 31, 2016 have reduced by 1.77 (April 01, 2015: 3.22) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended March 31, 2016 increased by 1.45.

Note 8: Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurement, i.e., actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 decreased by 0.40. There is no impact on the total equity as at March 31, 2016.

Note 9: Foreign currency translation reserve

The Company elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 01, 2015. Accordingly, foreign currency translation reserve balance under previous GAAP of 16.34 has been transferred to retained earnings. There is no impact on the total equity or profit/ (loss) as a result of this adjustment.

Note 10: Retained earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 11: Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income or expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurement of defined benefit plans, foreign currency translation differences arising on translation of foreign operations and fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: Gurugram

Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

Consolidated
Ind-AS
Financial Statements

Independent Auditors' Report

To the Members of Punj Lloyd Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Punj Lloyd Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate company and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income , consolidated cash flows and consolidated changes in equity of the Group including its associate company and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group and its associate company and jointly controlled entities are responsible for design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with provisions of the Act, the respective Board of Directors of the companies, associate company and joint ventures, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding of the assets; preventing and detecting frauds and other irregularities; the 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 Ind-AS financial statements, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, associate company, and jointly controlled entities to as noted below in the Other Matters paragraph, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associate company and jointly controlled entities as at March 31, 2017, their consolidated loss, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to note 31 to the Consolidated Ind AS Financial Statements regarding unbilled revenue (work-in-progress) aggregating ₹ 735.80 Crores as at March 31, 2017, representing claims made by the Company which are subject matter of arbitration. Pending ultimate outcome of the matter which is presently unascertainable,

no adjustments have been made in the Consolidated Ind AS Financial Statements. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statement of certain branches, unincorporated joint venture, subsidiaries and jointly controlled entities included in consolidated Ind AS financial statement, whose financial statements reflect total assets (net of elimination) of ₹ 5,517.17 crores as at March 31, 2017 and total revenues (net of elimination) of ₹ 2,391.27 crores for the year ended on that date. The consolidated Ind AS financial statements also include Group's share of net loss of ₹ 5.72 crores for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of certain associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports and additional information thereon have been furnished to us and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate company and jointly controlled entities, are based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled entities incorporated in India, none of the directors of such companies, is disqualified as on March 31, 2017 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 Group, its associate company and jointly controlled entities, which are incorporated in India, as at March 31, 2017, in conjunction with our audit of the consolidated Ind AS financial statements of the group, its associate company and jointly controlled entities for the year ended on that date and, we give our separate Report in "Annexure-1".

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 impact of pending litigations on the consolidated financial position of the Group, its associate company and jointly controlled entities has been disclosed as detailed in Note 29 to the consolidated Ind AS financial statements;

   ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as detailed in Note 32 to the consolidated Ind AS financial statements;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. The subsidiary companies, associate company and jointly controlled entities incorporated in India did not have any dues on account of Investor Education and Protection Fund; and

   iv. the Holding Company and its subsidiary companies, associate company, jointly controlled entities incorporated in India have provided the requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Holding Company and its subsidiary companies, associate company and joint controlled entities.

For **BGJC & Associates LLP**
(formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308
Place: Gurugram
Date: May 27, 2017

Annexure 1 to Independent Auditors' Report

Referred to in paragraph under report on others Other Legal and Regulatory Requirements in Independent Auditors' Report of even date to the members of Punj Lloyd Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017.

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the companies act 2013 "the Act"

We have audited the internal financial controls over financial reporting of Punj Lloyd Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associate company and jointly controlled entities, which are incorporated in India as at March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and jointly controlled entities, which are incorporated in India, are 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of Holding company, its subsidiary companies, its associate company and jointly controlled entities as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 were established and maintained and if such controls operated effectively in all material respects.

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 judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the others auditors in terms of their report referred to in the others matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial control system over financial reporting of the Holding company, its subsidiary companies, its associate company and jointly controlled entities as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include 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 consolidated Ind AS 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 controls 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

In our opinion and based on the consideration of the reports of other auditors referred to in the 'Other Matter' paragraph below, the Holding company, its subsidiary companies, its associate company and jointly controlled entities, which are incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

We did not audit the internal financial controls over financial reporting insofar as it relates to certain branches, unincorporated joint venture, subsidiary companies and jointly controlled entities, which are incorporated in India, whose financial statements reflects total assets (net of elimination) of ₹ 5,517.17 crores as at March 31, 2017 and total revenues (net of elimination) of ₹ 2,391.27 crores for the year ended on that date and an associate company, which is incorporated in India, in respect of which, the Group's share of net loss of ₹ 5.72 crores for the year ended March 31, 2017 has been considered in the consolidated Ind AS financial statement. Our report on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the aforesaid entities, is based solely on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter.

For **BGJC & Associates LLP**
(formerly BGJC & Associates)
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308
Place: Gurugram
Date: May 27, 2017

Consolidated Balance Sheet

as at March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Notes	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	972.77	1,307.91	1,693.51
Capital work-in-progress		46.91	30.76	37.22
Investment property	5	91.42	93.07	94.72
Other intangible assets	6	356.54	372.16	238.06
Goodwill on consolidation		-	221.96	222.75
Intangible assets under development		0.72	0.62	2.89
Financial assets	7			
Investments	7a	39.71	99.21	122.93
Loans	7b	8.09	4.86	12.78
Others	7f	465.23	497.19	640.93
Other bank balances	7e	-	2.91	11.63
Deferred tax assets (net)	8	5.68	7.65	6.92
Other non-current assets	9	176.36	191.24	206.79
		2,163.43	**2,829.54**	**3,291.13**
Current assets				
Inventories	10	120.99	128.26	150.13
Unbilled revenue (work-in-progress)		6,297.88	6,814.79	6,775.12
Financial assets	7			
Trade receivables	7c	1,758.47	1,840.78	2,092.79
Cash and cash equivalents	7d	628.22	433.36	331.03
Other bank balances	7e	140.11	112.37	305.80
Loans	7b	13.24	23.57	23.09
Others	7f	177.28	334.28	240.11
Current tax assets (net)		73.52	184.79	290.41
Other current assets	9	589.36	317.62	655.03
		9,799.07	**10,189.82**	**10,863.51**
Total assets		**11,962.50**	**13,019.36**	**14,154.64**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	66.85	66.42	66.42
Other equity		(1,893.77)	(1,410.37)	757.24
Share application money pending allotment		0.20	-	-
Equity attributable to owners		**(1,826.72)**	**(1,343.95)**	**823.66**
Non-controlling interest		20.44	(17.80)	(52.62)
		(1,806.28)	**(1,361.75)**	**771.04**
Non-current liabilities				
Financial liabilities				
Borrowings	12a	1,871.27	2,535.49	1,766.69
Provisions	13	28.04	18.04	15.14
Deferred tax liabilities (net)	8	2.46	10.48	16.34
Other non-current liabilities	14	-	-	25.58
		1,901.77	**2,564.01**	**1,823.75**

Consolidated Balance Sheet

as at March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Notes	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
Current liabilities				
Financial liabilities				
Borrowings	12b	4,200.26	4,184.27	4,249.91
Trade payables		2,675.51	3,662.27	3,861.96
Other financial liabilities	12c	2,094.63	1,395.34	1,080.25
Other current liabilities	14	2,697.22	2,373.66	2,239.52
Provisions	13	129.04	111.64	24.61
Current tax liabilities (net)		70.35	89.92	103.60
		11,867.01	**11,817.10**	**11,559.85**
Total equity and liabilities		**11,962.50**	**13,019.36**	**14,154.64**
Summary of significant accounting policies	2			

The accompanying notes form an integral part of the consolidated financial statements .
This is the consolidated balance sheet referred to in our report of even date.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Notes	Year ended	
		March 31, 2017	March 31, 2016
Income			
Revenue from operations	15	4,867.28	4,447.02
Other income	16	1,355.10	258.05
Total income		**6,222.38**	**4,705.07**
Expenses			
Projects materials consumed and cost of traded goods sold		1,738.08	1,990.61
Employee benefits expense	17	578.17	773.55
Other expenses	18	3,566.94	2,617.39
Total expenses		**5,883.19**	**5,381.55**
Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)		**339.19**	**(676.48)**
Depreciation and amortization expense	19	220.54	342.41
Finance costs	20	1,018.23	1,059.04
Loss before share of loss in associates / joint ventures (net) and tax		**(899.58)**	**(2,077.93)**
Share of loss of associates / joint ventures (net)		(5.72)	(5.34)
Loss before tax		**(905.30)**	**(2,083.27)**
Tax expenses	21		
- Current tax		11.71	23.41
- Minimum alternate tax credit entitlement / written off (net)		(0.02)	(0.17)
- Adjustment of tax relating to earlier years		(45.11)	(18.55)
- Deferred tax		(1.45)	(4.82)
Total tax expense		**(34.87)**	**(0.13)**
Loss for the year		**(870.43)**	**(2,083.14)**
Other comprehensive income (OCI)			
A. OCI to be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of foreign operations and subsidiaries		418.23	(47.84)
Net OCI to be reclassified to profit or loss in subsequent years		418.23	(47.84)
B. OCI not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(losses) on defined benefit plans		0.97	(0.40)
Net gain/ (loss) on FVTOCI of equity securities		(0.27)	(1.40)
Net OCI not to be reclassified to profit or loss in subsequent years		0.70	(1.80)
Other comprehensive income for the year, net of tax (refer note 8)		**418.93**	**(49.64)**
Total comprehensive income for the year		**(451.50)**	**(2,132.78)**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Notes	Year ended	
		March 31, 2017	March 31, 2016
Loss is attributable to :			
Equity holders of the parent		(920.05)	(2,130.81)
Non-controlling interests		49.62	47.67
		(870.43)	**(2,083.14)**
OCI is attributable to :			
Equity holders of the parent		430.32	(36.79)
Non-controlling interest		(11.39)	(12.85)
		418.93	**(49.64)**
Total comprehensive income is attributable to :			
Equity holders of the parent		(489.73)	(2,167.60)
Non-controlling interest		38.23	34.82
		(451.50)	**(2,132.78)**
Earnings per equity share [nominal value per share ₹2 each (Previous year ₹ 2)]	22		
Basic and Diluted (in ₹)		(27.70)	(64.16)
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements.
This is the consolidated statement of profit and loss referred to in our report of even date.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

Consolidated Statement of Changes in Equity

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Equity share capital (A)	Equity component of convertible preference shares issued by a subsidiary (B)	Other equity										Total other equity (C)	Total (A+B+C)	Non controlling interest	Total equity
			Reserves and Surplus							Other comprehensive income (OCI)						
			Capital reserve	Securities premium reserve	Stock option outstanding account	Debenture redemption reserve	Special Reserve	General reserve	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Other items of OCI				
As at April 01, 2015	66.42	20.01	27.26	2,501.65	-	112.87	0.02	99.04	(2,017.78)	14.17	-	-	737.23	823.66	(52.62)	771.04
Loss for the year	-	-	-	-	-	-	-	-	(2,130.81)	-	-	-	(2,130.81)	(2,130.81)	47.67	(2,083.14)
Change in fair value of investments	-	-	-	-	-	-	-	-	-	(1.40)	-	-	(1.40)	(1.40)	-	(1.40)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	(34.99)	-	(34.99)	(34.99)	(12.85)	(47.84)
Transfer by Indian subsidiary under RBI Act, 1934	-	-	-	-	-	-	0.01	-	(0.01)	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	-	-	-	-	-	-	-	-	(0.40)	(0.40)	(0.40)	-	(0.40)
OCI reclassified to retained earning	-	-	-	-	-	-	-	-	(0.40)	-	-	0.40	-	-	-	-
As at March 31, 2016	66.42	20.01	27.26	2,501.65	-	112.87	0.03	99.04	(4,149.00)	12.77	(34.99)	-	(1,430.37)	(1,343.94)	(17.80)	(1,361.75)
Employee stock option expense	-	-	-	-	6.48	-	-	-	-	-	-	-	6.48	6.48	-	6.48
Exercise of employee stock options	0.43	-	-	3.35	(3.35)	-	-	-	-	-	-	-	-	0.43	-	0.43
Loss for the year	-	-	-	-	-	-	-	-	(920.05)	-	-	-	(920.05)	(920.05)	49.62	(870.43)
Change in fair value of investments	-	-	-	-	-	-	-	-	-	(0.27)	-	-	(0.27)	(0.27)	-	(0.27)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	429.61	-	429.61	429.61	(11.38)	418.23
Transfer by Indian subsidiary under RBI Act, 1934	-	-	-	-	-	-	0.01	-	(0.01)	-	-	-	-	-	-	-
Deconsolidation of a subsidiary on loss of control	-	-	(0.14)	-	-	-	-	-	-	-	-	-	(0.14)	(0.14)	-	(0.14)
Remeasurement of the net defined benefit liability/ asset	-	-	-	-	-	-	-	-	-	-	-	0.97	0.97	0.97	-	0.97
OCI reclassified to retained earning	-	-	-	-	-	-	-	-	0.97	-	-	(0.97)	-	-	-	-
As at March 31, 2017	**66.85**	**20.01**	**27.12**	**2,505.00**	**3.13**	**112.87**	**0.04**	**99.04**	**(5,068.10)**	**12.50**	**394.62**	**-**	**(1,913.77)**	**(1,826.92)**	**20.44**	**(1,806.48)**

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

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

Consolidated Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2017	March 31, 2016
Cash flow from operating activities		
Loss before tax	**(905.30)**	**(2,083.27)**
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization expense	220.54	342.41
(Profit) / loss on sale of property, plant & equipments (net)	46.09	(47.32)
(Profit) / loss on deconsolidation of a subsidiary / joint ventures	(973.85)	2.19
Unrealised foreign exchange gain (net)	43.10	(39.14)
Unspent liabilities and provisions written back	(138.69)	(13.97)
Derivative premium on hedged borrowing	(3.08)	(2.36)
Irrecoverable balances written off	774.75	350.65
Provision for foreseeable losses	25.56	85.03
Net gain on sale of long-term investments	(6.93)	(1.05)
Employee share based payment expense	6.13	-
Share of loss in associates / joint ventures (net)	5.72	5.34
Interest expense	939.61	865.35
Interest (income)	(157.17)	(143.97)
Dividend (income)	(0.77)	(0.00)
Operating profit before working capital changes	**(124.29)**	**(680.11)**
Movement in working capital:		
Trade payables	302.10	(185.23)
Provisions	9.60	93.00
Financial liabilities	(10.89)	(0.28)
Other current liabilities	740.73	142.09
Trade receivables	(121.60)	61.64
Unbilled revenue (work-in-progress)	129.91	(124.70)
Inventories	7.27	21.87
Financial assets	93.94	48.80
Other current assets	(298.89)	320.00
Cash generated from operations	727.88	(302.92)
Direct taxes paid (net of refunds)	125.10	87.08
Net cash flow from operating activities (A)	**852.98**	**(215.84)**
Cash flow from investing activities		
Purchase of property, plant & equipments (including CWIP and capital advances)	(70.34)	(153.92)
Proceeds from sale of property, plant & equipments	109.50	49.36
Proceeds from sale of non-current investments (net)	20.57	45.50
(Investments)/ Redemption/maturity in bank deposits (having original maturity of more than three months)	26.27	20.06
Interest received	28.72	40.58
Dividends received	0.77	0.00
Decrease/ (Increase) in margin money deposits	(51.09)	182.09
Net cash flow from investing activities (B)	**64.40**	**183.67**

Consolidated Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2017	**March 31, 2016**
Cash flow from financing activities		
Proceeds from long-term borrowings	91.15	1,302.31
Repayment of long-term borrowings	(203.51)	(360.32)
Proceeds/ (Repayment) from short-term borrowings (net)	249.76	(65.64)
Interest paid	(790.01)	(748.59)
Proceeds from exercise of stock options	0.63	-
Net cash flow from financing activities (C)	**(651.98)**	**127.76**
Net change in cash and cash equivalents (A + B + C)	**265.39**	**95.59**
Exchange difference	(10.96)	(8.99)
Cash outflow on deconsolidation of subsidiaries & joint ventures	(75.26)	-
Cash and cash equivalents at the beginning of the year	433.36	331.03
Cash and cash equivalents at the end of the year	**612.53**	**417.63**
Components of cash and cash equivalents		
Balances with banks:		
On current accounts	342.09	161.98
On EEFC account	166.78	136.37
Deposit with original maturity of less than three months	114.11	129.92
Cash on hand	5.24	5.09
Less : Book overdraft	(15.69)	(15.73)
Total cash and cash equivalents [refer notes 7(d) & 12(c)]	**612.53**	**417.63**

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

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	

(All amounts in INR Crores, unless otherwise stated)

1. Corporate information

Punj Lloyd Limited (the Company) is a public limited company domiciled in India. Its equity shares are listed on two recognized stock exchanges in India. The principal place of business of the Company is located at Gurugram, India. The Company is primarily engaged in the business of engineering, procurement and construction in the oil, gas and infrastructure sectors. The Company caters to both domestic and international markets.

These consolidated financial statements for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the directors on May 27, 2017.

The Company along with its subsidiaries, associates and joint venture has been collectively hereinafter referred to as "the Group".

2. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

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

The consolidated financial statements up to the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under section 133 of the Act, read together with Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act, then applicable.

These consolidated financial statements are the first consolidated financial statements of the Group prepared in accordance with Ind AS. Refer note 39 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

(ii) Basis of measurement

These consolidated financial statements have been prepared on an accrual and historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- certain items of property, plant and equipments which have been fair valued on the transition date

The Group has applied the same accounting policies for preparing its opening Ind AS consolidated financial statements and all subsequent periods presented in these consolidated financial statements .

(b) Principles of consolidation

The consolidated financial statements comprise the financial statements of Punj Lloyd Limited ('the Company'), its subsidiaries, associates and joint ventures as at March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the aforementioned three elements of control. Consolidation of an investee begins when the Group obtains control over the investee and ceases when the Group loses control of the investee. Assets, liabilities, income and expenses of a investee acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the investee.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure

(All amounts in INR Crores, unless otherwise stated)

conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure

(1) **Subsidiaries**

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS-12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests. Where cumulated losses attributable to the non-controlling interest are in excess of Group's net investment in investee, the same is accounted for by the Group, in the absence of any contractual or legal obligations on non controlling interest. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill), liabilities, the carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity; and recognises the fair value of the consideration received and the fair value of any investment retained. Any surplus or deficit is recognised in the statement of profit or loss.

(2) **Investment in associates and joint arrangements**

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

- Joint operations

  The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

- Joint ventures

  A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised

(All amounts in INR Crores, unless otherwise stated)

directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105-Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

(3) **Business combination and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment (refer note 39). The same first time adoption exemption is also used for associates and joint ventures.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. In respect to the business combination for acquisition of subsidiary, the Group has opted to measure, the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter:

(i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

(ii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

(iii) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

(iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities

assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

(4) **Change in ownership interest**

The group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(5) **Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(c) **Property, plant and equipment**

Property, plant and equipment, excluding freehold land, but including capital work-in-progress are stated at cost, less accumulated depreciation and impairment losses, if any. Freehold land is carried at historical cost. The cost includes the purchase price and expenditure that is directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

The Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with Ministry of Corporate Affairs ("MCA") circular dated August 09, 2012, exchange differences adjusted to the cost of tangible assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Transition to Ind AS

On transition to Ind AS, the Group has opted to fair value certain items of property, plant and equipment at the transition date, i.e., April 01, 2015 and used that as the deemed cost of the property, plant and equipment.

(All amounts in INR Crores, unless otherwise stated)

Depreciation method, estimated useful lives and de-recognition

Depreciation is calculated using the straight-line method to allocate the cost, net of the residual values, over the estimated useful lives as follows:

Asset Description	Useful lives (years)
Factory buildings	30
Other buildings	60
Plant and equipment	3 – 20
Furniture and fixtures, office equipments and tools	3 – 20
Vehicles	3 – 10

The property, plant and equipment acquired under finance leases, including assets acquired under sale and lease back transactions, is depreciated over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use thereof. Any gain or loss arising on de-recognition of the assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of profit and loss when the asset is derecognized.

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

(d) **Intangible assets**

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

Development expenditures are recognized as an intangible asset when the Group is able to demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use
- its intention to complete and its ability and intention to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during development

The Group amortizes intangible assets with finite lives using the straight-line method over the period of licenses or based on the nature and estimated useful economic life, i.e., six years, whichever is lower.

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

The amortized period and the method is reviewed at each financial year end and adjusted prospectively.

Policy for service concession intangible assets is disclosed separately under concession assets in next paras.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(e) **Impairment of non-financial assets**

The Group 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 Group 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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or countries in which the Group operates, or for the market in which the asset is used.

(All amounts in INR Crores, unless otherwise stated)

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been, had no impairment loss been recognized. Such reversal is recognized in the statement of profit and loss.

(f) **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as an investment property. Investment properties are measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives, i.e., 60 years.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(g) **Sale and lease back transactions**

If a sale and leaseback transaction results in a finance lease, the profit or loss, i.e., excess or deficiency of sale proceeds over the carrying amounts is deferred and amortized over the lease term in proportion to the depreciation of the leased asset. The unamortized portion of the profit is classified under "Other liabilities" in the consolidated financial statements .

If a sale and leaseback transaction results in an operating lease, profit or loss is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, the loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the profit is deferred and amortized over the period for which the asset is expected to be used.

(h) **Leases**

Where the Group is the lessee

Lease where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (see note 2.(l)).

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life or the lease term of the asset.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating lease is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are classified in the balance sheet based on their nature.

(All amounts in INR Crores, unless otherwise stated)

(i) **Inventories**

Project materials are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the materials to their present location and condition. Cost is determined on weighted average basis.

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.

(j) **Unbilled revenue (work-in-progress)**

Unbilled revenue (work-in-progress) 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.

(k) **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 Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Group and specific criteria, as described below, are met for each of the Group's activities.

i) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing is classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue is classified under "Other liabilities" in the consolidated financial statements . Claims on construction contracts are included based on Management's estimate of the probability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Group assesses the carrying value of various claims periodically, and makes adjustments for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers.

ii) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Group. Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Group's share in unincorporated joint ventures.

iii) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.

iv) Revenue from management services is recognized pro-rata over the period of the contract as and when the services are rendered.

v) Rental income arising from operating leases on investment properties is generally accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss. These are accounted for otherwise where the payments to the lessor are structured to increase in line with expected general inflation, to compensate for the expected inflationary cost increases.

vi) Interest income from debt instruments is recognized using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

vii) Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders of the investee approve the dividend.

viii) Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.

ix) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

(All amounts in INR Crores, unless otherwise stated)

x) Recognition of income from financial service concession assets is explained under concession assets policy below.

(l) **Borrowing costs**

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 in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) **Foreign currencies**

i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

ii) Transaction and balances

Transactions in foreign currencies are initially recorded in the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences resulting from the settlement or translation of such transactions are generally recognized in profit or loss, except the following:

a. Exchange differences are deferred in equity if they are attributable to part of the net investment in a foreign operation. They are recognized initially in other comprehensive income (OCI) and reclassified to statement of profit and loss on disposal of the net investment, as part of gain or loss on disposal.

b. Exchange differences arising on long-term foreign currency monetary items (recognized upto 31 March 2016), related to acquisition of a depreciable asset are capitalized and depreciated over the remaining useful life of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

iii) Translation of foreign operations / subsidiaries

The results and financial position of foreign operations / subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate of exchange at the reporting date,
- Income and expenses are translated at quarterly average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- All resulting exchange differences are recognized in OCI.

On disposal of a foreign operation / subsidiaries, the component of OCI relating to that particular foreign operation / subsidiaries are recognized in profit or loss.

Cumulative currency translation differences for all foreign operations / subsidiaries are deemed to be zero at the date of transition, i.e. April 01, 2015. Gain or loss on a subsequent disposal of any foreign operation / subsidiaries excludes translation differences that arose before the date of transition but comprises only translation differences arising after the transition date.

(n) **Financial instruments**

Financial Instruments (assets and liabilities) are recognized when the Group 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.

(All amounts in INR Crores, unless otherwise stated)

A. **Financial assets**

(i) **Subsequent measurement**

Subsequent measurement depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 Group has investments which are not held for trading. The Group 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 Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(ii) **Impairment of financial assets**

The Group 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.

(iii) **De-recognition**

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

B. **Financial liabilities**

(i) **Subsequent measurement**

There are two measurement categories into which the Group 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 Group 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.

(ii) **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.

(o) **Fair value measurement**

The fair value of an 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.

(All amounts in INR Crores, unless otherwise stated)

The Group 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 assets and liabilities for which fair value is measured or disclosed in the consolidated 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 assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group 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.

(p) **Derivative Financial Instruments**

For certain financial instruments, the Group utilises derivative financial instruments to reduce fluctuation in interest rates to hedge its interest rate risk. Derivative financial instruments are initially recognised at their fair value on the date, a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Amounts accumulated in equity are recycled in the statement of profit and loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the ineffective portion is recognised in the statement of profit and loss within 'Finance Cost'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of profit and loss.

(q) **Concession Assets**

Administrative authorization granted by the public bodies to the Group for the construction and later maintenance of highways are accounted as service concession asset. Concession assets are classified as:

Financial assets: Where service concession agreement provides an unconditional right to the Group to receive cash or other financial assets from the granting authority.

Intangible assets: Where service concession agreement does not provide an unconditional right to the Group to receive cash or other financial assets from the granting authority.

The construction service counterpart is a receivable which also includes a financial remuneration. It is calculated based upon the project's expected rate of return in line with its estimate flow, which includes inflation forecasts. Once the construction has finished, the Group re-estimates the fair value of the service rendered if circumstances have changed or uncertainties that existed during construction have disappeared. Once the operational phase begins, the receivables are valued at amortized cost and any differences between actual and expected flows are recognized in the statement of profit and loss. Unless the circumstances affecting concession asset flows significantly change (economical re-balances approved by the granting authority, contract enhancement, etc.,) the rate of return is not modified. Economic rebalancing is only considered for calculating the value of a financial asset when the grantor has vested right to receive cash or other financial assets.

Income from concession financial assets is classified by the Group as interest income under operative revenue, since it is part of the Group's general activity, which is exercised on a regular basis and generates income periodically.

(All amounts in INR Crores, unless otherwise stated)

(r) **Employee benefits**

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and pension fund

Gratuity obligations

The Group operates a defined benefit gratuity plan for employees employed in India. The Group has obtained group gratuity scheme policies from Life Insurance Corporation of India and ICICI Prudential Life Insurance Group Limited to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the balance sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Group makes contribution to statutory provident fund and pension funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee benefits in overseas locations

In overseas branches and unincorporated joint venture operation, provision for retirement and other employee benefits are recognized as prescribed in the local labour laws of the respective country, for the accumulated period of service at the end of the financial year.

(s) **Income taxes**

Income tax comprises current income tax and deferred tax. The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction where the Group operates, adjusted by changes in deferred tax assets and liabilities attributed to temporary differences and to unused tax losses.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generate taxable income.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements . Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if it is

(All amounts in INR Crores, unless otherwise stated)

probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset 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 asset to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set-off current tax assets against liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is recognized in OCI or directly in equity, respectively.

(t) **Segment reporting**

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

(u) **Earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year, adjusted for the events such as bonus issue, share split or otherwise that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss 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.

(v) **Share-based payments**

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the Group's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(w) **Cash and cash equivalents**

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

(x) **Dividends**

The Group recognized a liability for the amount of any dividend declared when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders.

(y) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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 with in the control of the Group;

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.

(z) **Provisions**

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

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

(aa) **Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the management considers this to be the project period.

(bb) **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. Significant accounting judgements, estimates and assumptions:

The preparation of consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

Critical estimates and judgements

In applying the accounting policies, following are the items/ areas that involved a higher degree of judgement or complexity and which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Fair valuation of unlisted securities:

The fair value of financial instruments that are not traded in an active market is determined using internationally accepted valuation principles. The inputs to these valuations are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discount rates, liquidity risk, credit risk, earning growth factors and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Revenue recognition:

The Group uses the percentage-of-completion method (POCM) in accounting for its long term construction contracts. Use of POCM requires the Group to estimate the total cost to complete a contract. Changes in the factors underlying the estimation of the total contract cost could affect the amount of revenue recognized.

Impairment of financial assets:

The Group basis the impairment provisions for financial assets on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets:

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is sensitive to inputs like discount rate, expected future cash-inflows and growth rate used for extrapolation purposes.

Defined benefit plan (employee benefits):

The cost of defined benefit gratuity plan and other employee benefits and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Taxes:

Deferred tax assets are recognized for unused tax losses and unabsorbed depreciation to the extent that it is probable that

(All amounts in INR Crores, unless otherwise stated)

taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company does not have any tax planning opportunities available that could support the recognition of unused tax losses and unabsorbed depreciation as deferred tax assets. On this basis, the Group has accounted for deferred tax assets on temporary differences, including unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized as at the balance sheet date, for which it is reasonably certain that future taxable income would be generated by reversal of such deferred tax liability. Also certain subsidiaries of the Group have projected future profits, based on confirmed order in hand for subsequent years, which in the opinion of the management of those subsidiaries satisfies the condition of reasonable certainty supported by convincing evidence. Accordingly those subsidiaries have recognized deferred tax asset on unabsorbed depreciation and carried forward losses.

4. Property, plant and equipment

	Land	Buildings	Plant and equipment	Furniture and fixtures	Tools	Vehicles	Total
Gross carrying amount							
At April 01, 2015	118.10	124.28	3,160.94	91.04	13.36	149.00	3,656.72
Additions	0.54	-	33.91	2.90	-	0.47	37.82
Disposals (-)	-	1.79	299.93	22.05	0.19	24.55	348.51
Other adjustments							
Foreign currency translation	(0.53)	(9.17)	(13.89)	(1.59)	-	(13.99)	(39.17)
At March 31, 2016	**118.11**	**113.32**	**2,881.03**	**70.30**	**13.17**	**110.93**	**3,306.86**
Additions	-	-	45.51	1.03	0.04	-	46.58
Disposals(-)	0.54	0.60	356.82	10.10	-	26.54	394.60
Other adjustments							
Disposal of subsidiaries (-)	15.79	13.07	317.89	19.64	-	2.67	369.06
Foreign currency translation	0.07	0.94	(33.79)	(2.27)	-	(7.83)	(42.88)
At March 31, 2017	**101.85**	**100.59**	**2,218.04**	**39.32**	**13.21**	**73.89**	**2,546.90**
Accumulated depreciation							
At April 01, 2015	9.18	19.31	1,730.96	72.75	6.27	124.73	1,963.20
Charge for the year	2.28	4.80	299.20	9.94	0.99	10.62	327.83
Disposals(-)	-	0.50	227.55	17.76	0.13	22.02	267.96
Other adjustments							
Foreign currency translation	0.13	(6.01)	(4.42)	(1.81)	0.00	(12.01)	(24.12)
At March 31, 2016	**11.59**	**17.60**	**1,798.19**	**63.12**	**7.13**	**101.32**	**1,998.95**
Charge for the year	-	2.66	193.22	2.54	0.80	2.35	201.57
Disposals(-)	-	0.71	215.33	9.89	-	24.80	250.73
Other adjustments							
Disposal of subsidiaries (-)	11.59	6.26	297.85	18.42	-	2.47	336.59
Foreign currency translation	-	2.09	(32.60)	(1.63)	-	(6.93)	(39.07)
At March 31, 2017	**-**	**15.38**	**1,445.63**	**35.72**	**7.93**	**69.47**	**1,574.13**
Net block							
At April 01, 2015	**108.92**	**104.97**	**1,429.98**	**18.29**	**7.09**	**24.27**	**1,693.51**
At March 31, 2016	**106.52**	**95.72**	**1,082.84**	**7.18**	**6.04**	**9.61**	**1,307.91**
At March 31, 2017	**101.85**	**85.21**	**772.41**	**3.60**	**5.28**	**4.42**	**972.77**

a. The Group has elected to adjust exchange differences arising on translation/settlement of long-term foreign currency monetary items, pertaining to acquisition of a depreciable asset, to the cost of such asset. Accordingly, during the current year, foreign exchange gain of 1.98 (Previous year: foreign exchange loss of 7.01) has been adjusted in the gross block of plant and equipment.

b. Gross block of vehicles includes vehicles of cost 1.25 (March 31, 2016: 1.25; April 01, 2015: 1.27) taken on finance lease. Accumulated depreciation there on is 1.25 (March 31, 2016: 1.14; April 01, 2015: 0.90).

(All amounts in INR Crores, unless otherwise stated)

c. Gross block of plant and equipment includes equipment of cost 105.35 (March 31, 2016: 111.48; April 01, 2015: 115.40) taken on finance lease. Accumulated depreciation thereon is 105.30 (March 31, 2016: 110.28; April 01, 2015: 76.21).

d. For assets pledged as security, refer notes 12(a) & 12(b) and for capital commitments refer note 28.

5. Investment properties

	March 31, 2017	March 31, 2016
Gross carrying amount		
Opening gross carrying amount	98.76	98.76
Additions	-	-
Closing gross carrying amount	98.76	98.76
Accumulated depreciation		
Opening accumulated depreciation	5.69	4.04
Charge for the year	1.65	1.65
Closing accumulated depreciation	7.34	5.69
Net carrying amount (April 01, 2015 - 94.72)	**91.42**	**93.07**

Amounts recognized in profit or loss for investment properties:

	March 31, 2017	March 31, 2016
Rental income	6.62	3.86
Direct operating expenses from property that generated rental income	(0.07)	(0.07)
Direct operating expenses from property that did not generated rental income	(0.58)	(0.80)
Profit from investment properties before depreciation	**5.97**	**2.99**
Depreciation	(1.65)	(1.65)
Profit from investment properties	**4.32**	**1.34**

There is no contractual obligation for repairs, maintenance or enhancements which has not been recognized as liability.

	March 31, 2017	March 31, 2016	April 01, 2015
Within one year	6.62	6.62	-
Later than one year but not later than 5 years	16.32	22.94	-
Later than five years	-	-	-

Fair value

	March 31, 2017	March 31, 2016	April 01, 2015
Investment properties	102.27	102.27	102.27

The fair value has been derived based on market observable inputs for identical assets.

6. Intangible assets

	Concession assets	Computer software	Total
Gross carrying amount			
At April 01, 2015	239.60	78.67	318.27
Additions	148.10	0.22	148.32
Disposals(-)	-	40.03	40.03
Other adjustments			
Foreign currency translation	-	0.22	0.22
At March 31, 2016	**387.70**	**39.08**	**426.78**

(All amounts in INR Crores, unless otherwise stated)

	Concession assets	Computer software	Total
Additions	1.37	1.67	3.04
Disposals(-)	1.19	-	1.19
Other adjustments			
Disposal of subsidiaries(-)	-	11.72	11.72
Foreign currency translation	-	0.00	0.00
At March 31, 2017	**387.88**	**29.03**	**416.91**
Accumulated amortization			
At April 01, 2015	9.47	70.74	80.21
Charge for the year	10.58	2.35	12.93
Disposals(-)		38.73	38.73
Other adjustments			
Foreign currency translation	-	0.21	0.21
At March 31, 2016	**20.05**	**34.57**	**54.62**
Charge for the year	15.02	2.30	17.32
Disposals(-)	-	0.00	0.00
Disposal of subsidiaries(-)	(0.15)	11.72	11.57
Other adjustments			
Foreign currency translation	-	0.00	0.00
At March 31, 2017	**35.22**	**25.15**	**60.37**
Net block			
At April 01, 2015	**230.13**	**7.93**	**238.06**
At March 31, 2016	**367.65**	**4.51**	**372.16**
At March 31, 2017	**352.66**	**3.88**	**356.54**

* The Group has entered into various long term power purchase agreements with different power purchasing companies for sale of electricity being generated from solar plants built in various parts of the country. Sale price of electricity ranges from ₹ 12.73 to ₹ 7.45 per unit for long term period onward from financial year 2011 for a period of 25 years. On routine operation and construction of these assets the Group has earned revenue of 58.81 (previous year 186.87) and incurred 63.56 (previous year 189.16) as expenses during the financial year ending March 31, 2017. As at March 31, 2017, the Group has accrued provisions for 22.89 (March 31, 2016: 13.92) towards major maintenance for these intangible assets, based on present value of major maintenance to be incurred in future years.

7. Financial assets

7(a) Investments

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Fair valued through Other Comprehensive Income			
Trade investments			
Investment in subsidiary			
Unquoted equity instruments			
Punj Lloyd Pte Limited	-	-	-
573,346 (March 31, 2016: Nil; April 01, 2015: Nil) equity shares of SGD 100 each and 1 (March 31, 2016: Nil; April 01, 2015: Nil) equity share of SGD 1 fully paid up. Refer note 37(b).			

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Unquoted other instruments			
Punj Lloyd Pte Limited	-	-	-
450,000 (March 31, 2016: Nil; April 01, 2015: Nil) redeemable convertible preference share of SGD 100 each and 1,400,000 (March 31, 2016: Nil; April 01, 2015: Nil) redeemable convertible preference share A of SGD 100 each fully paid up. Refer note 37(b).			
Investments in associates and joint ventures (accounted on equity method)			
Unquoted equity instruments			
Air Works India (Engineering) Private Limited	53.00	53.00	53.00
17,516,100 (March 31, 2016: 17,516,100; April 01, 2015: 17,516,100) equity shares of ₹ 1 each fully paid up (including goodwill of 9.46).			
Add: Share in opening accumulated losses	(7.94)	(4.50)	(7.74)
Add: Share in profit/(loss) for the year	(5.72)	(3.44)	3.24
	39.34	45.06	48.50
Reco Sin Han Pte Limited	-	0.04	0.04
Nil (March 31, 2016: Nil, April 01, 2015: 10,000) equity shares of SGD 1 each fully paid up			
Add: Foreign currency translation differences	-	-	0.01
Less: Disposed off during the year	-	(0.04)	-
	-	-	0.05
Thiruvananthpuram Road Development Company Limited	-	-	17.03
Nil (March 31, 2016: Nil; April 01, 2015: 17,030,000) equity shares of ₹ 10 each fully paid up			
Add: Share in opening accumulated losses	-	-	(14.03)
Add: Share in profit/(loss) for the year	-	-	(0.81)
Less: Disposed off during the year	-	-	-
	-	-	2.19
Ramprastha Punj Lloyd Developers Private Limited			
5,000 (March 31, 2016: 5,000; April 01, 2015: 5,000) equity shares of ₹ 10 each fully paid up	0.01	0.01	0.01
Add: Share in opening accumulated losses	(0.01)	(0.01)	(0.01)
Add: Share in profit/(loss) for the year	-	-	-
	-	-	-
PT. Kekal Adidaya			
Nil (March 31, 2016: 252,500; April 01, 2015: 252,500) equity shares of IDR 100,000 each fully paid up	34.72	40.77	51.73
Add: Exchange Difference	-	(4.14)	(3.69)
Add: Share in profit/(loss) for the year	-	(1.91)	(7.27)
Less: Deconsolidated on loss of control	(34.72)	-	-
	-	34.72	40.77

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Aero Euro (Engineering) India Pvt. Ltd			
1,250,000 (March 31, 2016; 1,250,000; April 01, 2015: 1,250,000) equity shares of ₹10 each fully paid up	1.25	1.25	1.25
Add: Share in opening accumulated losses	(1.25)	(1.25)	(1.25)
	-	-	-
PLE TCI Engenharia Ltda			
245,000 (March 31, 2016: 245,000; April 01, 2015: 245,000) equity shares of BRL 1.00 each, only BRL 10,000 paid up	0.03	0.03	0.03
Add: Share in opening accumulated losses	(0.03)	(0.03)	(0.03)
	-	-	-
Investment in others			
Unquoted equity instruments			
GMR Hyderabad Vijayawada Expressways Pvt Ltd	-	-	-
500,000 (March 31, 2016: 500,000; April 01, 2015: 500,000) equity shares of ₹ 10 each fully paid up.			
Hazaribagh Ranchi Expressway Limited	0.01	0.01	0.01
13,100 (March 31, 2016: 13,100; April 01, 2015: 13,100) equity shares of ₹ 10 each fully paid up.			
Non-trade			
Investment in others			
Unquoted equity instruments			
RFB Latex Limited	-	-	-
200,000 (March 31, 2016: 200,000; April 01, 2015: 200,000) equity shares of ₹ 10 each fully paid up.			
Arooshi Enterprises Private Limited	-	-	-
598,500 (March 31, 2016: 598,500; April 01, 2015: 598,500) equity shares of ₹ 10 each fully paid up.			
Kaefer Private Limited	-	-	-
88,200 (March 31, 2016: 88,200; April 01, 2015: 88,200) equity shares of ₹ 10 each fully paid up.			
Quoted equity instruments			
Panasonic Energy India Company Limited	0.04	0.04	0.04
1,300 (March 31, 2016: 1,300; April 01, 2015: 1,300) equity shares of ₹10 each fully paid up			
Triton Corporation Limited	0.00	0.00	0.00
6,000 (March 31, 2016: 6,300; April 01, 2015: 6,300) equity shares of ₹10 each fully paid up			

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
JCT Electronics Limited	-	0.00	0.00
600 (March 31, 2016: 600; April 01, 2015: 600) equity shares of ₹10 each, fully paid up			
Continental Constructions Limited	-	-	-
3,000 (March 31, 2016: 3,000; April 01, 2015: 3,000) equity shares of ₹10 each, fully paid up			
Max India Limited	0.14	0.09	0.11
2,500 (March 31, 2016: 2,500; April 01, 2015: 2,500) equity shares of ₹ 2 each fully paid up			
Kirloskar Pneumatics Company Limited	0.12	0.07	0.05
1,000 (March 31, 2016: 1,000; April 01, 2015: 1,000) equity shares of ₹10 each fully paid up			
Hindustan Oil Exploration Company Limited	0.05	0.02	0.02
6,133 (March 31, 2016: 6,133; April 01, 2015: 6,133) equity shares of ₹10 each fully paid up			
Reliance Defence and Engineering Limited	0.01	0.01	0.01
1,000 (March 31, 2016: 1,000; April 01, 2015: 1,000) equity share of ₹ 10 each fully paid up			
Quoted other instruments			
Samena Special Situations Fund	19.19	31.18	41.89
Nil (March 31, 2016: Nil; April 01, 2015: 2,500,000) units of USD 1 each fully paid up			
Add: Foreign currency translation differences	-	0.03	(1.23)
Less: Disposed off during the year	-	(12.02)	(9.48)
Less: Deconsolidated on loss of control	(19.19)	-	-
	-	19.19	31.18
	39.71	**99.21**	**122.93**
Carrying amount of quoted investments [Market value: 0.22 (Previous year 31.44)]	0.35	0.22	0.23
Carrying amount of unquoted investments	39.36	98.99	122.70

7(b) Loans

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Unsecured, considered good						
Security deposits	8.09	4.86	12.78	11.24	19.67	20.63
Loan to employees	-	-	-	2.00	3.90	2.46
	8.09	**4.86**	**12.78**	**13.24**	**23.57**	**23.09**

(All amounts in INR Crores, unless otherwise stated)

7(c) Trade receivables

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Unsecured, considered good	1,758.47	1,840.78	2,092.79
Doubtful	133.28	136.07	207.32
Less: Allowance for doubtful debts	(133.28)	(136.07)	(207.32)
Total receivables	**1,758.47**	**1,840.78**	**2,092.79**

7 (d) Cash and cash equivalents

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Balances with banks:			
On current accounts #	342.09	161.98	319.78
On EEFC account	166.78	136.37	1.60
Deposit with original maturity of less than three months	114.11	129.92	3.56
Cash on hand	5.24	5.09	6.09
	628.22	**433.36**	**331.03**
# Balance with banks in unpaid dividend accounts	0.19	0.22	0.25

7(e) Other bank balances

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Deposits with original maturity for more than 12 months	-	-	-	0.18	0.30	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	20.58	46.72	67.08
Margin money deposit	-	2.91	11.63	119.35	65.35	238.72
	-	**2.91**	**11.63**	**140.11**	**112.37**	**305.80**

7(f) Other financial assets

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Unsecured, considered good						
Advances to related parties	-	-	-	80.43	191.65	186.75
Interest receivable	-	-	-	9.79	17.46	13.98
Receivables against sale of investments	-	-	-	0.42	0.42	24.05
Insurance claim receivable	-	-	-	15.73	49.64	-
Investment held for disposal	-	-	-	4.51	3.88	7.65
Other receivable	-	-	-	0.04	0.11	5.22
Option derivative	-	-	-	7.91	4.82	2.46
Concession asset *	465.23	497.19	640.93	58.45	66.30	-
	465.23	**497.19**	**640.93**	**177.28**	**334.28**	**240.11**

* The Group has entered into a service concession agreement with NHAI for construction of road from Khagaria to Purnea from KM 270.00

(All amounts in INR Crores, unless otherwise stated)

to KM 410.00 in the state of Bihar executed on BOT (Annuity) basis. The Group is entitled to receive 29 semi-annual annuities of 56.00 each starting from October 2014 to October 2028 from NHAI. On routine operation of this asset, the Group has earned revenue of 68.46 (previous year 76.67) and incurred expenses of 70.09 (previous year 76.85) during the financial year ended March 31, 2017. While estimating the financial assets of the Group based on cash flow projections, 160.33 have been considered towards major maintenance / re-carpeting over a period of 8 years starting from financial year 2018.

8. Deferred tax (net)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax asset			
Impact of expenditure charged to the consolidated statement of profit and loss in the current year but allowable for tax purposes on payment basis	44.92	43.74	7.22
Unabsorbed tax losses #	199.96	374.62	290.91
Others	40.94	62.37	86.95
Gross deferred tax assets	**285.82**	**480.73**	**385.08**
Deferred tax liability			
Property, Plant and equipments, investment property & intangible assets	86.70	126.70	152.80
Financial assets carried at fair value through OCI	195.90	354.27	237.52
Others	-	2.59	4.18
Gross deferred tax liability	**282.60**	**483.56**	**394.50**
Net Deferred tax asset / (liability)*	**3.22**	**(2.83)**	**(9.42)**

*After setting of deferred tax liability of 2.46 (March 31, 2016: asset of 7.65; April 01, 2015: asset of 6.92)

The Group has accounted for deferred tax assets on temporary differences, including those on unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized at the balance sheet date, for which it is reasonably certain that future taxable income would be generated by reversal of such deferred tax liability. Also certain subsidiaries of the Group have projected future profits, based on confirmed order in hand for subsequent years, which in the opinion of the management of those subsidiaries satisfies the condition of reasonable certainty supported by convincing evidence. Accordingly those subsidiaries have recognized deferred tax asset on unabsorbed depreciation and carried forward losses.

9. Other assets

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
(Unsecured, considered good)						
Capital advances	3.75	0.00	1.96	-	-	-
Advances other than capital advances						
Prepayments to vendors for supply of goods/ services	-	-	-	566.08	288.49	613.06
Prepaid expenses	4.67	4.89	5.05	5.51	4.50	3.81
Others						
Minimum alternate tax credit entitlement	3.14	3.68	2.99	-	-	-
Value added tax / sales tax recoverable (net)	164.80	182.67	169.03	0.23	0.39	0.41
Balances with statutory/ government authorities	-	-	-	17.54	24.24	37.75
Export benefit receivable	-	-	27.76	-	-	-
	176.36	**191.24**	**206.79**	**589.36**	**317.62**	**655.03**

(All amounts in INR Crores, unless otherwise stated)

10. Inventories

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Project materials	120.99	128.26	150.13
	120.99	**128.26**	**150.13**

11. Equity share capital

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Authorized share capital			
450,000,000 (March 31, 2016: 450,000,000, April 01, 2015: 450,000,000) equity shares of ₹ 2 par value each	90.00	90.00	90.00
10,000,000 (March 31, 2016: 100,000,000, April 01, 2015: 10,000,000) preference shares of ₹ 10 par value each	10.00	10.00	10.00
	100.00	**100.00**	**100.00**
Issued, subscribed and fully paid up shares			
Equity shares of ₹ 2 par value	66.85	66.42	66.42
	66.85	**66.42**	**66.42**

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

Equity shares

	As at March 31, 2017		As at March 31, 2016	
	Nos	Amount	Nos	Amount
At the beginning of the year	332,095,745	66.42	332,095,745	66.42
Exercise of Employee Stock Options	2,130,000	0.43		
Outstanding as at the end of the year	334,225,745	66.85	332,095,745	66.42

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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) Details of shareholders holding more than 5% of the equity shares in the Company

Shareholder Name:	Cawdor Enterprises Limited		Spectra Punj Finance Private Limited	
	Nos.	% holding	Nos.	% holding
As at April 01, 2015	75,691,430	22.79	22,148,305	6.67
As at March 31, 2016	75,691,430	22.79	22,148,305	6.67
As at March 31, 2017	75,691,430	22.65	21,852,977	6.54

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, please refer note 24.

(e) Over the period of five years immediately preceding March 31, 2017, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

(All amounts in INR Crores, unless otherwise stated)

12. Financial liabilities

12 (a) Non-current borrowings

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Secured						
Debentures						
10.50% debentures redeemable at par at the end of 5 years from the deemed date of allotment, i.e., October 15, 2010.	-	-	-	300.00	300.00	300.00
Secured by first charge on Flat No. 201, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India and subservient charge on the moveable tangible and current assets of the Company.						
12.00% debentures redeemable at par in ten equal half-yearly installments beginning at the end of 5 years from the date of allotment, i.e., January 02, 2009.	29.79	59.45	88.94	105.00	75.00	45.00
Secured by first pari passu charge on the moveable tangible assets of the project division of the Company and further secured by exclusive charge on the Flat No. 202, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India.						
Term loans						
Indian rupee loan from banks						
Loans carrying weighted average rate of interest of 11.34%; (March 31, 2016: 12.02%; April 01, 2015: 11.51%), repayable in 15 to 60 monthly/quarterly installments.	0.05	0.96	2.08	0.19	1.18	8.02
Secured by way of exclusive charge on the equipment/ vehicles purchased out of the proceeds of the loan.						
Loans carrying weighted average rate of interest of 11.75%; (March 31, 2016: 11.92%; April 01, 2015: 12.74%), repayable in 16 quarterly installments beginning at the end of 1 year from the disbursement.	-	6.19	36.91	9.38	22.29	44.05
Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.						
Loan carrying rate of interest of (March 31, 2016: 12.25%; April 01, 2015: 12.25%), repayable in 22 equal quarterly installments beginning at the end of 1 year from the date of first disbursement.	-	-	13.49	-	13.36	34.09
Secured by way of pari passu first charge on the existing and future moveable tangible assets of the project division of the Company, pari passu second charge on current assets of the project division of the Company (excluding receivables of the projects financed by other banks).						

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Loan carrying rate of interest of 11.25%, repayable in 48 quarterly installments, beginning from March 31, 2017. Secured by way of mortgage by deposit of title deed of all project immovable properties & Hypothecation of project movable assets, both existing and future.	101.18	103.91	-	7.04	-	-
Loan carrying rate of interest of 12.75%, repayable in 17 equal quarterly installments beginning at the end of 12 months from the date of first disbursement. Secured by way of first charge on the corporate offices of the Company, at Plot No. 78 & 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India. Further secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company (up to 0.5 times of loan outstanding).	-	49.45	106.97	168.24	117.65	58.82
Loan carrying rate of interest of 10.55%; (March 31, 2016: 10.55%; April 01, 2015: 12.00%), repayable in 25 structured unequal semi-annual installments. Secured by way of charge on all moveable and immoveable tangible assets of a subsidiary.	264.62	279.87	302.52	23.20	22.12	22.12
Loans carrying weighted average rate of interest of 10.82%; (March 31, 2016: 10.85%; April 01, 2015: 10.85%) repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement. Secured by way of first ranking pari-passu charge on entire Current Assets of the company, both present and future, except receivables exclusively charged to lenders of the company. First ranking pari-passu charge on movable and immovable Tangible Assets of the company, both present and future, except those specifically charged to others lenders of company. Collaterally secured by personal guarantee of Chairman and Managing Director. Further secured by pledge of 17,516,100 equity shares of Air Works India (Engineering) Private Limited; first pari passu charge on the land & building at Malanpur (M.P); pledge of 6,795,000 shares of Punj Lloyd Infrastructure Limited and second charge on 74,667,260 shares of Company held by two promoter group companies, pledged to IFCI Limited.	870.74	1,195.68	-	403.74	-	-
Indian rupee loan from others						
Loans carrying weighted average rate of interest of 12.80%; (March 31, 2016:12.91%; April 01, 2015: 13.12%), repayable in 59 & 47 monthly installments beginning at the end of 12 months from the date of first disbursement.	23.47	26.61	2.56	6.73	3.38	36.41

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.						
Loan carrying rate of interest of 13.60%; (March 31, 2016 13.60%; April 01, 2015 13.85%), repayable in 12 quarterly installments. Secured by way of first pari passu charge on existing and future moveable tangible assets of the project division of the Company.	7.25	-	-	4.75	12.50	18.75
Loan carried rate of interest of 16.00%, repayable in 12 monthly installments beginning at the end of 1 month from the date of first disbursement. Secured by way of first charge on the present and future current assets of the project division of the Company (excluding receivables of the projects financed by other banks).	-	-	-	-	-	6.00
Loan carrying rate of interest of 13.00% , repayable in 36 monthly installments starting from October 2016. Secured by way of first ranking pari-passu charge on entire current assets of the Company, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to other lenders of Company.	29.17	48.58	58.24	25.92	9.72	-
Loan carrying rate of interest of 13.25%; (March 31, 2016: 13.25%; April 01, 2015: 13.95%), repayable in 12 equal quarterly installments after the moratorium period of 2 years from the date of disbursement. Secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company and subservient charge on the corporate offices of the Company, at Plot No. 78 & 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India.	71.66	132.98	182.73	66.67	66.67	16.67
Loan carried rate of interest of 14.50%, repayable in 22 monthly installments. Secured by way of pari-passu charge on moveable tangible assets of a subsidiary.	-	-	1.76	-	-	3.81
Loan carrying rate of interest of 10.91%; (March 31, 2016: 10.93%; April 01, 2015: 11.50%), repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement.	13.04	18.63	10.20	11.43	1.35	-

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Secured by way of first ranking pari-passu charge on the existing and future current assets, except receivables of foreign projects financed by foreign lenders, of the Company and first ranking pari-passu charge on the existing and future movable and immovable tangible assets of the Company, except those specifically charged to others lenders of Company. Collaterally secured by personal guarantee of Chairman and Managing Director. Further secured by pledge of 17,516,100 equity shares of Air Works India (Engineering) Private Limited; first pari passu charge on the land & building at Malanpur (M.P); pledge of 6,795,000 shares of Punj Lloyd Infrastructure Limited and second charge on 74,667,260 shares of Company held by two promoter group companies, pledged to IFCI Limited.						
Loans carrying weighted rate of interest of 10.55%; (March 31, 2016 10.55%; April 01, 2015 12.00%), repayable in 25 structured unequal semi-annual installments. Secured by first pari passu charge on moveable and immoveable tangible assets of a subsidiary.	105.36	114.72	118.19	3.63	3.50	3.50
Foreign currency loan from banks						
Loan carrying rate of interest of LIBOR + 1.25%, repayable in 36 structured semi-annual installments. Secured by charge on the assets of a subsidiary.	34.46	34.62	33.62	3.08	3.15	3.00
Loan carrying rate of interest of 6M LIBOR + 4.20%, repayable in 25 structured unequal semi-annual installments. Secured by charge on all moveable and immoveable assets of the subsidiary.	144.18	158.41	163.40	10.88	10.88	10.73
Loan carrying rate of interest of 12.25%; (March 31, 2016 12.25%; April 01, 2015: 13.15%), repayable in 48 quarterly installments, beginning from March 2016. Secured by way of mortgage by deposit of title deed of immovable properties and hypothecation of movable assets, both existing and future, of the projects financed.	98.03	110.45	121.12	10.60	10.60	2.58
3 months EBOR + 2.50% (Previous year 3 months EBOR + 2.50%) loan repayable in 14 equal quarterly installments, beginning at the end of 1 quarter from the date of its origination. Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	-	-	-	-	10.29	14.52
Loans carried rate of interest of 3.00%, repayable in bullet payment in 2016. Secured by pledge of deposit of a subsidiary.	-	-	-	-	-	37.26

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Loan carrying rate of interest of LIBOR + 4.50%, repayable in 10 equal quarterly installments commencing after a moratorium period of 18 months from the date of disbursement. Secured by way of exclusive charge of aircraft of a subsidiary. Further secured by pledge of shares held by the subsidiary as investment and by negative pledge over the assets of subsidiary.	77.80	190.11	267.86	181.58	81.47	-
Loan carrying rate of interest of 7.50%. Secured by way of assets of the subsidiary.	-	4.26	8.97	-	10.52	3.33
Foreign currency loan from others						
Loan carrying rate of interest of 5.77%, repayable in 17 equal half yearly installments, beginning at the end of 4 years from the date of its origination. Secured by first pari passu charge on the moveable tangible assets of the project division of the Company.	-	-	59.42	91.59	93.58	29.75
Loan carrying rate of interest of 5.39%, repayable in 20 equal half yearly installments beginning at the end of 4 years from the date of its origination. Secured by first pari passu charge on the moveable tangible assets of a subsidiary.	-	-	15.03	54.04	55.21	37.58
Loans carrying rate of interest of LIBOR + 4.50%, repayable in 2 equal annual installments, starting from April 2015. Secured by exclusive charge on the tangible and current assets of a subsidiary.	-	-	150.67	263.72	276.85	150.67
Other loans						
Finance lease obligations carrying weighted average rate of interest of Nil; (March 31, 2016: 4.70%; April 01, 2015: 14.81%). Secured by first and exclusive charge by way of hypothecation on specific equipments financed through the loan.	0.09	0.23	21.63	-	0.19	39.77
Unsecured						
Foreign currency loan from banks						
Loan carried rate of interest of 1.70%, repayable in 4 equal quarterly installments beginning at the end of one year.	-	-	-	-	-	93.14

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion			Current maturities		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Other loans						
Inter-corporate deposits	0.38	0.38	0.38	-	-	-
	1,871.27	**2,535.49**	**1,766.69**	**1,751.41**	**1,201.46**	**1,019.56**
The above amount includes						
Secured borrowings	1,870.89	2,535.11	1,766.31	1,751.41	1,201.46	926.42
Unsecured borrowings	0.38	0.38	0.38	-	-	93.14
Amount disclosed under the head "Other financial liabilities" [note 12 (c)]	-	-	-	(1,751.41)	(1,201.46)	(1,019.56)
Net amount	**1,871.27**	**2,535.49**	**1,766.69**	**-**	**-**	**-**

12 (b) Current borrowings

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Secured			
Working capital loan repayable on demand			
Loans carrying weighted average rate of interest of 13.75% (March 31, 2016: 12.91%; April 01, 2015: 13.28%). Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company.	161.39	281.48	153.82
Loans carrying weighted average rate of interest of 12.50% Secured by way of exclusive charge on the receivables of the specific projects financed by the bank, first pari passu charge on the current assets of the project division (excluding receivables of the projects fi nanced by the other banks), pari passu second charge on the movable tangible assets of the project division of the Company.	26.91	36.65	34.46
Loans carrying weighted average rate of interest of 11.47%: (March 31, 2016: 11.49% ; April 01, 2015: 13.02%). Secured by way of first ranking pari-passu charge on entire current assets of the company, both present and future, receivables (abroad) of the projects financed by Foreign lenders of the company. First ranking pari-passu charge on movable and immovable Fixed Assets of the company, both present and future, except those specifically charged to others lenders of company.	3,659.53	3,315.99	3,463.71
Loan carried rate of interest of USD LIBOR + 4.25%.Secured by way of charge on trade receivables of a subsidiary. Further secured by personal guarantee of joint venturers.	-	-	56.06
Loan carrying rate of interest of 3 months LIBOR + 6%. Secured by way of pari passu charge on the receivables financed.	255.78	278.60	136.19
Loan from bank carrying rate of interest of 3 Months First Gulf Bank (FGB) EBOR + 2.5% pa secured by way of charge on the receivables and assets of the branch	26.56	10.32	5.49

(All amounts in INR Crores, unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Loan from bank carrying rate of interest of 7.75%. Secured by way of exclusive charge on the receivables of the specific projects financed, first pari passu charge on the current assets of a subsidiary.	-	36.63	36.56
Loans from bank carried rate of interest of 7.50%. Secured by way of charge on building/ apartment of a subsidiary.	-	-	1.96
Loan carrying rate of interest of 16%; (March 31, 2016: 4.50%) Secured by way of pari passu charge on the receivables financed.	16.79	15.61	-
Loan carrying rate of interest of 4.00%; (March 31, 2016: 4.38%)Secured by way of pari passu charge on the receivables financed.	15.82	17.14	-
Loans from banks carrying weighted average rate of interest 16.30%; (March 31, 2016: 16.07%; April 01, 2015: 14.51%). Secured by hypothecation charge over trade receivables of a subsidiary.	1.84	13.41	26.86
Loans from banks carrying weighted average rate of interest of 16.75%. Secured by way of exclusive charge on fixed assets excluding the vehicle financed and first charge charge on the current assets of the subsidiary Company.	15.55	18.37	21.80
Loan carrying rate of interest of (March 31, 2016: 4.52%; April 01, 2015: 3.30%). Secured by way of first charge on the current assets of a subsidiary.	-	160.07	128.03
Unsecured			
Cash credit carried rate of interest of 15.00%.	-	-	2.50
Cash credit from a bank carried rate of interest of 3 months EIBOR + 2.5%.	-	-	40.98
Buyer's line of credit from banks carried weighted average rate of interest of 0.82%.	-	-	141.49
Buyer's line of credit from a bank carrying weighted rate of interest 1.92%	20.09	-	-
	4,200.26	**4,184.27**	**4,249.91**
The above amount includes:			
Secured borrowings	4,180.17	4,184.27	4,064.94
Unsecured borrowings	20.09	-	184.97
	4,200.26	**4,184.27**	**4,249.91**

12(c) Other financial liabilities

	Current		
	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Current maturities of long term borrowings [note 12(a)]	1,751.41	1,201.46	1,019.56
Interest accrued but not due on borrowings	47.34	52.08	30.86
Interest accrued and due on borrowings	272.20	117.87	21.35
Book overdraft	15.69	15.73	-
Unpaid dividends #	0.19	0.22	0.25
Security deposits	7.80	7.98	8.23
	2,094.63	**1,395.34**	**1,080.25**

There is no amount currently due and outstanding which is to be credited to Investor Education and Protection Fund.

(All amounts in INR Crores, unless otherwise stated)

13. Provisions

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Provision for employee benefits						
Provision for Retirement benefits	5.15	4.12	5.53	18.45	26.61	24.61
	5.15	**4.12**	**5.53**	**18.45**	**26.61**	**24.61**
Other provisions						
Provision for foreseeable losses	-	-	-	110.59	85.03	-
Provision for major maintenance	22.89	13.92	6.54	-	-	-
Provision for tax	-	-	3.07	-	-	-
	22.89	**13.92**	**9.61**	**110.59**	**85.03**	**-**
	28.04	**18.04**	**15.14**	**129.04**	**111.64**	**24.61**

14. Other liabilities

	Non-current			Current		
	As at			As at		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Service tax payable	-	-	-	18.31	9.47	0.30
Tax deducted at source payable	-	-	-	27.24	46.52	42.56
Advance billing	-	-	-	907.71	551.51	459.60
Advances from customers	-	-	-	1,712.28	1,728.15	1,665.67
Unearned income	-	-	6.37	-	-	27.17
Others	-	-	19.21	31.68	38.01	44.22
	-	**-**	**25.58**	**2,697.22**	**2,373.66**	**2,239.52**

15. Revenue from operations

	Year ended	
	March 31, 2017	March 31, 2016
Contract revenue	4,455.11	3,847.79
Sale of traded goods	338.78	556.81
Other operating revenue		
Hire charges	6.21	5.64
Management services	67.18	36.78
	4,867.28	**4,447.02**

16. Other income

	Year ended	
	March 31, 2017	March 31, 2016
Scrap sales	26.63	18.52
Insurance claims	9.53	15.78
Unspent liabilities and provisions written back	138.69	13.97
Interest income on		
Bank deposits	4.72	9.95
Financial assets, carried at amortized costs	136.13	99.93
Others	16.32	34.09

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2017	March 31, 2016
Derivative premium on hedged borrowings	3.08	2.36
Net gain on sale of long term investments	6.93	1.05
Profit on sale of property, plant and equipments (net)	-	47.32
Dividend income on non-trade long term investments	0.77	0.00
Rental income	6.62	3.86
Income on deconsolidation of subsidiaries [refer note 37(b)]	973.85	-
Bad debts recovered	0.18	2.71
Others	31.65	8.51
	1,355.10	**258.05**

17. Employee benefit expense

	Year ended	
	March 31, 2017	March 31, 2016
Salaries, wages and bonus	527.56	705.74
Contribution to provident funds	17.09	25.80
Employee share based payment expense	6.13	-
Retirement benefits	4.71	7.99
Staff welfare expenses	22.68	34.02
	578.17	**773.55**

18. Other expenses

	Year ended	
	March 31, 2017	March 31, 2016
Contractor charges	1,488.83	1,380.86
Site expenses	63.76	46.74
Diesel and fuel	75.56	54.56
Repair and maintenance		
Buildings	0.45	2.96
Plant and equipments	10.37	29.20
Others	9.15	3.71
Rent	34.86	50.98
Freight and cartage	53.10	50.79
Hire charges	77.93	91.86
Rates and taxes	69.24	40.07
Insurance	16.53	27.06
Travelling and conveyance	57.11	58.61
Loss on disposal of PPE (net)	46.09	-
Consultancy and professional	152.66	99.39
Exchange difference (net)	547.84	134.51
Irrecoverable balances written off (including provision for ECL of 69.80 (previous year (-) 43.78))	774.75	350.65
Provision for major maintenance	8.97	7.38
Loss on deconsolidation of a joint venture	-	2.19
Provision for foreseeable losses on onerous contract	25.56	85.03
Miscellaneous	54.18	100.84
	3,566.94	**2,617.39**

(All amounts in INR Crores, unless otherwise stated)

19. Depreciation and amortization expense

	Year ended	
	March 31, 2017	March 31, 2016
Depreciation of property, plant and equipment	201.57	327.83
Depreciation of investment properties	1.65	1.65
Amortisation of intangible assets	17.32	12.93
	220.54	**342.41**

20. Finance costs

	Year ended	
	March 31, 2017	March 31, 2016
Interest	939.61	865.35
Bank charges	78.62	193.69
	1,018.23	**1,059.04**

21. Income tax expenses

	2016-17	2015-16
(a) Income tax expense		
- Current tax	11.71	23.41
- Minimum alternate tax credit entitlement / written off (net)	(0.02)	(0.17)
- Adjustment of tax relating to earlier years	(45.11)	(18.55)
- Deferred tax	(1.45)	(4.82)
Total tax expense	**(34.87)**	**(0.13)**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(905.30)	(2,083.27)
Tax at the Indian tax rate of 30.90% (Previous year - 30.90%)	(279.74)	(643.73)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Provisions for diminution in value of Investments	-	10.58
Tax losses of provision for unforeseeable losses & credit losses	37.07	28.30
Tax effect of different jurisdiction of operation / subsidiaries	22.27	(67.85)
Effect of deferred tax assets not recognised	208.47	629.61
Tax relating to earlier years	(45.11)	(18.55)
Other items	22.17	61.51
Total tax expense	**(34.87)**	**(0.13)**
(c) Tax Losses: *		
Unused tax losses for which no deferred tax asset has be recognised	2,294.83	727.76
Potential tax benefit @ tax rate	709.10	224.88

*The group operates in different geographies having different tax regimes. Apart from above tax losses of parent company, there are some other insignificant unused tax losses for which deferred tax is not recognized.

(All amounts in INR Crores, unless otherwise stated)

22. Earnings per share (EPS)

	2016-17	2015-16
Net loss after tax attributable to equity share holders	(920.05)	(2,130.81)
Weighted average number of equity shares outstanding during the year (Nos.)	332,200,786	332,095,745
Basic EPS (₹)	(27.70)	(64.16)
Adjustment for calculation of diluted EPS on account of stock options	1,803,559	-
Weighted average number of equity shares for calculating diluted EPS (Nos.) *	332,200,786	332,095,745
Diluted EPS	(27.70)	(64.16)
Nominal value per equity share (₹)	2.00	2.00

* As the Company has incurred loss during the current year, dilutive effect of stock options on weighted average number of equity shares would have an anti-dilutive impact and hence, not considered.

23. Post employment benefit plans

The Company and few of its Indian subsidiaries provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. All permanent employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognized funds (in form of insurance policies) in India.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, the funded status and the amounts recognized in the balance sheet for the plan.

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2016	**15.49**	**(9.73)**	**5.76**
Current service cost	1.68	-	1.68
Interest expenses/(income)	1.10	(0.68)	0.42
Total amount recognised in profit or loss	**2.78**	**(0.68)**	**2.10**
Remeasurements:			
- Due to changes in financial assumptions	(0.70)	-	(0.70)
- Due to experience adjustments	1.53	-	1.53
- Return on assets (excluding interest income)	-	0.14	0.14
Total amount recognised in OCI	**0.83**	**0.14**	**0.97**
Benefits payments	(2.01)	1.97	(0.04)
Employer contributions	-	(0.02)	(0.02)
March 31, 2017	**15.43**	**(8.60)**	**6.83**

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2015	**14.34**	**(9.96)**	**4.38**
Current service cost	2.44	-	2.44
Interest expenses/(income)	1.08	(0.74)	0.34
Total amount recognised in profit or loss	**3.52**	**(0.74)**	**2.78**
Remeasurements:			
- Due to changes in financial assumptions	(0.04)	-	(0.04)
- Due to experience adjustments	(0.31)	-	(0.31)
- Return on assets (excluding interest income)	-	(0.05)	(0.05)
Total amount recognised in OCI	**(0.35)**	**(0.05)**	**(0.40)**
Benefits payments	(2.72)	2.63	(0.09)
Employer contributions	-	(1.71)	(1.71)
March 31, 2016	**15.49**	**(9.73)**	**5.76**

(All amounts in INR Crores, unless otherwise stated)

The net liability disclosed above entirely relates to the funded gratuity plans. 100% plan assets are allocated in insurance company products portfolio. The Group expects to contribute 1.50 (Previous year: 1.50) to gratuity fund in the next year.

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

	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	6.90%	7.75%	7.80%
Expected rate of return on assets	6.90%	9.00%	9.00%
Salary increase rate	5.50%	5.50%	5.50%
Employee turnover			
upto age 30 years	15.00%	15.00%	15.00%
31-44 years	10.00%	10.00%	10.00%
45 and above	5.00%	5.00%	5.00%
Retirement age (in years)	60	60	60
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate		

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Sensitivity analysis *

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase by 50 basis points	Decrease by 3.24%
	Decrease by 50 basis points	Increase by 3.56%
Salary increase rate	Increase by 50 basis points	Increase by 4.04%
	Decrease by 50 basis points	Decrease by 3.56%

*Subsidiaries are excluded considering insignificant in nature.

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which is the risk of change in the interest rates due to market volatility. A decrease therein will increase plan liabilities. Apart from the interest rate, the other significant risks associated with defined benefit plans are inflation risk, economic environment and regulatory changes.

The Group manages its investment positions to achieve long term investments that are in line with the obligations under the employee benefit plans. The designated trust actively monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed its processes to manage its risks from previous periods.

Maturity profile of the defined benefit obligations

The weighted average duration of the defined benefit obligation is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

Period	Amount
Within one year	2.19
Between 1 – 2 years	2.03
Between 2 – 5 years	7.65
Over 5 years	11.48

(All amounts in INR Crores, unless otherwise stated)

24. Employee stock option plans (ESOP)

(a) The Company provides various share based payment schemes to its employees. During the year ended March 31, 2017, the relevant details of the schemes are as follows:

	ESOP 2005	ESOP 2006
Date of Board of Directors approval	September 05, 2005 and February 12, 2016	June 27, 2006 and February 12, 2016
Date of Remuneration Committee approval	Various dates subsequent to September 05, 2005	Various dates subsequent to June 27, 2006
Date of Shareholder's approval	September 29, 2005 and April 3, 2006	September 22, 2006
Number of options	4,000,000	5,000,000
Method of settlement	Equity	
Vesting period (for fresh grant)	One year from the date of grant	
Exercise period (for fresh grant)	Five years from the date of vesting or one year from the date of separation from service, whichever is earlier	
Vesting condition	Employee should be in service	

The details of activities under ESOP 2005 have been summarized below:

	Number of options		Weighted average exercise price (₹)	
	2016-17	2015-16	2016-17	2015-16
Outstanding at the beginning of the year	2,972,760	-	2.00	-
Granted during the year	-	2,972,760	-	2.00
Exercised during the year	1,702,760*	-	2.00	-
Expired during the year	500,000	-	2.00	-
Outstanding at the end of the year	770,000	2,972,760	2.00	2.00
Exercisable at the end of the year	770,000	-	2.00	-

*Out of these, 770,000 ESOPs exercised on March 31, 2017 were allotted on April 26, 2017.

The details of activities under ESOP 2006 have been summarized below:

	Number of options		Weighted average exercise price (₹)	
	2016-17	2015-16	2016-17	2015-16
Outstanding at the beginning of the year	1,897,240	-	2.00	-
Granted during the year	-	1,897,240	-	2.00
Exercised during the year	1,447,240**	-	2.00	-
Expired during the year	250,000	-	2.00	-
Outstanding at the end of the year	200,000	1,897,240	2.00	2.00
Exercisable at the end of the year	200,000	-	2.00	-

**Out of these, 250,000 ESOPs exercised on March 31, 2017 were allotted on April 26, 2017.

The weighted average share price at the date of exercise of the options exercised during the year ended March 31, 2017 was ₹ 20.46. The weighted average remaining contractual life of the stock options outstanding as at March 31, 2017 is 2.45 years.

No options were granted during the year ended March 31, 2017. The fair value at the grant date of options granted during the year ended March 31, 2016 was ₹ 15.72, which was determined using the Black Scholes Model. The Model took into account the following inputs for computing the fair value:

(All amounts in INR Crores, unless otherwise stated)

Particulars	
Dividend yield (%)	7.50
Expected volatility (%) [computed based on past two years historical share price]	53.06
Risk free interest rate (%)	7.87
Share price (₹)	22.40
Exercise price (₹)	2.00
Expected life of options granted (in years)	3.50

Total expenses arising from share based payments transactions recognized in profit & loss as part of employee benefit expense is 6.13 (previous year Nil).

(b) One of the Indian subsidiaries of the Company provides share based payment scheme to its employees. During the year ended March 31, 2017, the relevant details of the scheme are as follows:

	ESOP 2008
Date of Board of Directors' approval	April 07, 2008
Date of Shareholders' approval	April 07, 2008
No. of options granted	238,000 156,000
Method of settlement	Cash
Vesting Period	Over the period of four years
Exercise Period	Three years from the date of vesting/listing, whichever is later
Vesting conditions	Continuous association with the Company and performance

The details of activities under ESOP 2008 have been summarized below:

	Number of options		Weighted average exercise price (₹)	
	2016-17	2015-16	2016-17	2015-16
Outstanding at the beginning of the year	31,140 11,500 80,000 93,000 112,914	34,340 11,500 80,000 97,000 -	100.00 32.00 385.00 100.00 105.00	100.00 32.00 385.00 100.00 -
Granted during the year	-	134,334	-	105.00
Exercised during the year	-	-	-	-
Expired during the year	31,140 11,500 80,000 15,000 10,886	3,200 - - 4,000 21,420	100.00 32.00 385.00 100.00 105.00	100.00 32.00 385.00 100.00 105.00
Outstanding at the end of the year	- - - 78,000 102,028	31,140 11,500 80,000 93,000 112,914	100.00 32.00 385.00 100.00 105.00	100.00 32.00 385.00 100.00 105.00
Exercisable at the end of the year	- - - 78,000 102,028	31,140 11,500 80,000 93,000 -	100.00 32.00 385.00 100.00 105.00	100.00 32.00 385.00 100.00 -

The weighted average share price at the date of exercise is not applicable since no option is exercised.

(All amounts in INR Crores, unless otherwise stated)

For the purpose of valuation of the options granted upto year ended March 31, 2017 under ESOP 2008, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method, is ₹ Nil.

25. Segment information

(a) **Description of segments and principal activities**

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

The Group has identified the business segments as reportable segment. The business segment comprise: Engineering, procurement and construction (EPC) services and Trading of goods. 'EPC' segment includes providing of engineering, procurement and construction services in oil, gas and infrastructure sectors and 'Trading of goods' segment includes purchase and sale of steel and related products.

(b) **Summarized segment information is as follows:**

	EPC		Traded goods		Corporate unallocable		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue (external)	4,461.32	3,853.43	338.78	556.81	67.18	36.78	4,867.28	4,447.02
Segment results	(1,074.10)	(1,139.01)	(1.22)	(1.43)	13.91	(23.35)	(1,061.41)	(1,163.78)
Finance costs							(1,018.23)	(1,059.04)
Interest income							157.18	143.97
Other income							1,022.88	0.93
Share of loss in associates/ joint ventures (net)							(5.72)	(5.34)
Income tax							(34.87)	(0.13)
Loss for the year							(870.43)	(2,083.14)
Depreciation and amortization	167.27	282.28	-	-	53.27	60.13	220.54	342.41
Other significant non cash expenses	791.59	410.12	-	-	57.95	27.76	849.54	437.88
Capital expenditure	42.27	184.57	-	-	7.35	1.57	49.62	186.14

Revenue (external) includes 1,802.76 generated from two customers contributing 10% or more of the total revenue (Previous year: 957.61 from two customers). These revenues are attributed to the EPC segment.

The Group is headquartered in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

	2016-17	2015-16
India	2,004.32	1,638.93
Other countries	2,862.96	2,808.09
Total	**4,867.28**	**4,447.02**

(c) **Segment assets and liabilities**

As at March 31, 2017 and March 31, 2016

	EPC		Traded goods		Corporate unallocable		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment assets	10,666.89	11,355.58	-	-	1,295.61	1,663.78	11,962.50	13,019.36
Segment liabilities	5,300.70	5,919.19	201.92	193.44	8,266.17	8,268.48	13,768.78	14,381.11

(All amounts in INR Crores, unless otherwise stated)

As at April 01, 2015

	EPC	Traded goods	Corporate unallocable	Total
Segment assets	12,299.14	-	1,855.50	14,154.64
Segment liabilities	5,732.91	362.70	7,287.99	13,383.60

The total of non-current assets, other than financial assets and deferred tax assets, broken down by location of the assets is shown in the table below.

	March 31, 2017	March 31, 2016	April 01, 2015
India	1,365.59	1,553.73	1,610.36
Other countries	279.13	663.98	885.58
Total	**1,644.72**	**2,217.71**	**2,495.94**

26. Interest in other entities

(a) Subsidiaries

The Group's interest and share in subsidiaries are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Group, directly or indirectly, and the country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest as at		
		March 31, 2017	March 31, 2016	April 01, 2015
		%	%	%
Subsidiaries				
Spectra Punj Lloyd Limited	India	100.00	100.00	100.00
Punj Lloyd Industries Limited	India	99.99	99.99	100.00
Atna Investments Limited	India	100.00	100.00	100.00
PLN Construction Limited	India	100.00	100.00	100.00
Punj Lloyd International Limited	British Virgin Islands	100.00	100.00	100.00
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00	100.00	100.00
Punj Lloyd Pte. Limited $	Singapore	100.00	100.00	100.00
PL Engineering Limited	India	80.32	80.32	80.32
Punj Lloyd Infrastructure Limited	India	100.00	100.00	100.00
Punj Lloyd Upstream Limited	India	58.06	58.06	58.06
Punj Lloyd Aviation Limited	India	100.00	100.00	100.00
Sembawang Infrastructure (India) Private Limited	India	100.00	100.00	100.00
Indtech Global Systems Limited	India	99.99	99.99	99.99
Shitul Overseas Placement and Logistics Limited	India	100.00	100.00	100.00
PLI Ventures Advisory Services Private Limited	India	-	-	100.00
Dayim Punj Lloyd Construction Contracting Company Limited	Saudi Arabia	51.00	51.00	51.00
Punj Lloyd Infrastructure Pte. Limited	Singapore	100.00	100.00	100.00
Punj Lloyd Building and Infrastructure Private Limited	Sri Lanka	100.00	100.00	-
Step Down Subsidiaries				
PT Punj Lloyd Indonesia $	Indonesia	100.00	100.00	100.00
PT Sempec Indonesia $	Indonesia	100.00	100.00	100.00
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00	100.00
Punj Lloyd Sdn. Bhd.	Malaysia	100.00	100.00	100.00

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at		
		March 31, 2017	March 31, 2016	April 01, 2015
		%	%	%
Punj Lloyd Engineers and Constructors Pte. Limited $	Singapore	100.00	100.00	100.00
Punj Lloyd Engineers and Constructors Zambia Limited $*	Zambia	-	100.00	100.00
Buffalo Hills Limited $	British Virgin Islands	100.00	100.00	100.00
Indtech Trading FZE $	United Arab Emirates	100.00	100.00	100.00
PLI Ventures Limited	Mauritius	-	-	100.00
Punj Lloyd Aviation Pte. Limited	Singapore	100.00	100.00	100.00
Christos Aviation Limited	Bermuda	100.00	100.00	100.00
Punj Lloyd (B) Sdn. Bhd.	Brunei	-	-	100.00
Punj Lloyd Kenya Limited $*	Kenya	-	100.00	100.00
PL Global Developers Pte. Limited	Singapore	-	-	100.00
Graystone Bay Limited	British Virgin Islands	-	-	100.00
Punj Lloyd Thailand (Co.) Limited $	Thailand	100.00	100.00	100.00
Punj Lloyd Delta Renewables Pte. Limited $*	Singapore	-	51.00	51.00
Indraprastha Renewables Private Limited (formerly Punj Lloyd Delta Renewables Private Limited)	India	100.00	51.00	51.00
Punj Lloyd Delta Renewables Bangladesh Limited*	Bangladesh	-	51.00	51.00
Punj Lloyd Raksha Systems Private Limited	India	51.00	51.18	100.00
Punj Lloyd Engineering Pte. Limited	Singapore	80.32	80.32	80.32
Simon Carves Engineering Limited *	United Kingdom	-	80.32	80.32
PL Delta Technologies Limited @	India	80.32	80.32	80.32
Punj Lloyd Solar Power Limited	India	100.00	100.00	100.00
Khagaria Purnea Highway Project Limited	India	100.00	100.00	100.00
Indraprastha Metropolitan Development Limited	India	100.00	100.00	100.00
PL Surya Urja Limited	India	100.00	100.00	100.00
PL Sunshine Limited	India	100.00	100.00	100.00
PL Solar Renewable Limited *	India	-	100.00	-
PL Surya Vidyut Limited	India	100.00	100.00	-
PL Sunrays Power Limited *	India	-	100.00	-
Sembawang Engineers and Constructors Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang Development Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang Libya for General Contracting & Real Estate Investment Joint Stock Company	Libya	-	-	63.30
Contech Trading Pte. Limited $	Singapore	97.38	97.38	97.38
Construction Technology (B) Sdn. Bhd.	Brunei	-	-	97.38
Sembawang Mining (Kekal) Pte. Limited $	Singapore	97.38	97.38	97.38
PT Indo Precast Utama	Indonesia	-	-	97.38
PT Indo Unggul Wasturaya	Indonesia	-	-	65.24
Sembawang (Tianjin) Construction Engineering Co. Limited $	China	68.17	68.17	68.17
Sembawang Infrastructure (Mauritius) Limited	Mauritius	-	-	97.38

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at		
		March 31, 2017	March 31, 2016	April 01, 2015
		%	%	%
Sembawang UAE Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang Consult Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang (Malaysia) Sdn. Bhd. $	Malaysia	97.38	97.38	97.38
Jurubina Sembawang (M) Sdn. Bhd. $	Malaysia	97.38	97.38	97.38
Tueri Aquila FZE $	United Arab Emirates	97.38	97.38	97.38
Sembawang Bahrain SPC	Bahrain	-	-	97.38
Sembawang Equity Capital Pte. Limited $	Singapore	97.38	97.38	97.38
Sembawang of Singapore – Global Project Underwriters Pte. Limited	Singapore	-	-	97.38
Sembawang of Singapore – Global Project Underwriters Limited	Hong Kong	-	-	97.38
Sembawang Hong Kong Limited $*	Hong Kong	-	97.38	97.38
Sembawang (Tianjin) Investment Management Co. Limited $	China	97.38	97.38	97.38
PT Sembawang Indonesia $	Indonesia	97.38	97.38	97.38
Reliance Contractors Private Limited $	Singapore	97.38	97.38	97.38
Sembawang E&C Malaysia Sdn. Bhd. $	Malaysia	97.38	97.38	97.38

(b) **Joint operations**

The Group's interest in joint operations is set out below.

Name of entity	Nature of operations	Place of business	Ownership interest as at		
			March 31, 2017	March 31, 2016	April 01, 2015
			%	%	%
Joint operations of the Company					
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Revival of Ratnagiri Gas and Power Private Limited LNG Terminal project	India	50.00	50.00	50.00
Punj Lloyd Group Joint Venture	Design and construction services of platform compression facilities	Thailand	75.00	75.00	75.00
Public Works Company Tripoli - Punj Lloyd Joint Venture	Laying of sewerage and water pipeline and city road development	Libya	60.00	60.00	60.00
Joint operations through subsidiaries:					
Kumagai-Sembawang-Mitsui Joint Venture $	Design and construction of the Potong Pasir and on Keng MRT Stations, including tunnels	Singapore	43.82	43.82	43.82
Kumagai-SembCorp Joint Venture$	Design and construction of Paya Lebar Deep Tunnel Sewerage System	Singapore	48.69	48.69	48.69
Kumagai-SembCorp Joint Venture (DTSS) $	Design and construction of the Changi Airport MRT Station, including tunnels	Singapore	48.69	48.69	48.69

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Nature of operations	Place of business	Ownership interest as at		
			March 31, 2017	March 31, 2016	April 01, 2015
			%	%	%
SembCorp-Daewoo Joint Venture $	Design and construction of Kallang and Paya Lebar Expressway	Singapore	58.43	58.43	58.43
Sembawang – Leader Joint Venture	Construction of Shatin to Central Link Diamond Hill Station	Hong Kong	-	-	53.56

Joint venture partners have direct rights to the assets of the operations and are jointly and severally liable for liabilities incurred by the operations. The Group recognizes its direct right to the jointly held assets, liabilities, revenue and expenses.

(c) Interest in associates and joint ventures

The Group's interest and share in associates and joint ventures are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Group, directly or indirectly, and the country of incorporation or registration is also their principal place of business.

Name of entity	Nature of operations	Place of business	Ownership interest as at		
			March 31, 2017	March 31, 2016	April 01, 2015
Joint ventures of the Company			%	%	%
Thiruvananthpuram Road Development Company Limited @	Thiruvananthpuram city road improvement	India	50.00	50.00	50.00
Ramprastha Punj Lloyd Developers Private Limited	Real estate developers	India	50.00	50.00	50.00
Joint ventures through subsidiaries:					
PT Kekal Adidaya $	Extraction of coal	Indonesia	48.69	48.69	48.69
AeroEuro Engineering India Private Limited	Designing in aerospace sector	India	40.16	40.16	40.16
Punj Lloyd Dynamic LLC $	Construction work	Qatar	48.00	48.00	48.00
Sembawang Caspi Engineers and Constructors LLP	Engineering, procurement and construction work	Kazakhstan			48.69
PLE TCI Engenharia Ltda	Engineering and design consultancy services	Brazil	39.36	39.36	39.36
Sembawang Precast System LLC	Pre cast production including precasting of columns and tunnel segments	United Arab Emirates	-	-	48.69
PLE TCI Engineering Limited @	Engineering and Designing	India	39.36	39.36	39.36
Associates through subsidiaries:					
Air Works India (Engineering) Private Limited	Aviation – Maintenance, Repair and Overhaul	India	23.24	23.30	23.30
Reco Sin Han Pte. Limited	Real estate developers	Singapore	-	-	19.48

$ Entities part of Punj Lloyd Pte. Limited Group ('PLPL Group'). Pursuant to appointment of judicial manager of PLPL by the Singapore High Court as per the Singapore Companies Act w.e.f. June 27, 2016, the Group has lost control over the PLPL Group. Also refer note 37(b).

* Entities filed for strike off/ liquidation or struck off/ liquidated/ sold during the year.

@ Entities held with an intention of disposal in near future.

(All amounts in INR Crores, unless otherwise stated)

27. Related Parties

(a) **Details of related parties**

(i) **Parties over which the Group has control**

Interest in subsidiaries, including associates and joint ventures, are set out in note 26.

(ii) **Key management personnel**

Atul Punj	Chairman and Managing Director
Atul Kumar Jain	Director (w.e.f. August 10, 2016)
Shiv Punj *	Director (w.e.f. March 25, 2016)
Luv Chhabra**	Director (Corporate Affairs)
P. N. Krishnan**	Director – Finance
J. P. Chalasani**	Managing Director & Group CEO

*Prior to his appointment as director of the company, he used to be a relative of key managerial personnel.
**Resigned in previous year

Non-executive director

Jyoti Punj (w.e.f. August 18, 2016)

Non-executive and independent directors

Phiroz Vandrevala
Uday Walia
Shravan Sampath
Rajat Khare

(iii) **Enterprises over which Key Managerial Personnel or their relatives exercise significant influence and with whom transactions have taken place during the year:**

Pt. Kanahya Lal Dayawanti Punj Charitable Society	Chairmanship of Father of Chairman
PTA Engineering and Manpower Services Private Limited	Shareholding of Chairman
PLE Hydraulics Private Limited	Shareholding of Chairman
Artcon Private Limited	Shareholding of Chairman
Manglam Equipment Private Limited	Shareholding of Chairman
Petro IT Limited	Shareholding of Brother of Chairman

(iv) **Other related parties – Post employment benefit plan of the Group**

Punj Lloyd Group Employee's Provident Fund Trust
Punj Lloyd Employee's Group Gratuity Trust
Punj Lloyd Group Employee's Superannuation Trust

(b) **Transaction with related parties**

	2016-17	2015-16
With associates		
Traveling and conveyance	0.86	1.27
Consultancy and professional	0.01	0.01
With enterprises where KMPs or their relatives have influence		
Rent expense	2.13	3.55
With KMP		
Employee benefit expenses	-	5.78
Consultancy and professional	2.73	2.17
With other related parties post employment benefit plans		
Contribution towards post employment benefit plans	5.32	7.12

(All amounts in INR Crores, unless otherwise stated)

(c) **Outstanding balances**

	March 31, 2017	March 31, 2016	April 01, 2015
Associate			
Trade receivable	0.00	0.36	0.12
Joint venture			
Other advances (advances to related parties)	80.43	191.65	186.75
Enterprises where KMPs or their relative have influence			
Trade payable	(5.06)	(3.82)	(2.21)
KMP remuneration payable	-	(2.40)	(0.76)

(d) **Terms and conditions of transactions with related parties**

All related party transactions are in ordinary course of business and on arm's length basis. All outstanding balances are unsecured and repayable in cash.

28. Commitments

(a) **Capital commitments**

Capital expenditure contracted for as at the end of the reporting period but not recognized as liabilities (net of advances) is as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Property, plant and equipment	6.76	30.52	8.81
Intangible assets	1.64	0.00	0.20

(b) **Non-cancellable operating leases**

The Group leases various offices and guest houses under non-cancellable operating leases expiring, generally, within eleven months to three years. There are no contingent rents in the lease agreements. Upon renewal, the terms of the leases are renegotiated. There is no escalation clause in the lease agreements. There are no significant restrictions imposed by lease arrangements. The amount of total future minimum lease payments under non-cancellable operating leases as at March 31, 2017 is Nil (Previous year: Nil). Rental expenses relating to operating lease for the year ended March 31, 2017 is 34.86 (Previous year: 50.98).

(c) **Finance lease obligations**

The Group has finance leases and hire purchase contracts for certain project equipments, vehicles and building, the cost of which is included in the gross block of plant and equipment, vehicles and investment property respectively under tangible assets and investment properties. The lease term is for one to ninety nine years. There is no escalation clause in the lease agreements. There are no significant restrictions imposed by lease arrangements.

	2016-17	2015-16	2014-15
Gross block at the end of financial year	205.36	211.49	215.43
Written down value at the end of financial year	91.47	94.38	134.28
Details of payments made during the year:			
Principal	-	61.10	36.87
Interest	-	8.18	12.10

The breakup of minimum lease payments outstanding as at reporting date is as under

	As at March 31, 2017	As at March 31, 2016			As at April 01, 2015		
	Total	Principal	Interest	Total	Principal	Interest	Total
Payable within one year	-	0.19	0.04	0.23	39.77	6.68	46.45
Payable after one year but before end of fifth year	-	0.23	0.06	0.29	21.63	1.08	22.71

(All amounts in INR Crores, unless otherwise stated)

29. Contingent liabilities

		As at		
		March 31, 2017	March 31, 2016	April 01, 2015
a)	Liquidated damages deducted by customers not accepted by the Company and pending final settlement. #	113.05	136.44	170.05
b)	Demand by custom authorities against import of aircraft	17.89	17.89	17.89
c)	Value added tax demands: *			
	on disallowance of deduction on labour and services of the works contracts pending with sales tax authorities and High Court	3.14	16.57	39.29
	for non submission of statutory forms	0.11	0.11	0.11
	for purchases against statutory forms not accepted by department	8.49	7.76	8.76
	against the central sales tax demand on sales in transit/ sale in the course of import	0.79	0.07	2.84
d)	Demand by income tax authorities in one of overseas subsidiary	5.75	-	21.20
e)	Entry tax demands against entry of goods into the local area not accepted by department. *	3.97	3.99	4.68

excludes possible liquidated damages which can be levied by customers for delay in execution of projects. The management, based on consultation with various experts, believes that there exist strong reasons why no liquidated damages shall be levied by these customers. Although, there can be no assurances, the Group believes, based on information currently available, that the ultimate resolution of these proceedings is not likely to have an adverse effect on the results of operations, financial position or liquidity of the Group.

*The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of the above matters. However, based on favorable decisions/outcomes in similar cases earlier and based on legal opinions /consultations with solicitors, the management believes that there are good chances of success in above mentioned cases and hence, no provision there against is necessary.

f) In respect of the direct tax matters which are subject to legal proceedings in the ordinary course of business, the management, based on the expert opinions, is confident that these matters, when ultimately concluded, will not have a material impact on the result of operations or the financial position of the Group.

g) The Group, directly or indirectly through its subsidiaries, is severally or jointly involved in certain legal cases with its customers / vendors in the ordinary course of business. The management believes that due to the nature of these disputes and in view of numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial changes. The Group regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, changes its estimates accordingly. In view of aforesaid reasons, as of the reporting date, it is unable to determine the ultimate outcome of these matters.

30. The disclosures as per provisions of Clauses 39, 40 and 42 of Indian Accounting Standard 11 – 'Construction Contracts' are as under:

		2016-17	2015-16
a)	Contract revenue recognized as revenue in the period (Clause 39 (a))	4,455.11	3,834.27
b)	Aggregate amount of costs incurred and recognized profits (less recognized losses) up to the reporting date on contract under progress (Clause 40 (a))	21,798.32	16,056.17
c)	Advance received on contract under progress (Clause 40 (b))	1,712.28	1,728.15
d)	Retention amounts on contract under progress (Clause 40 (c))	843.61	874.20
e)	Gross amount due from customers for contract work as an asset (Clause 42(a))	6,297.88	6,814.79
f)	Gross amount due to customers for contract work as a liability (Clause 42 (b))	907.71	551.51

(All amounts in INR Crores, unless otherwise stated)

31. The Group, during earlier years, accrued claims amounting to 735.80 (Previous year : 735.80) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost overrun arising due to design changes and consequent changes in the scope of work on the said project since it was of the view that the delay in execution of the project was attributable to the customer. After all the discussions in various forums to resolve the matter mutually failed, the Group, with a view to resolve the matter in finality, expeditiously and with legal enforceability, recommenced the arbitration proceedings. The management is confident of satisfactory settlement of the dispute and recovery of the said amounts, accordingly no adjustments have been considered necessary in these consolidated financial statements .

32. The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under the law/ Indian Accounting Standards for the material foreseeable losses on such long term contracts (including derivative contracts, if any) has been made in the books of accounts.

33. Financial instruments

(a) **Financial instruments by category**

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	FVTOCI	Amortized cost	FVTOCI	Amortized cost	FVTOCI	Amortized cost
Financial assets						
Non-current investments	39.71	-	99.21	-	122.93	-
Trade receivables	-	1,758.47	-	1,840.78	-	2,092.79
Loans	-	21.33	-	28.43	-	35.87
Cash and cash equivalents	-	628.22	-	433.36	-	331.03
Other bank balances	-	140.11	-	112.37	-	305.80
Other financial assets	-	642.51	-	831.47	-	881.04
	39.71	**3,190.64**	**99.21**	**3,246.41**	**122.93**	**3,646.53**
Financial liabilities						
Borrowings	-	6,071.54	-	6,719.76	-	6,016.60
Trade payables	-	2,675.51	-	3,662.27	-	3,861.96
Other financial liabilities	-	2,094.63	-	1,395.34	-	1,080.25
	-	**10,841.68**	**-**	**11,777.37**	**-**	**10,958.81**

(b) **Fair value hierarchy**

Financial instruments are classified into three levels in order to provide an indication about the reliability of the inputs used in determining the fair values.
The categories used are as follows:
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.

	Level 1	Level 2	Level 3	Total
As at March 31, 2017				
Non-current investments				
Quoted	0.35	-	-	0.35
Unquoted	-	-	39.36	39.36
Total	0.35	-	39.36	39.71
As at March 31, 2016				
Non-current investments				
Quoted	19.41	-	-	19.41
Unquoted	-	-	79.80	79.80
Total	19.41	-	79.80	99.21
As at April 01, 2015				
Non-current investments				
Quoted	31.41	-	-	31.41
Unquoted	-	-	91.52	91.52
Total	31.41	-	91.52	122.93

There are no transfers between any levels during the year.

(All amounts in INR Crores, unless otherwise stated)

(c) **Fair value of financial instruments measured at amortized cost**

The carrying amounts of the financial instruments measured at amortized cost, disclosed in note (a) above, approximates to their fair values. Accordingly, the fair values of such instruments have not been disclosed separately.

(d) **Valuation techniques and processes used to determine fair value**

Fair value of quoted investments is based on the quotation as at the reporting date. For unquoted investments, fair value is determined based on their audited financial statements accounted as equity method.

(e) **Valuation inputs and relationships to fair value**
Significant unobservable inputs used in Level 3 fair value measurement.

Non-current investments - Unquoted

As at	Fair value	Significant unobservable inputs
March 31, 2017	39.36	Fair value accounted on equity method based on financial statements of the investee
March 31, 2016	79.80	
April 01, 2015	91.52	

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(f) **Reconciliation of financial instruments categorized under Level 3**

	2016-17	2015-16
Opening	79.80	91.52
Disposed off during the year	(34.72)	(2.23)
Share of losses of associates/joint ventures for the year	(5.72)	(5.34)
Exchange differences	-	(4.15)
Closing	39.36	79.80

34. Financial risk management objective and policies

The Group's principal financial instruments are as follows:

Financial assets: Investments, Cash and bank balance, Loans, Trade and other receivables,

Financial liabilities: Borrowings, Trade and other payables.

The main purpose of these financial instruments is to regulate, finance and support the Group's operations.

The Group is exposed to various financial risks such as credit, liquidity and market risk. An experienced and qualified team ensures that all financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

A. **Credit risk**

Credit risk is the risk that counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and other financial instruments.

A.1. Trade receivables

The Group executes various projects for public sector/ government undertaking and others at various locations, including overseas. Trade receivables are contractual amounts due from these customers for works certified. Trade receivables are non-interest bearing and are generally on 30 to 45 days credit, depending upon contractual terms. The management evaluates the outstanding receivables on a periodic basis and provides for the impairment loss based on the established ECL policy, as described below.

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on its trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the aging of the receivable balances, clubbed with, historical experience with the customer and/or the industry in which the customer operates and assessment of litigation, if applicable. Receivables are written off when they are no more deemed collectible.

Though the Group executes projects with repeat customers but there is no significant customer level concentration of the credit risk as at any of the reported periods. Further, there is no concentrated risk based on the location where the Group operates.

(All amounts in INR Crores, unless otherwise stated)

A.2. Other financial assets

Cash and bank balances are managed by the Group's treasury department. Concentration risk is constantly monitored to mitigate financial loss.

The Group's maximum exposure to credit risk for the components of the financial assets as at March 31, 2017, March 31, 2016 and April 01, 2015 is to the extent of their respective carrying amounts as disclosed in note 7.

B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements, both immediate and long-term. The finance needs are monitored and managed by the Group's treasury department, in consultation with the project teams and management. The Group takes support from its secured lenders to finance and support the Group's operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans (term and working capital loans), including debentures. The working capital loans are generally revolving in nature and linked with the current assets of the projects. Of the total term debts of 3,622.68, approximately 48% is payable in less than one year at March 31, 2017 (March 31, 2016: 32% of 3,736.95; April 01, 2015: 37% of 2,786.25) based on the carrying value of such borrowings reflected in the consolidated financial statements. Certain delays and defaults were noticed in scheduled repayment during the reported financial years. However, the Group is taking necessary corrective actions to rectify the defaults and is also in talks with its existing lender to carve out an overall financial restructuring. Such restructuring, when executed, would give the sufficient liquidity to chart out the business turnaround and would also provide an extended period to repay its current debt portfolio, including the overdue amounts.

Other financial liabilities, like trade and other payables, matures predominantly within one year.

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk.

The sensitivity analysis as shown below relates to the position as at March 31, 2017 and March 31, 2016. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from borrowings with variable rates, which exposes the Group to cash flow interest rate risk. As at March 31, 2017 and March 31, 2016, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

C.1.1. Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Total borrowing*	7,822.94	7,921.22	7,036.16
Less:			
Fixed rate borrowings	955.06	1,034.85	1,109.36
Hedged borrowings	128.96	142.05	145.16
Un-hedged borrowings	**6,738.92**	**6,744.32**	**5,781.64**

*excluding interest accrued on borrowings.

C.1.2. Interest rate sensitivity

With all other variables held constant, increase of 50 basis points (bps) will result in a loss of 33.69 before tax (Previous year: 33.72) and a decrease of 50 bps will result in a gain of 33.69 before tax (Previous year: 33.72).

(All amounts in INR Crores, unless otherwise stated)

C.2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's un-hedged foreign currency exposure of its Indian operations and Group's net investment in its foreign operations/ subsidiaries (net of eliminations).

C.2.1. Foreign currency risk exposure

The Group's significant exposure to foreign currency risk at the end of the reported periods, expressed in INR, are as follows:

	USD	SGD	AED	OMR	QAR	LYD	THB	SAR
As at March 31, 2017								
Financial Assets	714.40	-	-	-	-	-	-	-
Financial Liabilities	(780.93)	(3.85)	(2.75)	-	-	-	-	-
Net investment in foreign operations / subsidiaries	-	367.51	302.03	135.36	670.31	277.00	637.31	48.27
Net exposure	**(66.53)**	**363.65**	**299.27**	**135.36**	**670.31**	**277.00**	**637.31**	**48.27**
As at March 31, 2016								
Financial Assets	479.42	-	-	-	-	-	-	-
Financial Liabilities	(624.28)	(3.02)	-	-	-	-	-	-
Net investment in foreign operations / subsidiaries	-	313.57	224.58	(8.19)	627.34	526.74	556.78	(25.86)
Net exposure	**(144.86)**	**310.54**	**224.58**	**(8.19)**	**627.34**	**526.74**	**556.78**	**(25.86)**
As at April 01, 2015								
Financial Assets	367.02	-	-	-	-	-	-	-
Financial Liabilities	(879.85)	(3.37)	-	-	-	-	-	-
Net investment in foreign operations / subsidiaries	-	-	202.00	13.19	562.86	789.32	677.56	(88.32)
Net exposure	**(512.83)**	**(3.37)**	**202.00**	**13.19**	**562.86**	**789.32**	**677.56**	**(88.32)**

C.2.2. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in currency exchange rate	Profit/(loss) effect before tax	
		March 31, 2017	March 31, 2016
USD	+5%	(3.33)	(7.24)
SGD	+5%	18.18	15.53
AED	+5%	14.96	11.23
OMR	+5%	6.77	(0.41)
QAR	+5%	33.52	31.37
LYD	+5%	13.85	26.34
THB	+5%	31.87	27.84
SAR	+5%	2.41	(1.39)

A decrease of 5% in the above currency's exchange rates would result in an equivalent reciprocal effect.

C.3. Other price risk

Group's exposure to equity securities price risk arises from quoted investments held and classified in the balance sheet as fair value through OCI. Price risk exposure for Group is insignificant, since Group's investment in such securities is immaterial.

(All amounts in INR Crores, unless otherwise stated)

35. Capital management

Risk management:

For the purpose of the capital management, capital includes the issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group monitors capital on the basis of a gearing ratio, which is, net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet) plus net debt. The Group's strategy is to maintain a gearing ratio within 100%. The gearing ratios were as follows:

	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Borrowings	8,142.49	8,091.18	7,088.37
Less: Cash and cash equivalents	628.22	433.36	331.03
Net Debts	**7,514.27**	**7,657.82**	**6,757.34**
Equity	(1,826.52)	(1,343.95)	823.66
Equity and net debts	**5,687.75**	**6,313.87**	**7,580.99**
Gearing ratio (%)	132.11	121.29	89.14

Loan covenants & gearing ratio

Under the terms of some borrowing facilities, the Group is required to comply with the certain financial covenants. The Group aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants could permit the bank to immediately call loans and borrowings. There have been some breaches in the financial covenants and gearing ratio during the reporting periods; however the management, in collaboration with its bankers, is taking necessary corrective measures to rectify these breaches.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

36. Additional information pursuant to Schedule III of the 2013 Act:

Name of Entities	Net assets i.e. total assets minus total liabilities as at March 31, 2017		Share in profit / (loss) for the year ended March 31, 2017		Share in other comprehensive income for the year ended March 31, 2017		Share in total comprehensive income for the year ended March 31, 2017	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income
Parent Company								
Punj Lloyd Limited	203.35	59.45%	(850.58)	61.38%	(936.91)	100.75%	(1,787.49)	77.19%
Subsidiaries: Indian								
Spectra Punj Lloyd Limited	3.20	0.94%	(0.52)	0.04%	-	-	(0.52)	0.02%
Punj Lloyd Industries Limited	11.56	3.38%	(0.57)	0.04%	1.43	-0.15%	0.86	-0.04%
Atna Investments Limited	0.69	0.20%	0.02	0.00%	0.13	-0.01%	0.15	-0.01%
PLN Construction Limited	17.53	5.13%	(0.07)	0.01%	-	-	(0.07)	0.00%
PL Engineering Limited	50.72	14.83%	(22.22)	1.60%	8.72	-0.94%	(13.50)	0.58%
Punj Lloyd Infrastructure Limited	52.97	15.49%	(2.73)	0.20%	0.15	-0.02%	(2.58)	0.11%
Punj Lloyd Upstream Limited	(125.86)	-36.80%	(107.49)	7.76%	(3.59)	0.39%	(111.08)	4.80%
Punj Lloyd Aviation Limited	(23.62)	-6.90%	(16.09)	1.16%	-	-	(16.09)	0.69%
Sembawang Infrastructure (India) Private Limited	(17.74)	-5.19%	(0.11)	0.01%	-	-	(0.11)	0.00%
Indtech Global Systems Limited	1.02	0.30%	0.05	0.00%	-	-	0.05	0.00%

Notes to consolidated financial statements
for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

Name of Entities	Net assets i.e. total assets minus total liabilities as at March 31, 2017		Share in profit / (loss) for the year ended March 31, 2017		Share in other comprehensive income for the year ended March 31, 2017		Share in total comprehensive income for the year ended March 31, 2017	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income
Shitul Overseas Placement and Logistics Limited #	0.17	0.05%	(0.00)	0.00%	-	-	(0.00)	0.00%
Indraprastha Renewables Private Limited (formerly Punj Lloyd Delta Renewables Private Limited)	(26.61)	-7.78%	(4.81)	0.35%	-	-	(4.81)	0.21%
Punj Lloyd Raksha Systems Private Limited	6.83	2.00%	0.03	0.00%	-	-	0.03	0.00%
PL Delta Technologies Limited @	-	-	-	-	-	-	-	-
Punj Lloyd Solar Power Limited	14.83	4.34%	(0.81)	0.06%	-	-	(0.81)	0.03%
Khagaria Purnea Highway Project Limited	46.87	13.70%	(0.18)	0.01%	-	-	(0.18)	0.01%
Indraprastha Metropolitan Development Limited	(0.36)	-0.11%	(0.01)	0.00%	-	-	(0.01)	0.00%
PL Surya Urja Limited	16.81	4.92%	(1.77)	0.13%	-	-	(1.77)	0.08%
PL Sunshine Limited	17.81	5.21%	(1.90)	0.14%	-	-	(1.90)	0.08%
PL Sunrays Power Limited *	-	-	(1.62)	0.12%	-	-	(1.62)	0.07%
PL Surya Vidyut Limited	0.00	0.00%	(0.00)	0.00%	-	-	(0.00)	0.00%
PL Solar Renewable Limited *	-	-	(1.36)	0.10%	-	-	(1.36)	0.06%
Subsidiaries: Foreign								
Punj Lloyd International Limited	0.38	0.11%	(0.56)	0.04%	-	-	(0.56)	0.02%
Punj Lloyd Kazakhstan, LLP	(89.41)	-26.14%	8.11	-0.59%	-	-	8.11	-0.35%
Punj Lloyd Building & Infrastructure Private Limited #	-	-	-	-	-	-	-	-
Dayim Punj Lloyd Construction Contracting Company Limited	22.94	6.71%	99.63	-7.19%	-	-	99.63	-4.30%
Punj Lloyd Infrastructure Pte Limited	(95.28)	-27.86%	(59.12)	4.27%	-	-	(59.12)	2.55%
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	119.31	34.88%	(6.24)	0.45%	-	-	(6.24)	0.27%
Punj Lloyd Sdn. Bhd.	(37.00)	-10.82%	13.36	-0.96%	-	-	13.36	-0.58%
Punj Lloyd Aviation Pte Limited	130.74	38.22%	(33.48)	2.42%	-	-	(33.48)	1.45%
Christos Aviation Limited	(0.30)	-0.09%	-	-	-	-	-	-
Punj Lloyd Delta Renewables Bangladesh Limited *	-	-	-	-	-	-	-	-
Punj Lloyd Engineering Pte Limited	1.15	0.34%	0.59	-0.04%	0.10	-0.01%	0.69	-0.03%
Simon Carves Engineering Limited *	-	-	(6.93)	0.50%	-	-	(6.93)	0.30%
Punj Lloyd Pte Limited $	-	-	17.67	-1.28%	-	-	17.67	-0.76%
PT Punj Lloyd Indonesia $	-	-	12.41	-0.90%	-	-	12.41	-0.54%
PT Sempec Indonesia $	-	-	(0.29)	0.02%	-	-	(0.29)	0.01%
Punj Lloyd Engineers and Constructors Pte Limited $	-	-	0.84	-0.06%	-	-	0.84	-0.04%
Punj Lloyd Engineers and Constructors Zambia Limited $*	-	-	0.19	-0.01%	-	-	0.19	-0.01%
Buffalo Hills Limited $	-	-	(0.00)	0.00%	-	-	(0.00)	0.00%
Indtech Trading FZE $	-	-	(0.12)	0.01%	-	-	(0.12)	0.01%
Punj Lloyd Kenya Limited $*	-	-	(0.14)	0.01%	-	-	(0.14)	0.01%
Punj Lloyd Thailand (Co) Limited $	-	-	(0.09)	0.01%	-	-	(0.09)	0.00%
Punj Lloyd Delta Renewables Pte Limited $*	-	-	(0.00)	0.00%	-	-	(0.00)	0.00%
Sembawang Engineers and Constructors Pte Limited $	-	-	(413.03)	29.81%	-	-	(413.03)	17.84%

Notes to consolidated financial statements

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

Name of Entities	Net assets i.e. total assets minus total liabilities as at March 31, 2017		Share in profit / (loss) for the year ended March 31, 2017		Share in other comprehensive income for the year ended March 31, 2017		Share in total comprehensive income for the year ended March 31, 2017	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income
Sembawang Development Pte Limited $	-	-	-	-	-	-	-	-
Contech Trading Pte Limited $	-	-	-	-	-	-	-	-
Sembawang Mining (Kekal) Pte Limited $	-	-	-	-	-	-	-	-
Sembawang (Tianjin) Construction Engineering Co. Limited $	-	-	-	-	-	-	-	-
Sembawang UAE Pte Limited $	-	-	-	-	-	-	-	-
Sembawang Consult Pte Ltd. $	-	-	-	-	-	-	-	-
Sembawang (Malaysia) Sdn Bhd $	-	-	-	-	-	-	-	-
Jurubina Sembawang (M) Sdn Bhd $	-	-	-	-	-	-	-	-
Tueri Aquila FZE $	-	-	-	-	-	-	-	-
Sembawang Equity Capital Pte Limited $	-	-	-	-	-	-	-	-
Sembawang Hong Kong Limited $*	-	-	-	-	-	-	-	-
Sembawang (Tianjin) Investment Management Co Limited $	-	-	-	-	-	-	-	-
PT Sembawang Indonesia $	-	-	-	-	-	-	-	-
Reliance Contractors Private Limited $	-	-	-	-	-	-	-	-
Sembawang E&C Malaysia Sdn. Bhd. $	-	-	-	-	-	-	-	-
Associate (Investment as per equity method)						-		
Indian						-		
Air Works India (Engineering) Private Limited	39.34	11.50%	(5.72)	0.41%	-	-	(5.72)	0.25%
Joint ventures (Investment as per equity method)						-		
Indian						-		
Thiruvananthpuram Road Development Company Limited @	-	-	-	-	-	-	-	-
Ramprastha Punj Lloyd Developers Private Limited	-	-	-	-	-	-	-	-
AeroEuro Engineering India Private Limited	-	-	-	-	-	-	-	-
PLE TCI Engineering Limited # @	-	-	-	-	-	-	-	-
Foreign								
Punj Lloyd Dynamic LLC $	-	-	-	-	-	-	-	-
PLE TCI Engenharia Ltda #	-	-	-	-	-	-	-	-
PT Kekal Adidaya $	-	-	-	-	-	-	-	-
	342.04	**100.00%**	**(1,385.66)**	**100.00%**	**(929.95)**	**100%**	**(2,315.61)**	**100.00%**
Non-controlling interest in all subsidiaries	20.44		49.62		(11.39)		38.23	
Adjustments arising out of consolidation	(2,168.76)		465.61		1,360.27		1,825.88	
Total	**(1,806.28)**		**(870.43)**		**418.93**		**(451.50)**	

* Entities either in the process of strike-off/liquidation or struck off/liquidated during the year

Entities yet to commence operations

@ Entities held with an intention of disposal in near future, hence excluded from consolidation.

$ Entities part of Punj Lloyd Pte. Limited Group ('PLPL Group'). Refer note 37(b).

(All amounts in INR Crores, unless otherwise stated)

37. Others

a) **Standards issued but not yet effective:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect of this amendment on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:
The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect of this amendment on the financial statements is being evaluated by the Company.

b) During the current year, the Singapore High Court ('the Court') heard upon the applications filed by Punj Lloyd Pte. Limited (PLPL) and Sembawang Engineers and Constructors Pte. Limited, subsidiaries of the Group, in previous year for placing them under the Judicial Management (JM). The Court approved the same and placed both the subsidiaries under the JM w.e.f. June 27, 2016. Pursuant to appointment of Judicial Managers, the Group lost control over these subsidiaries and consequent adjustments were made in the financial statements. Based on management's perception, the fair values of investment in the above subsidiaries have been considered nil as at March 31, 2017.

Income on deconsolidation of PLPL and its subsidiaries:

Particulars	Amount
Networth of PLPL attributable to the Group on date of deconsolidation	(973.85)
Less: Fair value of PLPL considered for deconsolidation	-
Net Income recognised at Group level under other income	**973.85**

c) Amounts in the consolidated financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 millions.

38. Specified Bank Notes (SBN) disclosure

In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, details of SBN and Other Denomination Notes (ODN), held and transacted during the period by the Company and its Indian subsidiaries from November 08, 2016 to December 30, 2016 are given below:

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 08, 2016	1.08	1.29	2.37
(+) Non permitted receipts	-	-	-
(+) Permitted receipts	-	1.24	1.24
(-) Permitted payments	0.00	1.73	1.73
(-) Amount deposited in banks	1.08	0.00	1.08
Closing cash on hand as on December 30, 2016	-	0.80	0.80

39. First-time adoption of Ind AS

Transition to Ind AS:

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017, the comparative information presented in these consolidated financial statements for the year ended March 31, 2016 and in preparation of an opening Ind AS balance sheet as at April 01, 2015 (the transition date). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 (as amended) (previous GAAP or Indian GAAP). This note explains how the transition from previous GAAP to Ind AS has been effected by the Group and how the same has affected the reported financial position, financial performance and cash flows of the Group:

(All amounts in INR Crores, unless otherwise stated)

A. **Exemptions and exceptions availed:**

Set out below are the applicable Ind AS 101 – 'First-time Adoption of Indian Accounting Standard' optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

(a) **Deemed cost**

Ind AS 101 permits a first-time adopter to elect to measure an item of property, plant and equipment (PPE) at the date of transition at its fair value.

Accordingly, the Group has elected to measure some of its items of PPE at the date of transition to its fair value and use that fair value as its deemed cost at that date.

(b) **Cumulative translation differences**

Ind AS 101 permits cumulative translation gains or losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 – 'The Effects of Changes in Foreign Exchange Rates' from the date a foreign operation came into existence.

Accordingly, the Group has elected to reset all cumulative translation gains or losses to zero by transferring it to opening retained earnings at its transition date.

(c) **Long term foreign currency monetary items**

Ind AS 101 permits a first-time adopter to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP.

Accordingly, the Group has elected to continue to adjust exchange differences arising on translation/settlement of long-term foreign currency monetary items, pertaining to the acquisition of a depreciable asset, to the cost of such asset and depreciates the same over the remaining life of the asset.

A.2 Ind AS mandatory exceptions availed:

(a) **Estimates**

Ind AS estimates as at April 01, 2015 and March 31, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Group made estimates for the following items in accordance with Ind AS at the said dates as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVTOCI; and
- Impairment of financial assets based on expected credit loss model.

(b) **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 – 'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. The Group has elected to apply the same.

(c) **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. **Reconciliation between previous GAAP and Ind AS**

The following tables represent the reconciliation of equity, total comprehensive income and cash flows for prior periods from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at March 31, 2016 and the date of transition, i.e., April 01, 2015:

	Notes to first-time adoption	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP*	Adjustment	Ind AS	Previous GAAP*	Adjustment	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	1, 2, 4	2,158.52	(850.61)	1,307.91	2,580.77	(887.26)	1,693.51
Capital work-in-progress		73.86	(43.10)	30.76	100.13	(62.91)	37.22
Investment property	2	-	93.07	93.07	-	94.72	94.72
Other intangible assets		4.51	367.65	372.16	7.93	230.13	238.06
Goodwill on consolidation		333.34	(111.38)	221.96	333.53	(110.78)	222.75
Intangible assets under development		0.62	-	0.62	2.89	-	2.89

Notes to consolidated financial statements

for the year ended March 31, 2017

(All amounts in INR Crores, unless otherwise stated)

	Notes to first-time adoption	As at March 31, 2016			As at April 01, 2015		
		Previous GAAP*	Adjustment	Ind AS	Previous GAAP*	Adjustment	Ind AS
Financial assets							
Investments	3	49.46	49.75	99.21	67.91	55.02	122.93
Loans		4.86	-	4.86	12.78	-	12.78
Others		-	497.19	497.19	27.76	613.17	640.93
Other bank balances		2.91	-	2.91	11.63	-	11.63
Deferred tax assets (net)		7.65	-	7.65	6.92	-	6.92
Other non-current assets	4	186.40	4.84	191.24	174.16	32.63	206.79
		2,822.13	7.41	2,829.54	3,326.41	(35.28)	3,291.13
Current assets							
Inventories		128.26	-	128.26	150.13	-	150.13
Unbilled revenue (work-in-progress)		6,814.79	-	6,814.79	6,775.30	(0.18)	6,775.12
Financial assets							
Trade receivables	5	2,030.82	(190.04)	1,840.78	2,411.14	(318.35)	2,092.79
Cash and cash equivalents		433.42	(0.06)	433.36	334.32	(3.29)	331.03
Other bank balances		112.37	-	112.37	305.80	-	305.80
Loans	5	23.57	-	23.57	23.09	-	23.09
Others	5	127.57	206.71	334.28	97.42	142.69	240.11
Current Tax Assets (Net)		184.79	-	184.79	291.64	(1.23)	290.41
Other current assets	4	393.84	(76.22)	317.62	735.91	(80.88)	655.03
		10,249.43	**(59.61)**	**10,189.82**	**11,124.75**	**(261.24)**	**10,863.51**
Total assets		**13,071.56**	**(52.20)**	**13,019.36**	**14,451.16**	**(296.52)**	**14,154.64**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		66.42	-	66.42	66.42	-	66.42
Other equity	10	(1,355.62)	(54.75)	(1,410.37)	919.37	(162.13)	757.24
Equity attributable to owners		(1,289.20)	(54.75)	(1,343.95)	985.79	(162.13)	823.66
Non-controlling interest		(17.83)	0.03	(17.80)	**(52.62)**	**-**	**(52.62)**
		(1,307.03)	**(54.72)**	**(1,361.75)**	**933.17**	**(162.13)**	**771.04**
Non-current liabilities							
Financial liabilities							
Borrowings	6	2,538.74	(3.25)	2,535.49	1,824.81	(58.12)	1,766.69
Provisions		9.37	8.67	18.04	5.54	6.53	15.14
Deferred tax liabilities (net)		10.48	-	10.48	16.34	-	16.34
Other non-current liabilities		-	-	-	25.58	-	25.58
		2,558.59	**5.42**	**2,564.01**	**1,875.34**	**(51.59)**	**1,823.75**
Current liabilities							
Financial liabilities							
Borrowings		4,184.27	-	4,184.27	4,288.88	(38.97)	4,249.91
Trade payables	7	3,665.17	(2.90)	3,662.27	3,868.94	(6.98)	3,861.96
Other financial liabilities	5	1,395.34	-	1,395.34	1,105.29	(25.04)	1,080.25
Other current liabilities		2,373.66	-	2,373.66	2,251.33	(11.81)	2,239.52
Provisions		111.64	-	111.64	24.61	-	24.61
Current tax liabilities (net)		89.92	-	89.92	103.60	-	103.60
		11,820.00	**(2.90)**	**11,817.10**	**11,642.65**	**(82.80)**	**11,559.85**
Total equity and liabilities		**13,071.56**	**(52.20)**	**13,019.36**	**14,451.16**	**(296.52)**	**14,154.64**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(All amounts in INR Crores, unless otherwise stated)

B.2 Reconciliation of total comprehensive income for the year ended March 31, 2016:

	Notes to first-time adoption	Previous GAAP*	Adjustment	Ind AS
Income				
Revenue from operations		4,260.85	186.17	4,447.02
Other income	5, 7	154.49	103.56	258.05
Total income		**4,415.34**	**289.73**	**4,705.07**
Expenses				
Projects materials consumed and cost of goods sold		1,873.63	116.98	1,990.61
Employee benefits expense	8	773.95	(0.40)	773.55
Other expenses	3, 4, 5	2,507.48	109.91	2,617.39
Total expenses		**5,155.06**	**226.49**	**5,381.55**
Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)		**(739.72)**	**63.24**	**(676.48)**
Depreciation and amortization expense	1, 4	384.86	(42.45)	342.41
Finance costs	6	1,069.78	(10.74)	1,059.04
Loss before share of loss in associates / joint ventures (net) and tax		**(2,194.36)**	**116.43**	**(2,077.93)**
Share of loss in associates/joint ventures (net)		(3.44)	(1.90)	(5.34)
Loss before tax		**(2,197.80)**	**114.53**	**(2,083.27)**
Tax expenses		(0.13)	-	(0.13)
Loss for the year		**(2,197.67)**	**114.53**	**(2,083.14)**
Other comprehensive income, net of tax	11	-	(49.64)	(49.64)
Total comprehensive income		**(2,197.67)**	**64.89**	**(2,132.78)**
Attributable to :				
Equity holders of the parent		(2,245.34)	77.74	(2,167.60)
Non-controlling interests		47.67	(12.85)	34.82
		(2,197.67)	**64.89**	**(2,132.78)**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.3 Reconciliation of total equity as at March 31, 2016 and April 01, 2015:

	Notes to first-time adoption	March 31, 2016	April 01, 2015
Total equity (shareholders fund) as per previous GAAP		(1,307.03)	933.17
Impact on account of:			
Fair valuation of certain items of PPE and depreciation thereon	1	60.21	54.40
Fair valuation of investments	3	22.03	19.65
Measurement of financial assets and liabilities at amortized cost (net)	5, 6, 7	(132.79)	(209.77)
Consolidation of joint ventures		(72.48)	(66.78)
Re-measurement of certain items PPE to concession assets		161.23	139.36
Expected credit loss	5	(92.92)	(99.00)
Total equity (shareholders fund) as per Ind-AS		**(1,361.75)**	**771.04**

(All amounts in INR Crores, unless otherwise stated)

B.4 Reconciliation of total comprehensive income for the year ended March 31, 2016:

	Notes to first-time adoption	March 31, 2016
Loss for the year as per previous GAAP		(2,245.34)
Adjustments on account of:		
Depreciation impact on fair valuation of certain items of PPE	1	5.81
Reversal of provision for diminution in value of investments	3	2.38
Measurement of financial assets and liabilities at amortized cost (net)	5, 6, 7	77.97
Re-measurement of certain items PPE to concession assets		21.87
Re-measurement of post employment benefit obligations	8	0.40
Non-controlling impact of equity account of joint ventures		47.68
Expected credit loss	5	6.08
Loss after tax as per Ind AS		**(2,083.14)**
Other comprehensive income	11	(49.64)
Total comprehensive income as per Ind AS		**(2,132.78)**

B.5 Impact of Ind AS adoption on the consolidated statement of cash flows for the year ended March 31, 2016:

	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	(204.14)	(11.70)	(215.84)
Net cash flows from investing activities	239.67	(56.00)	183.67
Net cash flows from financing activities	110.41	17.35	127.76
Net change in cash and cash equivalents	**145.94**	**(50.35)**	**95.59**
Exchange differences	(43.60)	34.61	(8.99)
Cash outflow on consolidation of joint ventures in equity method	(3.24)	3.24	-
Cash and cash equivalents at the beginning of the year	334.32	(3.29)	331.03
Cash and cash equivalents at the end of the year	**433.42**	**(15.79)**	**417.63**

C. **Notes to first-time adoption:**

Note 1: Fair valuation of property, plant and equipment (PPE)

The Group has elected to fair value certain items of PPE as at the transition date. This resulted in an increase in total equity as at March 31, 2016 by 60.21 (April 01, 2015: 54.40) and decrease of loss for the year ended March 31, 2016 by 5.81.

As per IGAAP the Group had accounted for all concession agreements as part of fixed assets. Under Ind AS these assets are required to be accounted as concession financial assets and intangible assets, as set in the terms of concession agreement with the guarantor. Under concession asset model, construction costs are recomputed at group level as per Ind AS 11 and its appendices. Due to this there is a net increase in asset by 161.23 as at March 31, 2016 (April 01, 2015: 139.26) and the loss for the year ended March 31, 2016 decreased by 21.87.

Note 2: Investment property

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit/ (loss) as a result of this adjustment.

Note 3: Fair valuation of investments

Under the previous GAAP, the long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, as per the policy adopted by the Group, these investments are required to be measured at fair value. The resulting fair value changes of these investments in equity instruments, mainly designated as at FVTOCI, have been recognized in FVTOCI reserve as at the transition date and subsequently in the other comprehensive income for the year ended March 31, 2016. This increased other reserve by 12.77 as at March 31, 2016 (April 01, 2015: 14.17).

Consequent to the above, the total equity as at March 31, 2016 increased by 22.03 (April 01, 2015: 19.65) and other comprehensive income for the year ended March 31, 2016 increased by 2.38.

Note 4: Leases

Under the previous GAAP, the Group was amortizing the initial amount paid against land leased over the lease period. Under Ind AS 17 – 'Leases', land leases are also required to be classified as finance or an operating lease. Accordingly, the Group has reclassified the unamortized portion of lease rent to prepaid expenses. Consequently, the prepaid expenses as at March 31, 2016 increased by 5.05 (April 01, 2015: 5.26). There is no impact on the total equity or profit/ (loss) as a result of this adjustment.

Note 5: Receivables

As per Ind AS 109 – 'Financial Instruments', the Group is required to apply expected credit loss (ECL) model for recognizing allowance for doubtful debts. As a result, the total equity as at March 31, 2016 decreased by 92.92 (April 01, 2015: 99.00) and the loss for the year ended March 31, 2016 decreased by 6.08.

(All amounts in INR Crores, unless otherwise stated)

Note 6: Borrowings
Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowing on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have reduced by 3.26 (April 01, 2015: 0.04) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended March 31, 2016 reduced by 2.68, net, as a result of said adjustment.

Note 7: Trade payable
Under the previous GAAP, retention money of the vendors (that are payable upon fulfillment of the contractual terms) were recorded at their transaction value. Under Ind AS, these are required to be recognized at fair value, if the effect of time value of money is material. Accordingly, trade payables as at March 31, 2016 have reduced by 1.77 (April 01, 2015: 3.22) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended March 31, 2016 increased by 1.45.

Note 8: Re-measurement of post-employment benefit obligations
Under Ind AS, re-measurement, i.e., actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 decreased by 0.40. There is no impact on the total equity as at March 31, 2016.

Note 9: Foreign currency translation reserve
The Group elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 01, 2015. Accordingly, foreign currency translation reserve balance under previous GAAP of (-)328.88 has been transferred to retained earnings. There is no impact on the total equity or profit/ (loss) as a result of this adjustment.

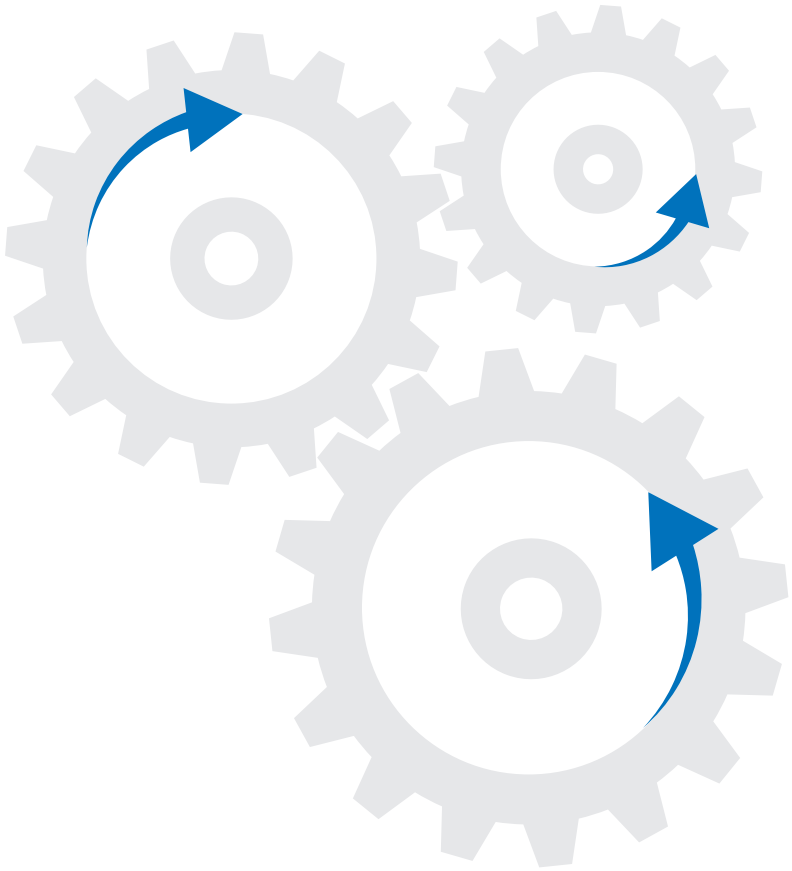
Note 10: Retained earnings
Retained earnings as at April 01, 2015 have been adjusted consequent to the above Ind AS transition adjustments.

Note 11: Other comprehensive income
Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income or expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurement of defined benefit plans, foreign currency translation differences arising on translation of foreign operations and fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

For **BGJC & Associates LLP**
(Formerly BGJC & Associates)
Chartered Accountants
Firm registration number: 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 27, 2017

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

Atul Punj	Chairman and Managing Director	DIN: 00005612
Shiv Punj	Director	DIN: 03227629
Rahul Maheshwari	Chief Financial Officer	
Dinesh Thairani	Group President – Legal & Company Secretary	



Ready for tomorrow

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