Punj Lloyd Ltd
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Punj Lloyd™

October 3, 2018

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

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: 532693/PUNJLLOYD

Symbol: PUNJLLOYD

Sub: Disclosure under Regulation 34 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to the provisions of captioned regulation, please find enclosed herewith Annual Report of the Company for the year 2017 - 2018.

You are requested to take the same on record.

Thanking You,

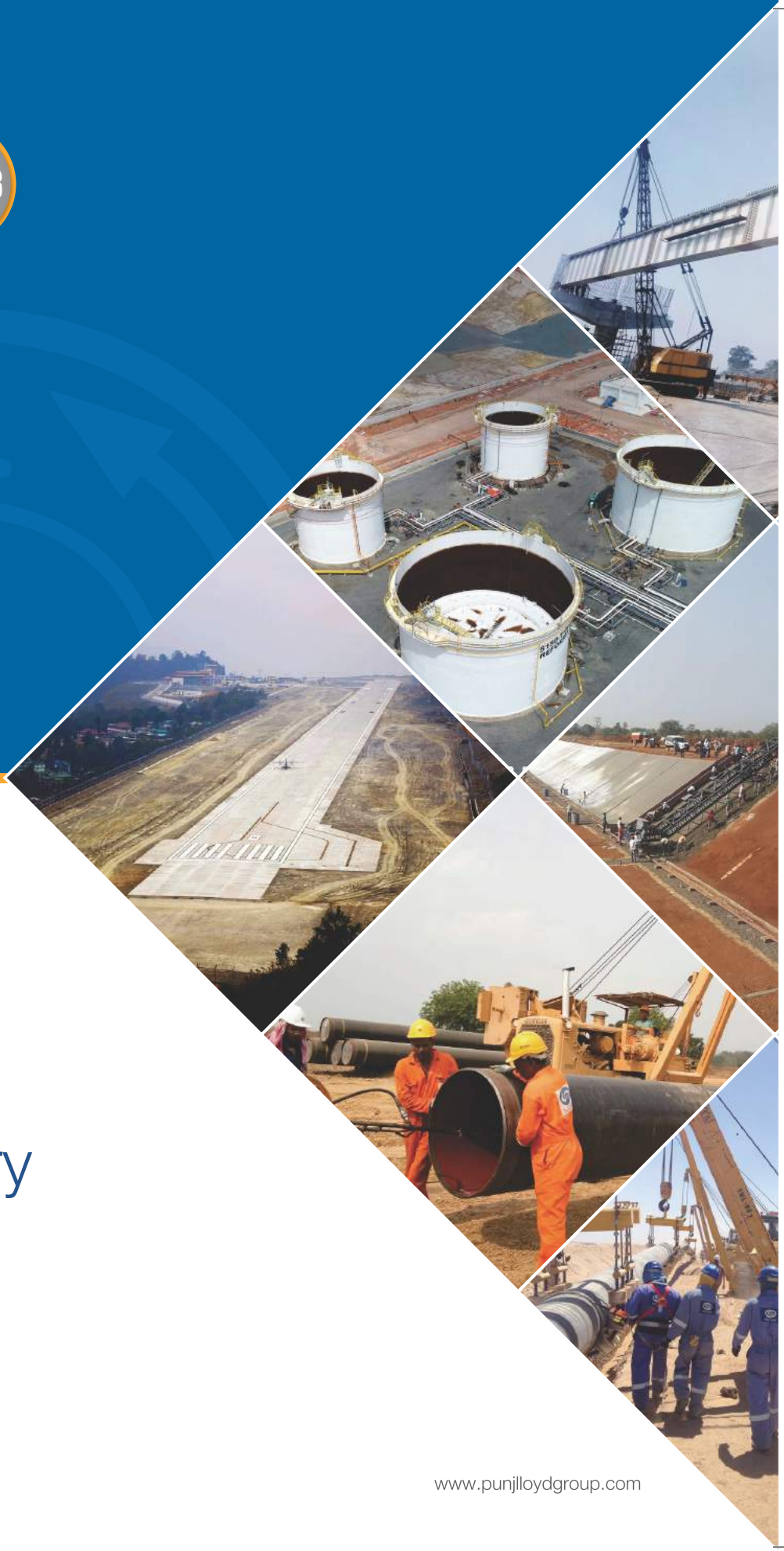
Yours faithfully

For **PUNJ LLOYD LIMITED**

Dinesh Thairani
Group President-Legal & Company Secretary

Encl: As above

ANNUAL REPORT 2017-18



Road to Recovery

Punj Lloyd

www.punjlloydgroup.com

ANNUAL REPORT 2017-18

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Chairman's Message

Dear Shareholder,

In last year's annual report, at the end of my message to you, I had written:

"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."

In many ways, this was indeed so in FY2018.

As described in the chapter on Management Discussion and Analysis, FY2018 was a year of consolidation for your Company with its core focus areas being: (i) rapid execution of existing orders, (ii) expeditious collection of dues from various clients, (iii) radically optimising workforce and creating a single line of sight regularly monitored at my level; while (iv) pursuing profitable business opportunities to maintain a healthy order book.

Throughout the year, we successfully completed several long standing projects to the satisfaction of our clients and, in many such instances, also received what was

due to us. We consciously reengineered our project teams and empowered them to complete projects within or earlier than their deadlines. We diligently followed up on our claims and have had some success, thanks to the new arbitration process under the Arbitration and Conciliation (Amendment) Act, 2015. And we cut costs wherever possible without impinging on the progress of our projects.

Consequently, at a standalone level, your Company's FY2018 revenues increased by almost 8% to ₹ 4,059 crore. On a consolidated basis, it grew by 4% to ₹ 5,080 crore. Standalone EBITDA was ₹ 215 crore; and at a consolidated level it was ₹ 18 crore. Unfortunately, thereafter, the financial consequences of the last six years came into play.

As you know, throughout the UPA-II regime and even the first few years of the present government, the country suffered from projects coming to a halt across all infrastructure sectors. Stalled projects meant that milestones could not be achieved for no fault of the contractors. This, in turn, led to payments being withheld. Every construction company that had borrowed from banks to mobilise resources had to sit idle with no revenues in sight, while the interest cost continued to burgeon.

In addition, for years on end, all construction contractors suffered from clients not honouring arbitration awards that went in favour of the contractors. Thankfully, this has changed for the better under the current government with the Arbitration and Conciliation (Amendment) Act, 2015. However, the sheer size of such unpaid dues is still enormous, and these have also caused serious financial strain — not just on your Company but every contractor doing work in the infrastructure space.

Thus, while we did well to increase revenues and the order book in FY2018, we were hit by large finance costs. At a standalone level, these amounted to ₹ 976 crore; and at the consolidated level these were ₹ 1,087 crore. Consequently, pre-tax losses were ₹ 882 crore (standalone), and ₹ 1,273 crore (consolidated).

Based on projected future taxable income and results of operations, your Company believes that it will have sufficient income in the future. The statutory auditors agreed with this stance and, hence, allowed it to realise the carried forward losses and unabsorbed depreciation. Hence, we have recognised deferred tax assets of ₹ 1,199 crore for FY2018 (standalone), and ₹ 1,202 crore (consolidated), which are fully recoverable. This resulted in a positive impact on taxes in the profit and loss account, and explains why we have recorded post-tax profits while there were pre-tax losses.

THIRD Focused Recognition in the Chief Executive Council (CEC) Meeting in Malaysia from our prestigious client, Petronas for the RAPID Tank Farm project.

As I have shared with you earlier, since FY2015, your Company has been operating under the guidelines of a Corrective Action Plan (CAP) developed in partnership with a consortium of banks and financial institutions. Unfortunately, there were additional pressures on working capital in the last few years, as some lenders in the consortium delayed actual release of short term funds in line with the CAP. This led to the lenders and


NO STANDING UNDER BOOM
SML 90 T
8105

Punj Lloyd collaborating on designing another round of financial restructuring to reduce debt and strengthen your Company's balance sheet.

With Barack Obama, 44th US President

While this was going on, the Reserve Bank of India (RBI) annulled the possibility of any financially distressed company from adopting any of the routes that were permissible under the previously existing restructuring schemes. That occurred in February 2018.

Consequently, your Company's restructuring proposal is now being reviewed by the lenders as per the latest RBI guidelines. The exercises required for the debt restructuring — such as a techno-evaluation study, forensic audit, fair valuation of various assets, credit rating and review of future business plans — are in various stages of completion. We remain confident of a favourable outcome of this restructuring exercise and also of getting the necessary approvals, including from the shareholders. We hope to close this by the first half of FY2019.

When that occurs, your Company will have the breathing room to do what it does best: bid for profitable projects and execute projects with best-in-class operational efficiency to earn profits for the shareholders. I hope to see this happen in FY2019.

Having dealt with many financial setbacks over the last four years and yet kept focus on running your Company, I take comfort from Aeschylus (525 BC – 456 BC), an ancient Greek poet, playwright and soldier. He wrote, 'It is a mark of a wise and upright man not to rail against the gods in misfortune'.

Yes, we shall overcome. Sooner than many believe. Because we can do it.

Thank you for your patience and support.

With best wishes,

Atul Punj
Chairman

Corporate Information

CHAIRMAN (EMERITUS)

SNP Punj

BOARD OF DIRECTORS

Atul Punj	Chairman & Managing Director
Phiroz Vandrevala	Independent Director
Uday Walia	Independent Director
Shravan Sampath	Independent Director

AUDIT COMMITTEE

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

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

Uday Walia	Chairman of the Committee
Atul Punj	Member

NOMINATION & REMUNERATION COMMITTEE

Phiroz Vandrevala	Chairman of the Committee
Uday Walia	Member
Shravan Sampath	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Atul Punj	Chairman of the Committee
Uday Walia	Member
Shravan Sampath	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
Assets Care & Reconstruction Enterprise Ltd (ACRE)
Dhanlaxmi Bank
Doha Bank, Qatar
Dubai Islamic Bank UAE
Export - Import Bank of India
First Gulf Bank, Abu Dhabi
HDFC Bank Ltd
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 India
The Jammu & Kashmir Bank Limited
The Karur Vysya Bank Ltd
UCO Bank
Union National Bank, Abu Dhabi
United Bank of India

Reporting from the Projects Front

OIL & GAS - Milestone Projects

Dhamra Angul Pipeline, India

GAIL

Punj Lloyd at the Grand Launch of its 15th Milestone Project with GAIL (India)

Punj Lloyd at the inauguration ceremony of GAIL's 36"dia x 206.6 km Dhamra - Angul section of Jagdishpur-Haldia-Bokaro-Dhamra Pipeline by Honourable Minister of Petroleum & Natural Gas, Skill Development and Entrepreneurship, Shri Dharmendra Pradhan.

Mundra LPG Terminal, India

Adani

Punj Lloyd is presently engaged in the Design, Engineering, Procurement, Construction, & Commissioning (EPCC) of India's largest double walled LPG Storage Tanks and two Mounded Bullets for Mundra LPG Terminal at Adani Ports & SEZ Limited. The project is being built with a net expandable capacity of 3.56 Million Metric Tonnes Per Annum (MMTPA) for transmission and supply of LPG to purchasers across various states within the country.

The outer tank installation is complete for both the tanks, each 63 m dia x 20 m ht, while work on inner tank installation is ongoing. Hydro-testing is expected in the months of August and September 2018 respectively.

Gautam Adani, Chairman of Adani Group, visited the site where he applauded and recognised the efforts of Punj Lloyd in the construction of such a state-of-the-art facility with high standards of quality and HSE.

"We are in the last phase of commissioning and start-up of this 8,000 MTPA manufacturing facility, the largest polysilicon plant in Middle East & North Africa (MENA) for Qatar Solar Technologies. It has been over a year since this plant produced its first polysilicon"

- Atul Punj

Chairman Atul Punj along with the project team at the Polysilicon site in Qatar. This top quality polysilicon is the essential ingredient used by the global photovoltaic (PV) industry to produce high efficiency solar cells and modules that power millions of applications, homes, businesses and cities across the world.

Oman Pipeline

ORPIC / OGC

The scathing sun has not been able to deter the pipeline work for Oman Oil Refineries and Petroleum Industries Company (Orpic) and Oman Gas Company (OGC). The scope of work for the contracts includes the construction of a 14" dia, 300 km natural gas liquid (NGL) pipeline and a 32" dia, 301 km gas pipeline. The 14" dia pipeline, part of Orpic's US$ 6.4bn Liwa Plastic Industries Complex (LPIC), will travel from the New Fahud NGL Plant to the Steam Cracker Unit at Sohar in Oman. In view of the increased gas demand and to ensure availability of supply, Punj Lloyd will be laying another 32" dia gas pipeline parallel to the existing 32" dia Fahud – Sohar pipeline for OGC. The pipeline is being laid to supply gas for North Power station.

Kuwait Tankage Project

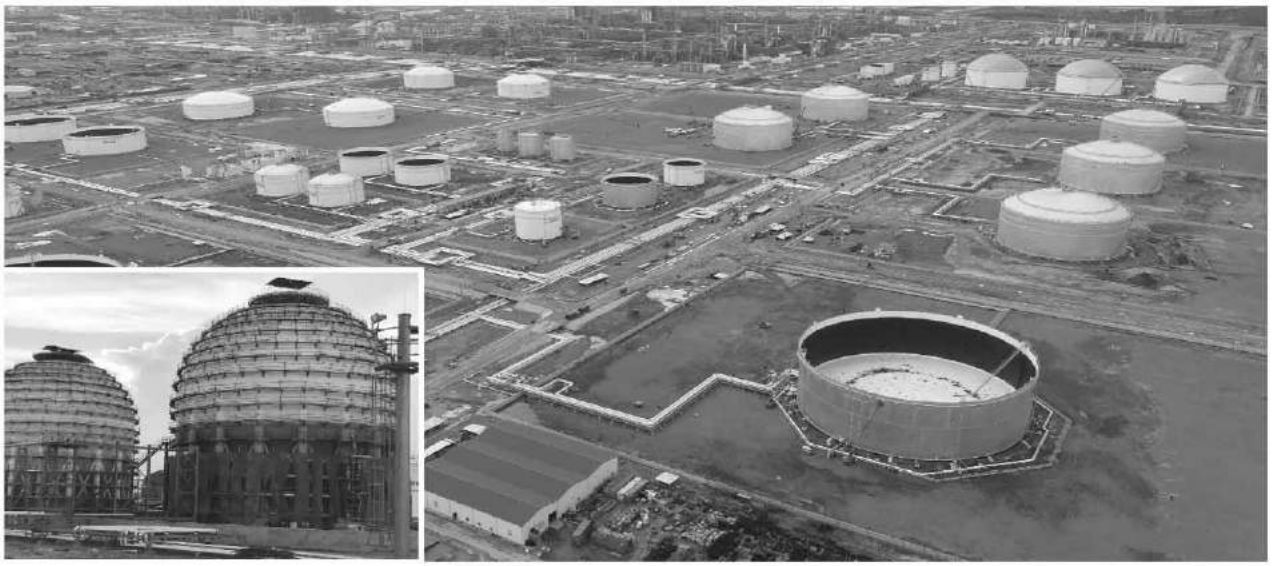
Kuwait National Petroleum Company

KNPC's EPC project for the expansion and revamping of Ahmadi Depot has progressed to 95% and is in the final stages of Construction and Pre-commissioning.

Once this planned expansion of the depot terminal with storage and distribution facility is successfully completed and put into operation, it will increase the Ahmadi Depot storage capacity by 4 times. With the completion of modern loading terminal facility and integration with the existing Ahmadi Depot, KNPC will be able to achieve its goal for meeting the growing demand of various petrol filling stations in Kuwait.

RAPID, Malaysia

PETRONAS



RAPID Tank farm for Petronas in Malaysia is our flagship project in our Tankage and Terminals business.

RAPID is making great progress in execution besides surpassing its own quality and safety milestones. Hydro testing of all 44 tanks, seven mounded bullets and two spheres has been completed. Three substations and three field auxiliary rooms have also been energized. The project team has been consistently demonstrating strong commitment to Quality and Safety which is evident from the Focused Recognition awards recently received from the client, Petronas.

Punj Lloyd has won numerous accolades for the project

- RC-HSSE Excellence award from Petronas twice for effective implementation of best HSE practices
- RC-Quality Excellence award from Petronas thrice
- Focused Recognition thrice for overall performance in the prestigious Chief Executive Council (CEC) meeting which is a bi-annual event

It is matter of pride that Punj Lloyd has topped the charts among reputed EPC Contractors.

Punj Lloyd has also received a special award for HSE performance leading to 16 million safe man hours.

Ennore LNG Tankage Project, India

Mitsubishi Heavy Industries of Japan

Punj Lloyd has successfully completed 97% of its work at Ennore LNG tankage project for Mitsubishi Heavy Industries of Japan. The scope of work entailed early earth work, construction of two 180,000 cubic metre capacity full containment LNG Tanks on elevated piled foundation for LNG import, storage and re-gasification terminal project of Indian Oil Corporation.

Clean Fuel Interfacing Facilities Project, Saudi Arabia

YASREF

Punj Lloyd Construction Contracting Co. Ltd is fast moving forward towards the execution of the YASREF-YR Clean Fuel Interfacing Facilities Project of Yanbu Aramco Sinopec Refining Co. (YASREF) Ltd., located at Yanbu Al-Bahr on the Red Sea coast of western Saudi Arabia. The purpose of the facilities is to support the In-Kingdom's Clean Transportation Fuels program by installing two separate pipeline systems - one Gasoline and one Diesel - to transfer refined products from YASREF to Yanbu Refinery (YR) premises for domestic distribution.

The work is being carried out under stringent safety and environment guidelines as the pipelines are routed through live plants. Most of the trenching work is stipulated to be carried out manually due to restriction in usage of mechanical equipment.

An achievement of 6 million safe man-hours of working has been achieved with the efforts of the multi-national and multi-lingual people.

INFRASTRUCTURE - Milestone Projects

Gosikhurd National Project, India

NBCC

This is Punj Lloyd's first irrigation project under the category of waterworks in Nagpur, Bhandara and Chandrapur districts of Maharashtra. The project has been declared as a National Irrigation Project by the Government of India. The total length of the canal is 157 km wherein Punj Lloyd is undertaking the construction of balance structures, conduits, canal lining work including excavation, embankment, filling and other components for successful completion and commissioning of the canals.

Talibani - Sambalpur Road Project, India

NHAI

Punj Lloyd is the EPC Contractor in the Talibani-Sambalpur Road project.

The section of NH 6 under the scope starts at Talibani (Km 493.300 to Km 521.825) and ends at Sambalpur (Km 545.176 to Km 567.400) in the state of Odisha. This 50.749 km long section passes through the districts of Sambalpur. The NH-6 originates in Surat, Gujarat and terminates at Kolkata in West Bengal.

Sikkim Greenfield Airport, India

Airports Authority of India

You can now fly to the landlocked and mountainous Sikkim. On 4th of May 2018, Pakyong airport obtained license to start commercial operation, paving the way for direct air connectivity to the state and boosting tourism and economic growth. This airport will be one of the five highest airports in India. The project won the 'International Project of the Year' award at the Ground Engineering Awards 2012 for the construction of a 70 m high reinforced earth wall, the tallest in the world.

Asian Highway Bhutan - Bangladesh Road Project

MORTH

Work on the rehabilitation and upgrading to 2/4-Lane of Bhutan Border at Pasakha to Bangladesh Border at Changrabandha comprising Jaigaon, Hasimara, Dhupguri section and Mainaguri-Changrabandha section is as per schedule.

Koderma Township Project, India

Damodar Valley Corporation

Punj Lloyd is also constructing 34 residential and 13 non-residential buildings for Damodar Valley Corporation project in Koderma, Jharkhand. Apart from the residential facilities, Punj Lloyd's scope includes the hospital, school, central market, club, town administrative building, the telephone exchange and the Officer's club area.

Phulera - Degana Railway Project, India

North Western Railways

Foundation Laying Ceremony

The foundation ceremony of the Phulera - Degana Railway project was held in Jaipur where the Union Minister of State for Railways, Rajen Gohain was present along with Hon'ble Minister of State for Consumer Affairs, Food and Public Distribution and Minister of State in the Ministry of Commerce and Industry, CR Chaudhary.

Def Expo 2018

Visitors at the Punj Lloyd Stall in DefExpo 2018

MS Dhoni - Hony Lt Col, Indian Territorial Army

Gen Bipin Rawat - The Chief of Army Staff

Sanjay Mitra - Defence Secretary

Lt Gen Giri Raj Singh, Director General Ordnance Services

Lt Gen Anil Kapoor - DG Information Systems

President Defence & Aerospace, Aditya Vij handing over memento to MS Dhoni

Lt Gen. Ranbir Singh - Dy Chief of Army

Punj Lloyd collaborates with Rave Gears USA and Adani Group for design and manufacturing of high precision gears

Management Discussion & Analysis

Introduction

Punj Lloyd Limited ('Punj Lloyd', 'PLL' or 'the Company') is an EPC (Engineering, Procurement and Construction) conglomerate primarily delivering projects across the infrastructure development sector in emerging markets of Asia and Africa.

After a phase of rapid expansion, the Company faced headwinds on several fronts, most of which were due to adverse external developments. These have impacted the business. Since FY2015, these adversities include:

a) Abandoning a large portfolio of projects in Libya. As of 31 March 2018, order book worth ₹ 6,845 crore in this country has seen no traction.

b) Major slowdown in investments in the oil and gas segment.

c) Several issues with project closures and claims across geographies that have led to a large amount of capital being blocked, resulting in cash flow mismatch.

d) Financial problems with subsidiaries acquired in UK and South East Asia.

e) The generally adverse macro-environment and slowdown in infrastructure development in India.

These factors have not only hindered the planned growth of the Company, but also put the business under deep financial stress with revenues and cash flow not being in line with large accumulated debt. The Company is going through a process of financial restructuring that involves revised debt servicing plans with debt providers. It is also reorienting itself operationally to becoming a leaner and more sharply focused entity.

Given this scenario, FY2018 was a year of consolidation for the Company with a core focus on execution of existing orders.

Punj Lloyd has taken several steps to reorganise itself to overcome the present set of challenges. These include optimising its workforce and business processes. It has also explored new areas of business like railways and irrigation and increase its emphasis in the transportation sector to secure new orders and maintain a strong unexecuted order book.

Macroeconomic Environment

World economic growth strengthened from 3.2% in calendar year (CY) 2016 to 3.8% in CY2017, with a notable rebound in global trade. This was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporting countries. In fact, global economic growth is expected to increase to 3.9% in CY2018 and CY2019. The partial recovery in commodity prices should allow conditions to gradually improve in commodity exporting regions.

However, over the medium term, global growth is projected to decline to about 3.7%. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued. However, in emerging market and developing economies, which is where Punj Lloyd operates globally, growth will remain close to the CY2018 and CY2019 level with a gradual recovery in commodity exports and a projected improvement in India's growth helping offset to some extent the gradual slowdown in China and the return to lower-trend growth rate amongst emerging economies in Europe. Even so, as per IMF estimates, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps compared with the group of more prosperous countries.

Punj Lloyd's key markets in 'Emerging and Developing Asia', which includes India and China, continue to be the primary contributor to global growth. However, growth rates are not picking up further in this region. In fact, India witnessed a slight slowdown from 7.1% in CY2016 to 6.7% in CY2017. **Chart A** shows that in contrast to recent trends, the advanced economies including the US, the Euro Zone and Japan witnessed an increase in output growth from 1.7% in CY2016 to 2.3% in CY2017. 'Emerging and developing Asia' witnessed steady growth of 6.5% in CY2016 and CY2017 and forecasts suggest similar growth in CY2018.

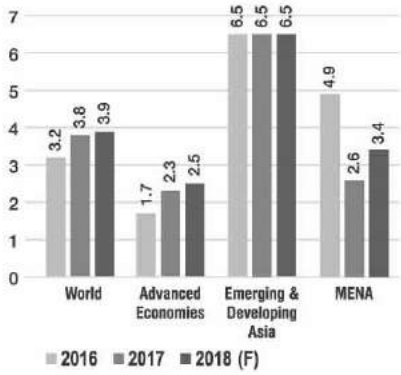
For advanced economies, the 0.6% point pickup in 2017 growth relative to 2016 is explained almost entirely by investment

spending, which remained weak since the 2008–09 global financial crisis. Growth in economic output in the Middle East and North Africa (MENA) region decreased from 4.9% in CY2016 to 2.6% in CY2017. However, an uptick is under way and estimations for CY2018 suggests recovery to 3.4%. While traditionally these were mostly oil based economies, the present round of growth is primarily driven by recent trend of enhanced investments in non-oil based infrastructure development across these countries. However, there is also continued strife and political conflict in many countries in the region, especially in North Africa and Yemen, which is still affecting economic activity.

In this macroeconomic environment, while balancing the trade-off between opportunities and the Company's stretched balance sheet, Punj Lloyd increased its focus on the Indian market. After three years of over 7% growth in real gross value added (GVA), the Indian economy slowed down slightly in FY2018 — recording 6.5% growth. This is a mild slowdown and India continues to remain one of the fastest growing amongst major global economies. **Chart B** depicts the growth rates over the last five years.

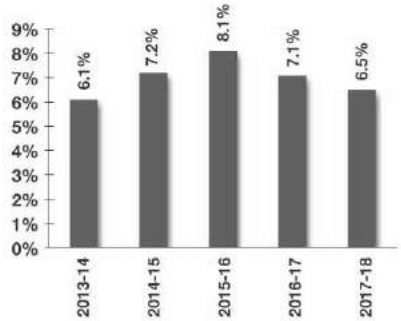
It is important to note that, despite a slight correction, economic growth in India continues to be robust and has been accompanied by some positive developments across other important economic parameters. For one, inflation levels remain under control. For another, there has been an improvement in government finances, represented by a reduction in the ratio of fiscal deficit to GDP. Moreover, there has been a significant increase in government expenditure on infrastructure, which is creating demand for contracting companies such as Punj Lloyd. Moreover, 2017-18 also witnessed streamlining of local taxes with the introduction of the nationwide goods and services tax (GST). In addition, though these are early days, some steps have been taken towards resolution of problems associated with non-performing assets (NPAs) of the banks.

CHART A
Economic Growth (%)



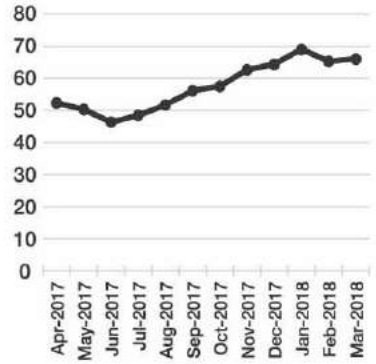
Source: IMF estimates; Note: F is Forecast

CHART B
Real GVA Growth, India



Note: Real GVA growth in basic prices. 2017-18 are advance estimates
Source: Ministry of Statistics and Programme Implementation (MOSPI), Government of India.

CHART C
Brent Crude Oil Prices
(Europe Spot US$/Barrel)



Source: Energy International Association (EIA)

Given the market dynamics over the last few years, Punj Lloyd has taken a strategic decision to explore more opportunities outside its traditional domain of construction related to the oil and gas sector. However, in the short term, oil and gas will continue to be an important sector in Punj Lloyd's performance.

While over the long run there is a clear trend of increased emphasis on more renewable form of energy compared to fossil fuels, oil and gas consumption is still projected to increase over the next couple of decades. The global oil and gas industry in 2018 received stimulus through upward oil and gas price corrections resulting in renewed interest in upstream investment. Downstream companies generated desirable returns to remain in the hunt for growing business. **Chart C** shows that crude oil prices have increased gradually over FY2018 from US$50 a barrel mark in April 2017 to around US$65 a barrel in March 2018.

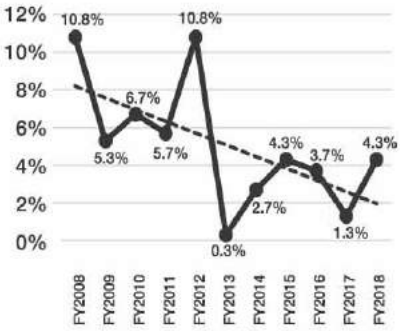
The global oil and gas industry is on the recovery path and the position is expected to mildly strengthen in CY2018. Oil price is forecasted to be in the zone of US$55-65/barrel. This is expected to revive investments in the sector.

The Infrastructure and Construction Industry

The future of the global construction industry looks good with opportunities in property and infrastructure development. Estimates suggest that the industry is expected to grow at a CAGR of 4.2% from CY2018 to CY2023 and clock revenues of US$10.5 trillion by 2023. Major drivers for this growth are increasing housing starts and rising infrastructure due to increasing urbanisation and growing population.

Emerging trends that have a direct impact on the dynamics of the construction industry include increasing demand for green construction to reduce carbon footprint, bridge lock-up device systems to enhance the life of structures,

CHART D
Construction Growth (Real GVA)



Note: Data pre 2012-13 is in GDP terms and post is GVA terms, both are similar estimates
Source: CSO, Govt of India

information systems for efficient building management, and the faster adoption of fibre-reinforced polymer composites for the rehabilitation of aging structures.

In India, increased investment on infrastructure development is seen as one of the pillars to propel growth coupled with sufficient employment generation. Global Infrastructure Outlook estimates that around US$4.5 trillion worth of investments will be required by India till 2040 to develop commensurate infrastructure. The current trend shows that out of this total requirement, India can meet around US$3.9 trillion infrastructure investment. Thus, the cumulative infrastructure investment gap is estimated at around US$600 billion by 2040 — which has to be met by innovative financial mechanisms evolved jointly by the government and the private sector.

However, while there has always been promise, infrastructure in the country has been characterised by massive under-investment. There are several reasons behind this shortfall. Primarily, these include the collapse of Public Private Partnership (PPP), especially in power and telecom projects; stressed balance sheet of private construction and infrastructure development companies; and issues relating to land and forest clearances.

The need of the hour is to fill the infrastructure investment gap by bringing back investor confidence in the sector and promoting financing from private investment. Much more is needed from India's banks and term lending institutions as well as specialised global entities like the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (earlier known as the BRICS Bank).

With the entire infrastructure development ecosystem under stress in India since 2012, there has been a considerable slowdown in construction activities. The growth momentum achieved between 2007-08 and 2011-12 has completely subsided. Data on construction sector growth highlights that the levels of growth in the five years before 2012-13 were much higher than what has been witnessed ever since **(Chart D)**. The silver lining is that after hitting a nadir of 1.3% in 2016-17, construction growth in India has grown to 4.3% in 2017-18.

This business environment has thrown up several challenges for engineering and construction (E&C) companies in India like Punj Lloyd. Overcoming some of these is critical for the turnaround of the industry.

First, there are the legacy issues of the past six to seven years that have put individual players in the sector under very difficult financial stress. These relate to the adverse effects of the massive build-up of stalled and delayed projects in the country. As of January 2018, 925 projects with a reported investment of ₹ 13.25 lakh crore have earned the tag 'implementation stalled' on Private Economic Databases (PEDs). Of these, the top 100 projects constituted more than 75% of the total stalled investments.

In fact, a large number of these projects are now being written off by the Government of India (GoI). However, many of them involved mobilisation of resources by the implementing construction companies, which have become sunk costs resulting in severe financial pressure on individual companies across the sector. While some steps have been taken to rectify the situation including accelerating arbitration mechanisms, a more concerted framework needs to evolve that keeps the interests of all stakeholders in mind including users, developers, financial intermediaries and construction companies.

Second, India needs to continue to generate new opportunities in the construction sector. While the objective of promoting infrastructure development in the country is in line with needs of a growing economy of its size like India, given the long term nature of investments required to implement this vision, the GoI has to play a nodal role in ensuring its progress. To its credit, the GoI has been emphasizing on promoting such investments and has clearly specified its intentions in the budgetary provision made for 2018-19. Some such examples include:

- Increased budgetary and extra budgetary expenditure on infrastructure by around 20% from ₹ 4.94 lakh crore in FY2018 to ₹ 5.97 lakh crore for FY2019. Within the infrastructure sector, the focus areas of growth are clearly road transportation, railways, urban development and airports.

  - In roads, capital expenditure of ₹ 1.22 lakh crore has been earmarked for expansion of National Highways — where, incidentally, over 9,000 km of road length was achieved in FY2018. The GoI is striving for a seamless connectivity of interior, backward and border areas of the country under the Bharatmala Pariyojana programme

  - In railways, capital expenditure of ₹ 1,48,528 crore is earmarked for 18,000 km of doubling, third and fourth line works, 5,000 km of gauge conversion, 3,600 km of track renewals and rolling stock programme during FY2019. Work on the eastern and western domestic freight corridors is continuing well. There is a programme to redevelop 600 major railway stations. In addition, ₹ 16,800 crore has been allotted for MRTS and Metro Rail projects

  - In urban development, there is a focus on smart cities and affordable housing. Around 99 identified cities were together allocated ₹ 2.04 lakh crore to execute projects that would transform these to smart cities. These projects are under various stages of completion. Over ₹ 44,500 crore has been allotted to the Ministry of Urban

Affairs to be spent on affordable housing, with the state governments being the key players for actually implementing most of these projects. Water supply, including sewerage works programmes, have been allocated some ₹ 77,640 crore, spanning 500 cities

- In addition, ₹ 4,086 crore has been earmarked for civil aviation in the country, which would be spent on modernising old airports, creating minor airports and building helipads.

Clearly, the GoI has laid out an impressive infrastructure roadmap for construction majors to leverage. However, for private sector players, leveraging these opportunities is not going to be easy, at least in the near term. The construction industry in India is going through a difficult phase of consolidation, which involves striking a fine balance between issues of the past and the present. On the one hand, these companies are constantly managing balance sheets overburdened with unproductive past loans. On the other hand, they have to continue to execute and grow their businesses, despite a significant liquidity crunch. How well this balancing act can be managed will be key for financial revival of leading India construction majors like Punj Lloyd.

Business Performance

Given the financial constraints under which the Company has been operating, Punj Lloyd has been selective in their bidding and business pursuits since FY2017. This trend continued in FY2018. Today, the focus is on the core engineering and construction (E&C) business with emphasis on completion of existing projects and cash recovery from clients. This is imperative for sustaining operations while continuing to develop the order book selectively in line with market opportunities.

Since FY2015, the Company has been operating as per the guidelines of a Corrective Action Plan (CAP) developed in partnership with the lenders. However, there has been some added pressures on working capital in the last few years, as some from the group of lenders delayed actual release of short term capital in line with the CAP. The tightened financial position translated into very selective bidding, which affected the unexecuted order book. In fact, the order book has reduced to ₹ 9,127 crore as of 31 March 2018.

The lenders and Punj Lloyd have been collaborating on another round of financial restructuring with an objective of paring debt and strengthening its balance sheet thereby also being better equipped to bid for new projects. A revised proposal has been submitted to its lenders for such restructuring of debt.

The execution of this restructuring package got delayed as the Reserve Bank of India (RBI) annulled going through the routes of all previously existing restructuring schemes in February 2018.

Hence, this restructuring proposal is now being reviewed by the lenders as per the latest RBI guidelines. Further, various exercises required for the debt restructuring including techno-evaluation study, forensic audit, fair valuation of various equipment, credit rating and review of future business plans are in stages of completion.

The Company will obtain mandatory approvals from other stakeholders. The management is confident of a favourable outcome of restructuring exercise and also of getting the necessary approvals, within stipulated timeframe. This process of restructuring is in the final stage and the terms are expected to be closed early in FY2019.

Under these adverse conditions, the Company continued to deliver on projects and steadily improved its financial performance.

Importantly, with 7.9% growth in revenues, total income increased by 8.7% from ₹ 4,060 crore in FY2017 to ₹ 4,413 crore in FY2018. Operating profit or EBIDTA almost doubled from ₹ 108 crore in FY2017 to ₹ 215 crore in FY2018. As of 31 March, 2018, the gross borrowing of the Company was ₹ 7,321 crore in addition to other non-cash liabilities.

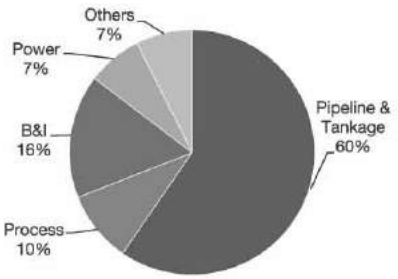
Business Verticals

While the Company has capabilities of a full EPC service provider, most of its projects are related to engineering and construction activities. The business is structured according to sector-specific verticals that service a global market. The different verticals in this core business are:

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

These verticals are supported by core functions including Human Resources (HR), Information Technology (IT) and the Health, Safety and Environment (HSE) function. In addition to these core businesses, the Company also has a separate defence and related component manufacturing business.

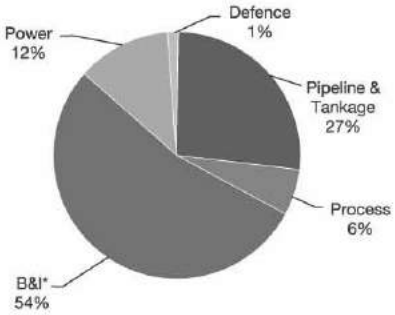
CHART E
Sectoral Contribution to Revenues, Consolidated (FY2018)



PLL's sector-wise revenues in FY2018 is given in **Chart E**. It shows that on a consolidated basis, pipelines and tankage has the largest share of 60% of revenues; followed by building and infrastructure (B&I) with 16%; process with 10%; power 7%; and others 7%.

Chart F gives the sector-wise composition in terms of consolidated order backlog as of May 2018. As the chart shows, buildings and infrastructure has become the dominant sector in terms of orders for future execution with 54%

CHART F
Sectoral Contribution in the Order Book, Consolidated (on May 2018)



share; while share of pipelines and tankage has reduced to 27%. This is a clear reflection of market conditions and Punj Lloyd's decision to diversify.

Engineering, Procurement and Construction (EPC) Business

PIPELINES & TANKAGE

PIPELINES

Traditionally, Punj Lloyd has had a strong presence in pipeline and related construction activity catering primarily to the oil and gas sector. However, with the sharp fall in oil prices in the last few years, activities have slowed down significantly. During FY2018, while there were some early signals of a market revival, investments in new projects remained fairly slack and competition was intense.

Under these market conditions, Punj Lloyd has been conservative in its approach to new projects with focused attention on increasing return on capital. The emphasis has been on onshore pipeline laying activities including cross-country pipelines and work related to field development. In the offshore segment, the emphasis was on completing existing projects.

The Company continued to focus on faster and leaner execution of existing

projects with a clear objective of improving cash flows. As a consequence, during FY2018, Punj Lloyd stressed on achieving faster commercial closure of completed or close to complete projects. Given balance sheet issues, the Company has been very selective in bidding for new projects to grow the order book.

NEW ORDERS

With concerted efforts, the Company secured some new orders.

- In April 2017, Punj Lloyd won an EPC contract on LSTK basis in Yanbu, Saudi Arabia worth ₹ 312 crore. The 'Clean Fuels Interfacing Facilities Project' was awarded to Punj Lloyd subsidiary, Dayim Punj Lloyd, by the Yanbu Aramco Sinopec Refining Company Limited (YASREF). The objective is to interface YASREF with the Aramco Yanbu Refinery to supply low sulphur clean transportation fuel — diesel and gasoline — for domestic distribution. In addition, the pipeline will also contain provision to transport YASREF refined products to the western regional pipeline hub.
- In December 2017, the Company received orders for laying and construction of steel pipeline along with associated facilities for the Dharma-Angul section of the 'Jagdishpur-Haldia-Bokaro-Dhamra' Pipeline Project (JHBDPL) PH-II worth ₹ 276 crore from GAIL.

Projects Update

Details of projects executed or under execution during FY2018 are as follows:

QATAR

- **Strategic Gas Pipeline for Qatar Petroleum:** Punj Lloyd completed work on two pipelines a few years back. However, the project was delayed as the upstream field project had not progressed as planned. The project was commercially closed in FY2018 and the Company's bank guarantee was released along with a major part of the final payment.

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.
- **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 FY2019.

MALAYSIA

- **Sabah-Sarawak Pipeline:** The project

achieved mechanical closure in December 2014. There has been a need to re-route the pipeline due to land related issues, which has been completed. The project was commercially closed in FY2018 after securing global settlement claims with the client for the delay.

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. The work was completed and commercially closed with the client and global settlement terms have been agreed to.

TURKEY

- **Trans Anatolian Natural Gas Pipeline (TANAP) Project:** The scope of work for the contract includes laying the 459 km of TANAP Gas Pipeline in Turkey in 50:50 joint venture with Limak. This project will transport natural gas from the South Caucasus Pipeline Company (SCPC) pipeline in Georgia and terminate at the Trans-Adriatic Pipeline (TAP) in Greece. Punj Lloyd's scope of work includes the second phase of construction - from the new Eskisehir compressor station to the tie-in point of TAP. The order also includes 10 block valve stations, pigging facilities and tie-ins with metering stations. This project is progressing well.

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.

TANKAGE

Punj Lloyd has developed strong credentials and built a good portfolio of projects related to construction of large scale tankage and terminals. The Company 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

During FY2018, the Company achieved good progress in execution of the existing tankage projects, the progress of which are highlighted below:

- **Mundra Tank Project for Adani:** The project includes design, construction and commissioning of two refrigerated storage tanks measuring 63 m dia x 20 m height and 6 m dia x 32 m long Mounted 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 the completion schedule is for 20 months. For the first time in this project, the Company has been successful in establishing in-house engineering for double wall refrigerated tanks. There has been some minor delay in the progress of the project, which has been accepted by the customer as a consequence of events beyond Punj Lloyd's control. The first delivery milestone for the project is expected in Q2, FY2019.
- **Kuwait National Petroleum Company (KNPC) Project:** This expansion involves increasing storage capacities of mogas, gasoil and kerosene and loading capacities at the Ahmadi depot owned by KNPC, the national oil refining company of Kuwait. This is the first project being executed by Punj Lloyd in Kuwait. There have been issues with the approval mechanism with the client and some problems related to material supplies. Many of the problems have been ironed out with the client's support. Mechanical completion of the project is expected in Q2, FY2019.

- **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 project is progressing well and secured several client appreciation certificates. Mechanical completion is expected in Q2, FY2019 and full completion is expected the next quarter.
- **Ennore Project (India) for Indian Oil Corporation Limited (IOCL):** IOCL, through its joint venture, Indian Oil LNG Private Ltd. (IOLPL), is setting up this 5 MMTPA (expandable to 10-15 MMTPA) LNG import, storage and re-gasification terminal at Ennore in Tamil Nadu. Punj Lloyd is a subcontractor to Mitsubishi Heavy Industries Limited in the construction works related to LNG Storage Tanks System. The two LNG storage tanks of 180,000 cubic capacity each are the biggest in India. The project has progressed at a very fast pace through FY2018. Completion of hydro-testing for both tanks is underway. Mechanical completion of the project is expected in Q2, FY2019.

HORIZONTAL DIRECTIONAL DRILLING (HDD)

HDD is a method of installing underground pipelines, cables and service conduit 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 across rivers etc. 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 only on the basis of construction service fee.

Projects Update

The following projects were completed successfully in FY2018:

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

NEW ORDERS

The Company secured the following order during FY2018:

- Received Letter of Award (LOA) from Indian Oil (IOCL) for installation of 10/12 inch pipeline across various rivers having cumulative length of approximately 6.6 km by HDD technique under Paradip-Haldia-Durgapur LPG Pipeline Augmentation Project (Group) in the state of Bihar. The order was placed on PLN Construction Ltd at a value of ₹ 21.8 crore with completion time of 15 months. With this order book, HDD order back log (unexecuted value) stood at around ₹ 75 crore with target completion within next 14 months. These figures exclude crossings under Gail 36" DAPL project.

OFFSHORE

Punj Lloyd has developed expertise over a 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. Unfortunately, offshore projects market has seen a slowdown in the last few years. Under these conditions, given the more capital intensive nature of projects, Punj Lloyd has slowed down its business development activities in this segment and focused on financial closure of existing projects to generate cash flow and release invested capital.

Projects Update

- 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. Mechanical closure certification of the project has been issued, and it is at the final stages of global financial closure.
- **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). The project had been delayed due to extraneous reasons. However, in FY2018, Punj Lloyd's scope of project was formally closed and completion certificate was received in FY2018.

- **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 Berth (J5) 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 4 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 fertilizer 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 works, 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.

The Company has been selective in bidding for new projects and focused on completing projects under implementation. To secure projects, primarily in South East Asia and the Middle East, Punj Lloyd has been working on partnering with larger global infrastructure companies on sub-contract or back-to-back mechanisms.

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 works. The project is around 70% 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. Progress has been hampered due to several factors and was around 35% completed by the end of FY2018.
- **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 conditions of floods in Chennai. The project was mechanically completed in July 2017 and commissioning of the three units is in the process. The project will be closed in the first half of FY2019.
- **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 and is in the process of commissioning.
- **Reliance, Jamnagar:** Reliance awarded construction work to Punj Lloyd worth ₹ 300 crore comprising UG/AG piping work, structure erection along with civil work. The construction contractor job was completed and closed out in FY2018.

POWER

Punj Lloyd's power sector business is primarily focused in India. With installed power capacity reaching 334 GW as of March 2018, India is the third largest producer and fourth largest consumer of electricity in the world. The country also has the world's fifth largest installed capacity.

There has been steady progress in power generation in India over the last decade. Electricity production in the country has grown at a CAGR of 5.69% from 771.6 BUs in 2009-10 to 1201.5 BUs in 2017-18. As of March 2018, total thermal installed capacity in the country stood at 222.91 GW, while hydro and renewable

energy installed capacity totalled to 45.29 GW and 69.02 GW, respectively. With a share of 64.8%, thermal has been the principal source of energy in the country followed by renewable (20.1%), hydro (13.2%) and nuclear (1.9%).

Going forward, for power generation, the emphasis in India is now on renewable energy, especially solar. By 2022, India has set a target to achieve total production 175 GW from renewable resources out of which 100 GW will be produced from solar power. As a part of the green corridor project, the power lines would transmit 20 gigawatts of power capacity from 34 solar parks across 21 states. The other area where emphasis has been laid is to improve transmission and distribution, so that power generated is most efficiently utilised. These developments define the market opportunities available today.

Punj Lloyd continues to focus on preserving capital and selectively bidding for new projects. Significant emphasis has been laid on accelerating execution of the existing order book and closing old projects.

Transmission and Distribution Projects

Work on the four distribution projects secured in FY2016 continues to progress 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. These projects are more than 60% complete. Work on the transmission project for Madhya Pradesh' MPPTCL secured in FY2016 has also progressed and is over 65% complete.

Nuclear Projects

Two projects under Nuclear Power Corporation of India Limited (NPCIL) — KAPP#3&4 (2X700 MW) in Gujarat and RAPP#7&8 (2x700MW) in Rajasthan — were delayed due to several external issues. The client has been supportive. The KAPP 3 project is being implemented aggressively with a target for completion in calendar year 2018.

Thermal Projects

The civil and construction work (1X800 MW) from BHEL at Kothagudem for TANGENCO is under execution. The KSK project (6x600 MW) in Chhattisgarh for civil works and construction, which was delayed due to several issues faced by client, is progressing as per revised and amended contract terms.

山东电力建设第一工程公司
SEPCO1 ELECTRIC POWER CONSTRUCTION CORPORATION

CERTIFICATE OF ACCREDITATION

Presented to

M/s. Punj Lloyd Limited
(A Subcontractor of M/s. SEPCO1)

On the 09th of January, 2018

In Recognition of his Considerable Dedication and Performance towards Health & Safety Compliance during the Year 2017, in 6*600MW, KMPCL Power Plant Project at Vill-Nariyara, Dist-Janjgir-Champa, Chhattisgarh, India-495553

Zhang Yatian
(GM, HSE Department, SEPCO1)

Bo Shanjun
(Project Manager, SEPCO1)

TRANSPORTATION

Punj Lloyd's activities in this sector include projects in roads, railways and airports. The GoI has laid considerable emphasis on developing India's road network. To realise its vision to increase the length of highways to 200,000 km over the next few years, the GoI has taken certain concrete step. For FY2019, the GoI has allocated ₹ 71,000 crore for development of national highways across the country. The growth impetus on this front is clearly visible. In FY2018, 9,829 km of national highways were constructed, which was a 20% growth over FY2017.

NEW PROJECTS

- In March 2018, the Company secured two road contracts from NHAI in India. First, it won a contract worth ₹ 505 crore for six and four-laning of NH 5 (New NH 16) from Puintola to Tangi in Odisha. Second, it secured a ₹ 806 crore contract for six-laning of NH 5 (New NH 16) from Tangi to Bhubaneshwar in Odisha.
- In December 2018, the Company secured a contract from NHAI for upgradation of Yargi- Kalewa road section (milepost 40/0 to milepost 115/5) in Myanmar to two lane with earth shoulders, on EPC mode. The value of the contract is ₹ 1,177 crore. The project was secured in a joint venture with Varaha Infra.

PROJECTS UNDER EXECUTION

- **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 45% complete.

- **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 work commenced in FY2018 and is around 15% complete.
- **Talibani–Sambalpur Road Project:** This EPC highway contract worth ₹ 392 crore involves rehabilitation and upgradation of four-laning with paved shoulder of the Talibani to Sambalpur section of NH-6 in Odisha under NHDP IV. The starting of this project was delayed and work commenced towards the end of FY2018.
- **Tallewal–Barnala Road Project:** This contract worth ₹ 275.99 crore includes developing four-lanes with paved side shoulders for the Tallewal–Barnala section of NH-71 (or the new NH-52). Land acquisition is in process and the project is expected to commence soon.
- **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 75% of the work complete.
- **Four-laning of the Gorakhpur-Gopalganj section of NH-28 in Bihar:** The project was awarded by the NHAI and is worth ₹ 542 crore. Balance work has been completed and the project is ready for handover.
- **Belgaum Maharashtra Road Project and the Khagaria-Purnea Road Project:** Operation and maintenance work for the projects continue to be implemented.

RAILWAYS

Railways is a segment in India where there are significant opportunities for upgradation and modernisation projects.

- **Doubling work between Phulera and Degana in Rajathan:** In FY2018, Punj Lloyd won an EPC railway contract worth ₹ 478 crore for 108.75 km of doubling work in the Phulera–Degana stretch in Rajasthan. Scope of the project entails composite works of construction of a second railway line with civil infrastructure, track work, signalling and telecommunication. The project site falls in Jaipur to Jodhpur section.

AIRPORTS

- **Sikkim Airport Project, Pakyong:** In FY2018, Punj Lloyd reached a milestone by completing the work for the Sikkim Airport Project, which is a green-field airport in Pakyong, Sikkim. Punj Lloyd's share of work included earthwork in filling, building the world's highest reinforced retaining wall, drainage systems including culverts and aerodrome pavements. The project has been delivered overcoming design issues, geological surprises, unfavourable climatic conditions and stoppage of work by locals. It has already witnessed the operation of test flights.

BUILDINGS

In buildings, the following major projects were executed or are under execution in FY2018:

- **Tata Capitol Heights, Nagpur:** The projects includes civil, structural, waterproofing and auxiliary work for construction of an integrated residential and retail complex called Capitol Heights in Nagpur. The housing part of the project was successfully 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 was completed in FY2018.
- **AIIMS Building Project, 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 earlier delays, major portion of the project was delivered in FY2018. Work on the auditorium is left to be completed.
- **Koderma Township Project, Jharkhand:** 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 is progressing well.

- **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 several issues ranging from environment to financial closure and is yet to commence.

WATERWORKS

- In a bid to diversify its portfolio in line with market opportunities, Punj Lloyd extended its expertise in civil work and secured work related to canal irrigation. The Company was issued the letter of award (LoA) for construction and commissioning of balance and left out canal work in Bhandara, Nagpur and Chandrapur districts of Maharashtra. The work also involves construction of cross-drainage structures and design for Gosikhurd National Project in Bhandara, Nagpur, and for VIDC, Phase - I / Package - I by NBCC (India) in Chandrapur. The complete contract value is around ₹ 870 crore.

Other Businesses

DEFENCE

Since the GoI liberalised private sector participation in the defence sector, Punj Lloyd has been actively exploring opportunities. By receiving the first license for manufacture of guns, rockets, missiles and artillery systems in 2007, Punj Lloyd became one of the pioneering private sector participants in this space. Since then, the Company has expanded its scope in the sector and received several more licenses.

In a sense, the entire private sector defence manufacturing industry in India is in an incubation phase. Punj Lloyd continues to invest time and money in a systematic manner to develop capabilities, foster technological cooperation and establish manufacturing capacities.

From a strategic perspective, the Company strives to leverage opportunities from the GoI's 'Make in India' programme and become a 'supplier of choice' to the Indian armed forces. In doing so, Punj Lloyd endeavours to be an intrinsic part of the global defence equipment supply chain by becoming a preferred partner for transfer of technology from major global players. It also strives to work in partnership with global majors to meet offset requirements as per the Indian Defence Procurement Procedure. In addition, the Company intends to undertake maintenance, repair and overhaul of defence equipment.

Punj Lloyd's focus in defence includes land systems, small arms, aerospace, and homeland security.

The Company continues to operate under working capital constraints. The active component manufacturing business is thus focusing more on job work contracts with a focus on maintaining goodwill and customer base. The order book for the business is around ₹ 40 crore; and, at today's level of operations, it broke even in FY2018.

Punj Lloyd has been participating as a prime contractor on the ZU 23 Air Defence Gun Upgrade programme, competing against major Indian defence companies and is close to the final stages of signing of the four year contract for supplies that is worth ₹ 335 crore. It has upgraded the existing ZU-23 2B gun by replacing the manual laying system with a rugged Electro Optical Fire Control System (EOFCS).

On homeland security, Punj Lloyd has won a prestigious order worth ₹ 120 crore from the Ministry of Home Affairs for the supply and commission of five Full Body Truck Scanners (FBTS). It will be the first private sector company in India to install these X-Ray based FBTS at the country's borders, which can detect concealed

arms, ammunition, explosives, detonators, IEDs, narcotics and fake currency.

Punj Lloyd has a joint venture (JV) with Israel Weapon Industries (IWI) for small arms and in May 2017, set-up India's first small arms manufacturing plant at Malanpur in Madhya Pradesh to manufacture (Tavor) carbine, (X95) assault rifle, (Galil]) sniper rifle and (Negev) light machine gun. The JV will supply components for exports as well as manufacturing, assembly and testing of the complete gun. Going forward, it will manufacture the complete range of IWI products from light machine guns to specialist weapons like sniper rifles to meet the needs of the Indian defence forces, paramilitary forces and the police. The collaboration with IWI will give Punj Lloyd the required technology in manufacturing a world class reliable product with high accuracy and efficiency. The Company has already commenced production and started exports to service buy-back by the partner.

OPERATIONS: SUPPORT SERVICES

Recognising the key role of support functions, the emphasis has been to make these true business enablers to establish necessary improvements in decision making, corrective plans and process controls across the entire business operations. Developments in some of the major support functions are discussed in this section.

HUMAN RESOURCE (HR)

People are the cornerstone of a service driven organisation like Punj Lloyd. As the Company is undergoing a process of transformation to overcome difficult financial conditions, it is imperative to align the HR objectives in line with the revised goals of the Company. In this endeavour, HR activities are today guided by a mid-term objective of creating a performance driven environment where employees can grow, innovate and thrive to deliver sustainable organizational

Rangoli competition during Diwali

performance. To this effect, HR management at Punj Lloyd is today focused on striking a fine balance between right-sizing of manpower resources and ensuring effective operations of the business.

The Company has initiated a process of reviewing the entire organisation structure in terms of redefining structure and role

Supporting non profit organization, ACT by buying eco friendly, paper based festive specials during Diwali

International Women's Day celebration

across positions; optimising cost across processes; and institutionalising a mechanism to foster greater efficiency and productivity.

IT tools have been effectively leveraged to further improve the HR management process. The RAMCO HR module has gone online and is being utilised for payroll, attendance and the reimbursement process at the head office. This system will be extended to all Indian sites in Q1FY2019 and to global locations by Q3FY2019. This tool will not only make employee interaction more efficient but also bring in greater controls on HR related issues across the organisation. In addition, active efforts are being made to manage overheads related to people across the Company.

Market conditions for infrastructure companies has picked up and talent retention is becoming challenging. As an organisation, there is a structured mechanism that is being institutionalised to identify critical people, benchmark their salaries with the industry and manage expectations with deliverables. There is also the requirement to augment certain functional areas given emerging business challenges. The Company is taking active steps to identify and fill these gaps.

Industrial relations remained cordial and there were no disruptions of work due to any industrial relation issue.

INFORMATION TECHNOLOGY (IT)

Punj Lloyd has always focused on investing in technology to improve efficiencies of its internal process and enhance its market positioning. In the present business scenario, IT tools form

the backbone of establishing strict process and controls within the Company. Given the financial constraints that the Company faces at present, the IT roll-out is being done with minimal new investments and with an extra focus on in-house developments of existing platforms.

During FY2018, the Company re-implemented Oracle with the latest 12.2.6 version along with the new Oracle GST engine for India taxes. This complex re-implementation was undertaken at a very past pace and completed in a record time of eight months. The rollout of the new version for all locations in India and abroad was efficiently managed with minimal disturbance to ongoing business activities. This exercise has introduced a much greater level of process automation.

Oracle re-implementation was supported by several process changes and new feature introductions. These included: introduction of revised chart of accounts in line with the new GST environment; standardisation of item codes, online approval of management approval notes; relevant approvals workflow for various processes; and significant enhancements in budget tracking along with cash flow management.

To improve ease of user usage, interfaces were developed to integrate the automatic vendor creation process in Oracle with the vendor portal; the employee creation process with MITRA (Ramco's human capital management tool); and the integration of payments with the Company's banker's portal.

A highlight for the year was the introduction of mobile apps with the launch of the Daily Progress Report (DPR) app. The DPR app contains basic details about project progress measuring key parameters like project progress in terms of key tasks, revenues, cost burn rates and manpower deployment. The system also has a messaging interface to raise and respond to questions in real time, making project management more effective and timely. The app is being regularly enhanced based on feedback from internal users.

To monitor projects more effectively from a central location, Punj Lloyd has initiated the implementation of Oracle Primavera. This rollout will support business units in helping monitor the progress of projects not only in terms of progress against planned schedules but also from a resource optimisation perspective. This system will throw up dashboards for various levels of project level data analysis and decision making at the central level. To begin with, 18 projects across all business units are being mapped on this system.

In FY2018, Punj Lloyd also undertook the implementation of a monitoring system for equipment and fleet management for both fuel and location tracking. Using a combination of GPS chips and fuel tank sensors, the Company is working on tracking parameters like fuel consumption per kilometre, distance covered and geo-spatial positioning of the Company's equipment and fleet.

The cloud-based RAMCO human capital management tool, MITRA, continues to be effectively utilised for HR management, particularly for payroll for operations in India. This will be subsequently rolled out globally. The vendor portal was enhanced to incorporate the GST rollout and has been integrated with the Oracle ERP.

On the hardware front, IT infrastructure was set up for new projects like railways, new locations like Sri Lanka and migrating and setting up of IT infrastructure was done for Orpic in Oman.

HEALTH, SAFETY AND ENVIRONMENT

Punj Lloyd continues to stress on maintaining a healthy, safe and pollution free work environment across all its project sites. The Company's existing practices are certified under ISO 9001:2008 for quality; ISO14001:2004 for environment ;and OHSAS18001:2007 for health and safety. During the year under review, it received the following certifications and recognitions for HSE:

- 26.5 million safe man-hours certificate for the polysilicon project in Qatar.
- 10 million safe man-hours certificate for the RAPID project. Punj Lloyd was also awarded the 'Best Contractor, 2017' in HSE practices.
- 'Project Safety Award' by NPCIL in 2017 for maintaining high safety standards in the Rawatbhata Atomic Power Project.
- Received appreciation for achievement of 2.5 million LTI free safe man-hours at the Kakrapar Atomic Power Project.
- Received Annual Safety Award (2017) for KSK Power Project.
- Safe man-hours milestones: Achieved 6 Million LTI free safe man-hours for the SRU CPCL project; 3 million for SRU Haldia Project; 1 million for ORPIC Oman Project; 1 Million for Trillium Nagpur Project.

In addition, the Company conducted HSR awareness activities at sites including fire drills conducted at the Ennore and Bangladesh Bhutan Road (BBR) sites, HIV-AIDS day campaign at the BBR site, heath check camp at the CCB irrigation project, tree plantation on World Environment Day at SRU Hadia, and Environmental Parameter Monitoring (air, water, soil and noise) at the BBR project.

National Safety Day celebrations were undertaken at HSRU Haldia, Ennore and SRU CPCL.

FINANCIAL HIGHLIGHTS

Table 1 gives the abridged standalone and consolidated profit and loss account of the Company.

While the Company managed to grow total income by 8.7% on a standalone basis, on a consolidated it reduced by 10.2% in FY2018. EBIDTA almost doubled on a standalone basis, while on a consolidated basis it reduced from ₹ 339 crore in FY2017 to ₹ 18 crore in FY2018.

The Company has business losses and unabsorbed depreciation, which are allowed to be carried forward and set off against future taxable income under Income Tax Act, 1961. Given uncertainties in earlier years regarding future profits, the Company had refrained from recognising deferred tax assets on such carried forward losses and unabsorbed depreciation.

However, during FY2018, the Company has taken several measures to improve operational efficiencies which have resulted in increased revenues and operational margins. In addition, it is confident of a favourable outcome of its restructuring proposal submitted to lenders. Consequently, based on projected future taxable income and results of operations, the management believes that the Company will have sufficient income in the future — allowing it to realise the carried forward losses and unabsorbed depreciation. With this in mind, the Company has recognised deferred tax assets of ₹ 1,199 crore for FY2018, which is fully recoverable. This has resulted in a positive impact on taxes in the profit and loss account and explains the achievement of post-tax profits while there are pre-tax losses.

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 of Directors 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

Table 1: Abridged Profit and Loss Account

(₹ crore)

	Standalone		Consolidated	
	FY18	FY17	FY18	FY17
Revenue	4,059	3,761	5,080	4,867
Other Incomes	353	299	505	1,355
TOTAL INCOME	**4,412**	**4,060**	**5,585**	**6,222**
Cost of Sales	(4,197)	3,952	(5,567)	(5,883)
EBIDTA	**215**	**108**	**18**	**339**
EBIDTA %	**5%**	**3%**	**0%**	**5%**
Finance cost	(976)	(882)	(1,087)	(1,018)
Depreciation	(121)	(125)	(194)	(221)
Share of results of associates/JV	-	-	(10)	(6)
Loss Before Tax	**(882)**	**(899)**	**(1274)**	**(906)**
Tax	1,199	49	1,202	35
Loss After Tax	**317**	**(850)**	**(72)**	**(871)**
Other comprehensive income	(358)	(937)	(128)	419
Total Comprehensive Income	**(41)**	**(1,787)**	**(200)**	**(452)**

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 service growth, Punj Lloyd's balance sheet remains leveraged. This has led to a series of obligations for pay-outs to banks and financial institutions, needing to be continuously met, which is difficult in a market with liquidity crunch. The risks associated with any default to 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 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 still remains muted. And in pockets where there is demand, one finds stiff competition. Thus, 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 an 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

Punj Lloyd has an effective internal control environment and a robust internal control framework commensurate with the size and complexity of its business. The Audit Committee of the Board and senior management are 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.
- 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. The 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.

The Company aligns to the best practices in the areas of control and compliance, to ensure high standards of governance in both domestic and international businesses.

OUTLOOK

The Company has entered FY2019 with a healthy order book given its financial constraints. There will be revenue growth in FY2019 with the effective execution of the existing order book. Efforts are under way to operationally restructure the business and make it more lean and efficient in terms of delivery. FY2019 is expected to be a watershed year for the Company as it revives its internal strengths and stresses on effective execution to position itself for the next round of growth.

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 Thirtieth Annual Report and the audited accounts of Punj Lloyd Limited ("the Company") for the financial year ended March 31, 2018.

Financial Highlights

The financial performance of the Company, for the year ended March 31, 2018 is summarized below:

(₹ in Crores)

Particulars	2017-18	2016-17
Total revenue	4,412.90	4,059.75
Earnings Before Interest (Finance Costs), Tax, Depreciation and Amortisation (EBITDA)	215.37	107.63
Less: Finance costs	976.38	881.66
Profit/ (Loss) before tax, depreciation and amortisation	(761.01)	(774.03)
Less: Depreciation and amortisation expenses	120.70	125.13
Profit/ (Loss) before tax (PBT)	(881.71)	(899.16)
Less: Tax expenses [net of deferred tax effect and minimum alternate tax credit entitlement/ written off (net)]	(1,199.08)	(48.58)
Profit/ (Loss) after taxation (PAT)	317.37	(850.58)
Other Comprehensive Income	(358.27)	(936.91)
Total Comprehensive Income	(40.90)	(1,787.49)

Dividend

To conserve the cash resources, your Directors have not recommended any dividend on the equity shares for the financial year ended March 31, 2018.

Operations Review

The Company remains committed in its efforts of realigning its business strategy and operations to garner better traction in its market segment. The focus is on diversifying its business into segments where capital can be profitably utilized and on improving operational efficiencies across all segments of operations. Some of these efforts have started to reap benefits. During the year under review, the Company clocked a standalone operational profit (EBIDTA) of Rs. 215 crore as compared to Rs.108 crore reported in previous year and the total income grew by 9% to Rs. 4,413 crore. The momentum generated during the current year would be further strengthened to achieve higher revenue and profits.

Clearly, the construction and infrastructure industry, globally and in India had undergone a transformation with investments slowing down in energy related segments. Global oil prices, till few months of the current year, remained soft and thereafter robust and sustained rise was witnessed. Punj Lloyd, in order to reduce dependence on oil & gas sector, has taken steps to widen the spectrum of sectors where it operates. In line with this objective, it added two new segments, namely irrigation and railway contracts, keeping an eye on anticipated growth explosion in these areas. The Company is also actively working on forging strategic partnership tailor-made for various sectors and regions to develop its project portfolio.

The Company is in advance stage of implementing financial Resolution Plan, with the help of its Lender community that will provide the necessary traction to the Company's growth initiatives. Several obligations to finalise this plan has been met by the Company during FY 2018.

Amidst tight liquidity, Company continues to approach business development in a calibrated manner. Activities were more geared towards exploring new market opportunities. The Company has an order book of Rs. 9,127 crore as of 31 March 2018. During the year under review, presence in capital intensive and complicated Offshore & Power Distribution has been progressively reduced and focus has shifted towards building and infrastructure projects, encompassing construction of roads, bridges, airports and marquee buildings, which is in line with the government's initiative in these sectors. Significant recoveries have been made during the financial year, while recoverable claims are being pursued aggressively to fund next phase of business.

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)

The Company continues to stress on maintaining a healthy, safe and pollution free work environment across all its project sites. The Company's existing practices are certified under ISO 9001:2008 for quality, ISO14001:2004 for environment and OHSAS18001:2007 for health and safety. 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 Punj was appointed as Executive Chairman of the Company for a period of five years with effect from July 1, 2013 and he was re-designated as Chairman and Managing Director of the Company with effect from May 27, 2016. It is proposed to re-appoint Mr. Atul Punj as Chairman and Managing Director of the Company, for a period of five years with effect from July 1, 2018. Appropriate resolution seeking your approval for the re-appointment and payment of remuneration to him forms part of the notice convening the ensuing Annual General Meeting ("the AGM").

Mr. Rakesh Amol has been appointed as Group Chief Executive Officer of the Company w.e.f. May 30, 2018.

Mr. Atul Kumar Jain and Mr. Shiv Punj, Whole Time Directors of the Company have resigned w.e,f. May 29, 2018 and August 27, 2018

respectively. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by them to the Board and the Company during their tenure as Whole Time Directors of the Company.

Mr. Rajat Khare has vacated office of Director of the Company w.e.f. August 11, 2018 under relevent provisions of Section 167 (1) (b) of the Companies Act, 2013. Ms. Jyoti Punj, Director of the Company has resigned w.e.f. August 27, 2018. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by them to the Board and the Company during their tenure as Directors of the Company.

Mr. Atul Punj retires by rotation and being eligible has offered himself for re-appointment at the AGM. The Board of Directors recommend his re-appointment.

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.

Brief resume of the Director 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, 2017; August 10, 2017; November 11, 2017 and February 14, 2018.

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 and the same has been placed on the website of the Company at the following link: http://punjlloydgroup.com/investors.

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, 2018, 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 30, 2018 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 30, 2018 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. 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 2017-18, the Company issued and allotted 13,70,000 Equity Shares of Rs.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 Rs.66,84,51,490/- divided into 33,42,25,745 equity shares of Rs. 2/- each as at March 31, 2017 to Rs. 67,11,91,490/- divided into 33,55,95,745 equity shares of Rs. 2/- each as at March 31, 2018.

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, 2018 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. Uday Walia and Mr. Shravan Sampath 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 2017-18. 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. Now, as per the Companies (Amendment) Act, 2017, ratification of appointment of Auditors is not required.

The observations of the Auditors have been fully explained in Note 2(a)(iii) and 8 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 2017-18 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 Registration No. 101073) as Cost Auditors of the Company to conduct the audit of cost records of the Company for the Financial Year 2017-18.

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. No complaints were received during the year 2017-18.

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: August 29, 2018

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 organization 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, 2018. 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 (Resigned on May 29, 2018)	Executive
Ms. Jyoti Punj	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, 2017; August 10, 2017; November 11, 2017; and February 14, 2018. 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, 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.
- 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	No
Mr. Atul Kumar Jain*	4	0	1	4	4	Yes
Ms. Jyoti Punj	1	0	0	4	2	No
Mr. Phiroz Vandrevala	1	0	1	4	4	Yes
Mr. Uday Walia	3	2	1	4	3	No
Mr. Rajat Khare	0	1	0	4	1	No
Mr. Shravan Sampath	4	3	1	4	4	Yes

* Since resigned from the Board of Directors of the Company w.e.f. May 29, 2018.

** 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:

(a) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(b) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(c) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(d) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c).

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;

(f) 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, 2018

(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	1,00,000	0	0	0	0	1,00,000
Mr. Phiroz Vandrevala	0	2,00,000	0	0	0	0	2,00,000
Mr. Uday Walia	0	1,50,000	0	0	0	0	1,50,000
Mr. Rajat Khare	0	50,000	0	0	0	0	50,000
Mr. Shravan Sampath	0	2,00,000	0	0	0	0	2,00,000

* Since resigned from the Board of Directors of the Company w.e.f. May 29, 2018.

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 (Re-appointed for a period of 5 years w.e.f. July 1, 2018 subject to approval of members at the AGM)	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-

* Since resigned from the Board of Directors of the Company w.e.f. May 29, 2018.

As on April 01, 2017, 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 Rs.2/- each at a price of Rs.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, 2018.

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, 2018:

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

As on March 31, 2018, 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 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 on May 30, 2018, without the attendance of Executive Directors and members of management. All the Independent Directors were present in the meetings except Mr. Rajat Khare, and Mr. Uday Walia (who couldn't attend the 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	4 out of 4	May 27, 2017; August 10, 2017; November 11, 2017; and February 14, 2018
Mr. Atul Punj	Member	Executive	4 out of 4	
Mr. Rajat Khare	Member	Independent	1 out of 4	
Mr. Shravan Sampath	Member	Independent	4 out of 4	

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 Auditor 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 utilization 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	2	May 27, 2017 and February 14, 2018
Mr. Uday Walia	Member	Independent	2	2	
Mr. Rajat Khare	Member	Independent	2	–	

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 specify the manner for effective evaluation of performance of the Board, its Committee and individual directors to be carried out either by Board, by the Nomination and Remuneration Committee or by an Independent external agency and review its

implementation and compliance [as required vide Companies (Amendment) Act, 2017 w.e.f. May 7, 2018];

- 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 experience to bear in	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	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/ practicing Company secretaries regarding compliance of conditions of corporate governance? 8. Whether the Board has full understanding of the business plan and performance of operations and management of the Company and received regular input on this from Chief Executive?

Executive Director(s)	Non Executive/ Independent Director(s)	Committee of the Board	Board as a whole
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?	agenda, backup 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 performed gainst any objective that was set? 10. Are sufficient Committee meetings of appropriate length held to enable proper consideration of issues? Is time used effectively?	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 fervor? 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 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?

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	11. Whether the mandate, composition and working procedures of committees of the Board of Directors is clearly defined and disclosed? 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?

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	August 10, 2017; and February 14, 2018
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 2017-18, the Company received a total of 19 queries/complaints from various shareholders relating to non-receipt 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, 2018, 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 2017-18.

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 Director 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.

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 2(a)(iii) and 8 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
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
2016-17	September 21, 2017	10.30 A.M.	Kamani Auditorium, 1, Copernicus Marg, New Delhi - 110001	1

Annual General Meeting 2018

Date	September 28, 2018
Venue	Kamani Auditorium 1, Copernicus Marg, New Delhi - 110001
Time	10:30 A.M.
Book Closure	September 21, 2018 to September 28, 2018 (both days inclusive)

Calendar of Financial year ended March 31, 2018

The meetings of Board of Directors for approval of Quarterly Financial Results during the Financial Year ended March 31, 2018 were held on the following dates:

First Quarter	August 10, 2017
Second Quarter	November 11, 2017
Third Quarter	February 14, 2018
Fourth Quarter and Annual	May 30, 2018

Tentative Calendar for Financial Year ending March 31, 2019

The tentative dates of meeting of the Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2019 are as follows:

First quarter	Second week of August, 2018
Second quarter	Second week of November, 2018
Third quarter	Second week of February, 2019
Fourth quarter and Annual	Last week of May, 2019

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 2018-19 has been paid by the Company to the Stock Exchanges.

Depository Fees

Annual Custody /Issuer fees for the year 2018-19 to Central Depository Services (India) Limited (CDSL) has been paid and to National Securities Depositories Limited (NSDL) is under process of payment.

Debt Securities

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

Stock Data

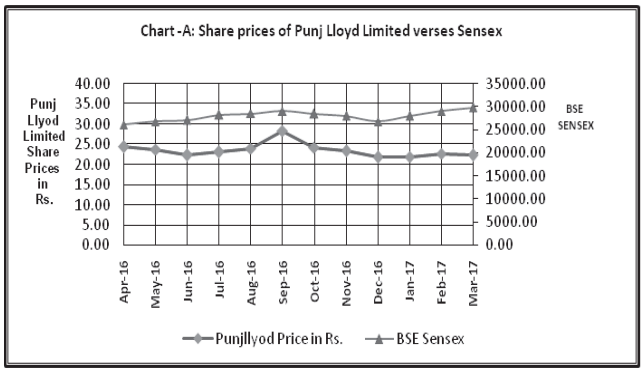
Table 11 below gives the monthly high and low prices and volumes of Company's (Punj Lloyd) equity shares at BSE Limited (BSE) and the National Stock Exchange Limited (NSE) for the year 2017-18.

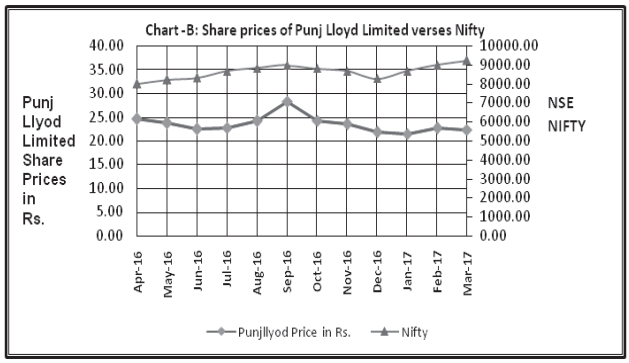
Table 11: High and Low Prices and Trading Volumes at the BSE and NSE

Month	BSE (in ₹ Per Share)			NSE (in ₹ Per Share)		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April, 2017	23.85	19.40	1,21,13,445	23.90	19.35	4,60,39,825
May, 2017	25.35	20.20	1,41,72,067	25.35	20.05	5,53,07,227
June, 2017	22.50	17.70	97,22,540	22.55	17.75	2,99,92,432
July, 2017	23.50	19.20	1,59,30,644	23.45	19.20	5,23,22,670
August, 2017	22.50	18.35	75,71,582	22.60	18.50	2,76,89,466
September, 2017	25.85	18.85	2,42,02,489	25.90	18.85	11,34,99,025
October, 2017	23.55	20.50	88,72,236	23.65	20.20	3,42,48,722
November, 2017	23.50	20.00	68,54,410	23.50	19.95	2,61,40,894
December, 2017	24.95	20.40	1,12,15,529	24.90	20.50	5,29,60,426
January, 2018	29.15	21.90	2,38,94,110	29.00	21.85	10,43,12,293
February, 2018	23.50	19.25	66,03,982	23.50	19.20	2,87,77,684
March, 2018	20.25	15.80	61,08,848	20.30	15.85	2,39,09,780

Source: BSE and NSE website

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, 2018, there were 3,04,701 shareholders holding 33,55,71,292 shares of Rs.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, 2018.

Table 12: Number and nature of complaints for the year 2017-18

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	6	7	6	19
Attended during the year	6	7	6	19
Pending as on March 31, 2018	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 Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), as amended, the Company has transferred the unclaimed and unpaid dividends amounting to Rs. 4,23,135 (Rupees Four Lakh Twenty Three Thousand One Hundred Thirty Five Only) for the Financial Year 2009 - 10 into the Investor Education Protection Fund (IEPF) established by the Government of India.

Equity Shares corresponding to Unpaid/ Unclaimed Dividend and Equity Shares held in Suspense Account.

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), as amended, the equity shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority. Accordingly, the Company has transferred 3,33,339 equity shares (including 2,310 equity shares lying in pool account/ suspense account) to the Demat account of IEPF.

Shareholding Pattern and Distribution

Tables 13 and 14 gives the shareholding pattern and distribution.

Table 13: Shareholding Pattern as on March 31, 2018

Category		As on March 31, 2018	
		Total No. of Shares	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
a.	Indian Promoters	4,23,36,801	12.62
b.	Foreign Promoters	7,71,21,970	22.98
	Total shareholding of Promoter & Promoter Group	**11,94,58,771**	**35.60**
B.	**Public Shareholding**		
1.	**Institutions**		
a.	Mutual Funds / UTI	NIL	N.A.
b.	Foreign Portfolio Investors	47,625	0.01
c.	Banks / Financial Institutions	2,30,32,569	6.86
2.	**Non-Institutions**		
a.	Bodies Corporate	2,42,30,442	7.22
b.	Resident Individuals	16,05,42,835	47.84
c.	NBFCs Registered with RBI	2,19,785	0.07
3.	**Others**		
a.	Non Resident Indians	64,03,028	1.91
b.	Trusts	48,750	0.01
c.	Clearing Members	12,78,601	0.38
d.	Foreign National	NIL	N.A.

Category		As on March 31, 2018	
		Total No. of Shares	Percentage
e.	IEPF	3,33,339	0.10
	Total Public Shareholding	**21,61,36,974**	**64.40**
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:		**33,55,95,745**	**100.00**

Table 14: Distribution of shareholding by share class as on March 31, 2018

Sl. No.	Shareholding Class	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1	1 - 5,000	2,98,422	96.68	7,94,99,798	23.69
2	5,001 - 10,000	5,738	1.86	2,12,06,029	6.32
3	10,001 – 20,000	2,621	0.85	1,96,11,779	5.84
4	20,001 - 30,000	705	0.23	88,04,685	2.62
5	30,001 – 40,000	367	0.12	66,18,004	1.97
6	40,001 - 50,000	198	0.06	45,56,400	1.36
7	50,001 - 1,00,000	350	0.11	1,25,08,113	3.73
8	1,00,001 and above	265	0.09	18,27,90,937	54.47
Total:		**3,08,666**	**100.00**	**33,55,95,745**	**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, Gurugram-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.: +91-22-2499 4200; Fax: +91-22-2497 6351 E-mail: info@nsdl.co.in
	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, - 17th Floor, Dalal Street, Mumbai 400 001 Tel.: +91-22-2272 3333; Fax: +91-22-2272 3199 E-mail: investors@cdslindia.com

For Punj Lloyd Limited

Place: Gurugram
Date : May 30, 2018

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, 2018, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 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**
Chartered Accountants
ICAI Firm Registration No. 003304N

Darshan Chhajer
Partner
Membership No. 088308

Place: Gurugram
Date: May 30, 2018

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 Cash Flow Statement for the year ended March 31, 2018 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 30, 2018

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 (Rs. in Crores)	(1,046.61)
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 30, 2018
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 2018

[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 2018 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 2018 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.

Annexure IV -Secretarial Audit Report

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

(i) Secretarial Standard 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; and

  (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 have not reviewed the compliance of applicable financial laws including Direct and Indirect tax laws by the Company as the same has been subject to review by the Statutory Auditors and others designated professionals.

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;

(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 is 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.

As per the representations made by the management and subject to any matter covering above referred laws mentioned in the report of Independent Auditors, if any, the Company, during the audit period, has not received any notice/there has been no instances of violation of above referred Laws, Rules, Regulations, Guidelines and Standards, etc. which had major bearing on the Company's affairs.

I further report that during the audit period 13,70,000 equity shares of Rs.2/- each have been issued and allotted by Committee of Directors on April 26, 2017, July 31, 2017 and October 6, 2017 on exercise of vested stock options under (A) Employees Stock Option Plan 2005– 9,20,000 options exercised (B). Employees Stock Option Plan 2006– 4,50,000 options exercised.

For **Suresh Gupta & Associates**
Company Secretaries

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

Date : May 30, 2018
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 IV -Secretarial Audit 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 30, 2018
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 2017-18 is 2.2%

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, 2018 is 7,359 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 2017-18 whereas few employees were given salary correction to ensure that junior staff gets inflationary increase and remains motivated. Total impact of the same remains same as 2.2%.

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 2017-18 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 Jain	1,58,62,176	Vice President	Master of Engineering-Environmental Engineering, Bachelor of Engineering-Civil	23	19/06/2000	50	RPG Transmissions
2	Ashok Kumar Mohanty	1,12,62,842	Associate Vice President	PGD-Personnel Management & Labour Laws, LL.B	39	05/09/1989	60	L&T
3	Ashok Wadhawan	1,25,22,815	President – Manufacturing	PGDBM, B.E.- Mechanical	22	06/01/2014	48	GE India Industrial Pvt. Ltd.
4	Amitava Bose	1,17,93,338	Executive Vice President – Pipeline & Tankages	M. Tech- Civil, B.E. -Civil	24	01/03/2016	52	Bridge & Roof Co. (I) Ltd.
5	Dinesh Thairani	94,23,158	Group President Legal & CS	CS, LL.B	29	01/03/1994	53	Rama Paper Mills Ltd.
6	Pramod Kumar Mittal	61,98,000	Executive Vice President – F & A	Chartered Accountant	30	14/12/1999	57	Kailash Structurals Ltd.
7	Rahul Maheshwari	60,42,195	Chief Financial Officer	Chartered Accountant	18	24/08/2011	42	S. R. Batliboi & Co.
8	Sundar Ramachandran	72,76,579	Vice President - IT	M.Sc. Statistics	25	06/01/2014	46	Jsoft Solutions Ltd.
9	Swatantar Kumar Goyal	91,65,194	President- Building & Infrastructure	Bachelor of Engineering (Civil)	36	22/09/1995	57	Sikand Constructions
10	Tariq Alam	1,15,92,000	Executive Vice President – Bd	Ph.D in Electronic & Electrical Engineering, Bachelor in Electronic & Electrical Engineering	14	12/03/2014	44	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	Amit Gupta	18,33,805	President -Process	Masters in Construction Management, B Tech (Civil)	23	12/06/2015	48	Essar Projects (I) Ltd.
2	Chander Kishore Thakur	60,88,073	President & CEO-Power	B.Sc., MBA	33	12/08/2014	57	Lanco Infratech Ltd.
3	Deepane Nath	87,97,136	Executive Pilot	B. Com, Pegasus Flight Training	24	01/07/2015	53	Jet Lite (India) Ltd.
4	Rajendra A. Khandalkar	1,35,22,407	President & CPO	B.E.- Mechanical, Diploma in Material Management	34	10/03/2014	56	Reliance Power Ltd.

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	365.00
Employee benefits expense	2.24
Foreign branches/unincorporated joint venture expenses	1435.52
Finance costs	15.64
Contractor charges	124.76
Repair and maintenance	0.22
Freight and cartage	4.02
Hire charges	4.26
Rent	0.43
Rates and taxes	4.88
Insurance	0.11
Consultancy and professional	22.60
Travelling and conveyance	7.70
Miscellaneous	0.22
Earned	
Contract revenues	1881.51
Sales of trade goods	90.29
Hiring charges	14.65
Management services	47.34
Others	72.62

For and on behalf of the Board

Place: Gurugram
Date : May 30, 2018

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 incuding 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 adavances, 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 30, 2018

Atul Punj
Chairman and Managing Director

Annexure - IX

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[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 24 262 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 services	42101, 42201, 42203, 42901	86.72%

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	Punj Lloyd Infrastructure Limited	U45400DL2007PLC161684	Subsidiary	100.00	2(87)(ii)
9	Punj Lloyd Solar Power Limited	U40106DL2010PLC211739	Subsidiary	100.00	2(87)(ii)
10	Khagaria Purnea Highway Project Limited	U45203DL2011PLC214857	Subsidiary	100.00	2(87)(ii)
11	Indraprastha Metropolitan Development Limited	U45200DL2012PLC232075	Subsidiary	100.00	2(87)(ii)
12	PL Surya Urja Limited*	U40106DL2013PLC257153	Subsidiary	100.00	2(87)(ii)
13	PL Sunshine Limited*	U40106DL2015PLC277555	Subsidiary	100.00	2(87)(ii)
14	PL Surya Vidyut Limited*	U40300DL2015PLC287282	Subsidiary	100.00	2(87)(ii)
15	Punj Lloyd Upstream Limited	U11100DL2007PLC161686	Subsidiary	58.06	2(87)(ii)
16	Punj Lloyd Aviation Limited	U62200DL2007PLC163930	Subsidiary	100.00	2(87)(ii)
17	Sembawang Infrastructure (India) Private Limited	U45203DL1996PTC190367	Subsidiary	100.00	2(87)(ii)
18	Indtech Global Systems Limited	U74900DL1982PLC014233	Subsidiary	99.99	2(87)(ii)
19	Shitul Overseas Placement & Logistics Ltd.	U74910DL2009PLC191789	Subsidiary	100.00	2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
20	Punj Lloyd Construction Contracting Company Limited (Formerly known as Dayim Punj Lloyd Construction Contracting Company Limited)	N.A.	Subsidiary	100.00	2(87)(ii)
21	Punj Lloyd International Limited	N.A.	Subsidiary	100.00	2(87)(ii)
22	Punj Lloyd Kazakhastan LLP	N.A.	Subsidiary	100.00	2(87)(ii)
23	Punj Lloyd Infrastructure Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
24	Punj Lloyd Aviation Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
25	Christos Aviation Limited	N.A.	Subsidiary	100.00	2(87)(ii)
26	Punj Lloyd Pte, Limited$	N.A.	Subsidiary	100.00	2(87)(ii)
27	Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	N.A.	Subsidiary	100.00	2(87)(ii)
28	Punj Lloyd Sdn. Bhd.	N.A.	Subsidiary	100.00	2(87)(ii)
29	Indraprastha Renewables Private Limited	U51103DL2008PTC180660	Subsidiary	100.00	2(87)(ii)
30	Punj Lloyd Building & Infrastructure Private Limited#	N.A.	Subsidiary	100	2(87)(ii)
31	PL Delta Technologies Limited@	N.A.	Subsidiary	80.32	2(87)(ii)
32	AeroEuro Engineering India Pvt. Ltd.	U74900DL2011PTC219149	Joint Venture	80.32	2(6)
33	Thiruvananthapuram Road Development Company Ltd.@	U45203MH2004PLC144789	Joint Venture	50.00	2(6)
34	Ramprastha Punj Lloyd Developers Pvt. Ltd.	U45400DL2007PTC166937	Joint Venture	50.00	2(6)
35	PLE TCI Engenharia LTDA	N.A.	Joint Venture	39.36	2(6)
36	PLE TCI Engineering Limited@	N.A.	Joint Venture	39.36	2(6)
37	Air Works India (Engineering) Pvt. Ltd.	U74210MH1986PTC040889	Associate	23.30	2(6)

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

$ Entities part of Punj Lloyd Pte. Limited Group. Refer note no. 26 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)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares Held at the Beginning of the Year i.e. April 01, 2017				No. of Shares Held at the End of the Year i.e. March 31, 2018				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group									
1. **Indian**									
Individual /HUF	21036891	0	21036891	6.29	21851400	0	21851400	6.51	-0.22
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	21853017	0	21853017	6.54	20485401	0	20485401	6.10	0.43
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) :	**42889908**	**0**	**42889908**	**12.83**	**42336801**	**0**	**42336801**	**12.62**	**0.22**
2. Foreign									
Individuals (NRIs/ Foreign Individuals)	1430540	0	1430540	0.43	1430540	0	1430540	0.43	0.00

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Category of Shareholder	No. of Shares Held at the Beginning of the Year i.e. April 01, 2017				No. of Shares Held at the End of the Year i.e. March 31, 2018				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Bodies Corporate	75691430	0	75691430	22.65	75691430	0	75691430	22.55	0.09
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	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(2) :	**77121970**	**0**	**77121970**	**23.07**	**77121970**	**0**	**77121970**	**22.98**	**0.09**
Total A=A(1)+A(2)	**120011878**	**0**	**120011878**	**35.91**	**119458771**	**0**	**119458771**	**35.60**	**0.31**
Public Shareholding									
1. Institutions									
Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	23001393	0	23001393	6.88	23032569	0	23032569	6.86	0.02
Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	5235605	0	5235605	1.57	47625	0	47625	0.01	1.55
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	500	0	500	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1) :	**28237498**	**0**	**28237498**	**8.45**	**23080194**	**0**	**23080194**	**6.88**	**1.57**
2. Non-Institutions									
Bodies Corporate	23389955	390	23390345	7.00	24449897	330	24450227	7.29	-0.29
Individuals									
(i) Individuals holding nominal share capital upto Rs.2 lakh	141225416	23870	141249286	42.26	146482356	23078	146505434	43.66	-1.39
(ii) Individuals holding nominal share capital in excess of Rs.2 lakh	13421617	0	13421617	4.02	14037401	0	14037401	4.18	-0.17
Others									
Clearing Members	890058	0	890058	0.27	1278601	0	1278601	0.38	-0.11
I E P F	0	0	0	0.00	333339	0	333339	0.10	-0.10
Non Resident Indians	6146027	1045	6147072	1.84	5157028	1045	5158073	1.54	0.30
NRI Non-Repatriation	849741	0	849741	0.25	1244955	0	1244955	0.37	-0.12
Trusts	28250	0	28250	0.01	48750	0	48750	0.01	-0.01
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total B(2):	**185951064**	**25305**	**185976369**	**55.64**	**193032327**	**24453**	**193056780**	**57.53**	**-1.88**
Total B=B(1)+B(2):	**214188562**	**25305**	**214213867**	**64.09**	**216112521**	**24453**	**216136974**	**64.40**	**-0.31**

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Category of Shareholder	No. of Shares Held at the Beginning of the Year i.e. April 01, 2017				No. of Shares Held at the End of the Year i.e. March 31, 2018				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Shares held by custodians against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
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
Total C:	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
GRAND TOTAL (A+B+C) :	**334200440**	**25305**	**334225745**	**100.00**	**335571292**	**24453**	**335595745**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year i.e. April 01, 2017			Shareholding at the End of the Year i.e. March 31, 2018			% 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	22.65	79.56	75,691,430	22.55	79.56	-0.10
2	Spectra Punj Finance Pvt. Ltd.	21852977	6.54	64.76	20,485,361	6.10	62.41	-0.44
3	Satya Narain Prakash Punj	10,537,281	3.15	0	10,537,281	3.14	0	-0.01
4	Indu Rani Punj	99,97,065	2.99	0	99,97,065	2.98	0	-0.01
5	Atul Punj	1,430,540	0.43	0	1,430,540	0.43	0	0.00
6	Shiv Punj	0	0.00	0	814509	0.24	0	100.00
7	Jyoti Punj	501,725	0.15	0	501,725	0.16	0	0.00
8	Atul Punj HUF	820	0.00	0	820	0.00	0	0.00
9	PLE Hydraulics Pvt. Ltd.	40	0.00	0	40	0.00	0	0.00
	Total	**12,00,11,878**	**35.91**		**11,94,58,771**	**35.60**	**0**	**0.00**

(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, 2017		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Cawdor Enterprises Ltd.**						
	At the beginning of the year		01-04-2017	75,691,430	22.65	-	-
	No Change		NIL				
	At the end of the year		31-03-2018	-	-	7,56,91,430	22.55
2	**Spectra Punj Finance Pvt. Ltd.**						
	At the beginning of the year		01-04-2017	2,18,52,977	6.54	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sold	03-11-2017	1,00,000		2,17,52,977	6.48
		Sold	10-11-2017	12,67,616		2,04,85,361	6.10
	At the end of the year		31-03-2018			2,04,85,361	6.10

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Sl. No.	Shareholder's Name		Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2017		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
3	**Satya Narain Prakash Punj**						
	At the beginning of the year		01-04-2017	1,05,37,281	3.15	-	-
	No Change		NIL				
	At the beginning of the year		31-03-2018	–	–	1,05,37,281	3.14
4	**Indu Rani Punj j**						
	At the beginning of the year		01-04-2017	99,97,065	2.99	-	-
	No Change		NIL				
	At the end of the year		31-03-2018	-	-	99,97,065	2.98
5	**Atul Punj**						
	At the beginning of the year		01-04-2017	14,30,540	0.43	-	-
	No Change		NIL				
	At the end of the year		31-03-2018	-	-	14,30,540	0.43
6	**Shiv Punj**						
	At the beginning of the year		01-04-2017	0	0.00	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Purchase	08-12-2017	8,14,509	0.24	8,14,509	0.24
	At the end of the year		31-03-2018	-	-	8,14,509	0.24
7	**Jyoti Punj**						
	At the beginning of the year		01-04-2017	5,01,725	0.15	-	-
	No Change		NIL				
	At the end of the year		31-03-2018	-	-	5,01,725	0.15
8	**Atul Punj (HUF)**						
	At the beginning of the year		01-04-2017	820	0.00	-	-
	No Change		NIL				
	At the end of the year		31-03-2018	-	-	820	0.00
9	**PLE Hydraulics Pvt. Ltd.**						
	At the beginning of the year		01-04-2017	40	0.00	-	-
	No Change		NIL				
	At the end of the year		31-03-2018	-	-	40	0.00

(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, 2017		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		01-04-2017	1,83,52,701	5.49	-	-
	No Change		NIL				
	At the end of the year		31-03-2018	-	-	1,83,52,701	5.47

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Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2017		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
2.	**Vanguard Total International Stock Index Fund**						
	At the beginning of the year		01.04.2017	2195684	0.66	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	sale	28.04.2017	-272540	-0.08	1923144	0.58
		sale	05.05.2017	-513697	-0.15	1409447	0.42
		sale	12.05.2017	-1409447	-0.42	0	0.00
	At the end of the year		31.03.2018	-	-	0	0.00
3	**Karvy Stock Broking Ltd- F-O Margin**						
	At the beginning of the year		01.04.2017	2003740	0.60	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Purchase	07/04/2017	18384	0.01	2022124	0.61
		Sale	29-4-2016	-50000	0.01	1885045	0.56
		Purchase	14/04/2017	127024	0.04	2106861	0.63
		Sale	14/04/2017	-3470	-0.00	2103391	0.63
		Purchase	21/04/2017	15895	0.00	2119286	0.63
		Sale	21/04/2017	-164759	-0.05	1954527	0.58
		Purchase	28/04/2017	3127	0.00	1957654	0.59
		Sale	28/04/2017	-44817	-0.01	1912837	0.57
		Purchase	05/05/2017	9607	0.00	1922444	0.58
		Sale	05/05/2017	-9676	-0.00	1912768	0.57
		Purchase	12/05/2017	44308	0.01	1957076	0.58
		Sale	12/05/2017	-15610	-0.00	1941466	0.58
		Purchase	19/05/2017	22520	0.01	1963986	0.59
		Sale	19/05/2017	-9510	-0.00	1954476	0.58
		Purchase	26/05/2017	11935	0.00	1966411	0.59
		Sale	26/05/2017	-8683	-0.00	1957728	0.58
		Purchase	02/06/2017	3731	0.00	1961459	0.59
		Sale	02/06/2017	-19635	-0.01	1941824	0.58
		Purchase	09/06/2017	9150	0.00	1950974	0.58
		Sale	09/06/2017	-15852	-0.00	1935122	0.58
		Purchase	16/06/2017	49291	0.01	1984413	0.59
		Sale	16/06/2017	-2000	-0.00	1982413	0.59
		Purchase	23/06/2017	42951	0.01	2025364	0.60
		Sale	23/06/2017	-2	-0.00	2025362	0.60
		Purchase	30/06/2017	100236	0.03	2125598	0.63
		Sale	30/06/2017	-98717	-0.03	2026881	0.60
		Purchase	07/07/2017	43119	0.01	2070000	0.62
		Sale	07/07/2017	-56836	-0.02	2013164	0.60
		Purchase	14/07/2017	9066	0.00	2022230	0.60
		Sale	14/07/2017	-28926	-0.01	1993304	0.59

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Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2017		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	21/07/2017	30615	0.01	2023919	0.60
		Sale	21/07/2017	-27612	-0.01	1996307	0.60
		Purchase	28/07/2017	23490	0.01	2019797	0.60
		Sale	28/07/2017	-38697	-0.01	1981100	0.59
		Purchase	04/08/2017	49712	0.01	2030812	0.61
		Sale	04/08/2017	-12312	-0.00	2018500	0.60
		Purchase	11/08/2017	20863	0.01	2039363	0.61
		Sale	11/08/2017	-12966	-0.00	2026397	0.60
		Purchase	18/08/2017	117763	0.04	2144160	0.64
		Sale	18/08/2017	-133640	-0.04	2010520	0.60
		Purchase	25/08/2017	36589	0.01	2047109	0.61
		Sale	25/08/2017	-2863	-0.00	2044246	0.61
		Purchase	01/09/2017	4872	0.00	2049118	0.61
		Sale	01/09/2017	-21898	-0.01	2027220	0.60
		Purchase	08/09/2017	25804	0.01	2053024	0.61
		Sale	08/09/2017	-30921	-0.01	2022103	0.60
		Purchase	15/09/2017	198183	0.06	2220286	0.66
		Sale	15/09/2017	-128728	-0.04	2091558	0.62
		Purchase	22/09/2017	524	0.00	2092082	0.62
		Sale	22/09/2017	-58251	-0.02	2033831	0.61
		Purchase	29/09/2017	123968	0.04	2157799	0.64
		Sale	29/09/2017	-136701	-0.04	2021098	0.60
		Purchase	06/10/2017	19263	0.01	2040361	0.61
		Sale	06/10/2017	-7661	-0.00	2032700	0.61
		Purchase	13/10/2017	21946	0.01	2054646	0.61
		Sale	13/10/2017	-15880	-0.00	2038766	0.61
		Purchase	20/10/2017	8319	0.00	2047085	0.61
		Sale	20/10/2017	-13249	-0.00	2033836	0.61
		Purchase	27/10/2017	8351	0.00	2042187	0.61
		Sale	27/10/2017	-8880	0.00	2033307	0.61
		Purchase	31/10/2017	22532	0.01	2055839	0.61
		Sale	31/10/2017	-12375	-0.00	2043464	0.61
		Purchase	03/11/2017	40442	0.01	2083906	0.62
		Sale	03/11/2017	-18681	-0.01	2065225	0.62
		Purchase	10/11/2017	129500	0.04	2194725	0.65
		Sale	10/11/2017	-72505	-0.02	2122220	0.63
		Purchase	17/11/2017	12343	0.00	2134563	0.64
		Sale	17/11/2017	-44406	-0.01	2090157	0.62

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Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2017		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	24/11/2017	879	0.00	2091036	0.62
		Sale	24/11/2017	-60532	-0.02	2030504	0.61
		Purchase	01/12/2017	57625	0.02	2088129	0.62
		Sale	01/12/2017	-73797	-0.02	2014332	0.60
		Purchase	08/12/2017	82	0.00	2014414	0.60
		Sale	08/12/2017	-74971	-0.02	1939443	0.58
		Purchase	15/12/2017	116787	0.03	2056230	0.61
		Sale	15/12/2017	-67186	-0.02	1989044	0.59
		Purchase	22/12/2017	206571	0.06	2195615	0.65
		Sale	22/12/2017	-259360	-0.08	1936255	0.58
		Purchase	29/12/2017	8844	0.00	1945099	0.58
		Sale	29/12/2017	-79033	-0.02	1866066	0.56
		Purchase	30/12/2017	200	0.00	1866266	0.56
		Purchase	05/01/2018	95831	0.03	1962097	0.58
		Sale	05/01/2018	-34962	-0.01	1927135	0.57
		Purchase	12/01/2018	491	0.00	1927626	0.57
		Sale	12/01/2018	-76356	-0.02	1851270	0.55
		Purchase	19/01/2018	27194	0.01	1878464	0.56
		Sale	19/01/2018	-14197	-0.00	1864267	0.56
		Purchase	26/01/2018	6481	0.00	1870748	0.56
		Sale	26/01/2018	-11234	-0.00	1859514	0.55
		Purchase	02/02/2018	8754	0.00	1868268	0.56
		Sale	02/02/2018	-23457	-0.01	1844811	0.55
		Purchase	09/02/2018	37386	0.01	1882197	0.56
		Sale	09/02/2018	-6124	-0.00	1876073	0.56
		Purchase	16/02/2018	32745	0.01	1908818	0.57
		Sale	16/02/2018	-37005	-0.01	1871813	0.56
		Purchase	23/02/2018	28495	0.01	1900308	0.57
		Sale	23/02/2018	-15959	-0.00	1884349	0.56
		Purchase	02/03/2018	15720	0.00	1900069	0.57
		Sale	02/03/2018	-40388	-0.01	1859681	0.55
		Purchase	09/03/2018	12013	0.00	1871694	0.56
		Sale	09/03/2018	-22275	-0.01	1849419	0.55
		Purchase	16/03/2018	34619	0.01	1884038	0.56
		Sale	16/03/2018	-8571	-0.00	1875467	0.56
		Purchase	23/03/2018	935	0.00	1876402	0.56
		Sale	23/03/2018	-17798	-0.01	1858604	0.55
		Purchase	30/03/2018	12683	0.00	1871287	0.56
		Sale	30/03/2018	-44	-0.00	1871243	0.56
	At the end of the year		31/03/2018			1871243	0.56

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Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2017		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4.	**Mr. Ashok Rai**						
	At the beginning of the year		01.04.2017	87600	0.03	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Purchase	21/07/2017	20110	0.01	107710	0.03
		Purchase	08/09/2017	92000	0.03	199710	0.06
		Purchase	15/09/2017	1365001	0.41	1564711	0.47
		Purchase	22/09/2017	295180	0.09	1859891	0.55
		Purchase	20/10/2017	1519	0.00	1861410	0.55
		Purchase	03/11/2017	3500	0.00	1864910	0.56
		Purchase	10/11/2017	4900	0.00	1869810	0.56
		Purchase	23/02/2018	1900	0.00	1871710	0.56
		Purchase	16/03/2018	15000	0.00	1886710	0.56
		Purchase	30/03/2018	3000	0.00	1889710	0.56
	At the end of the year		31/03/2018	-	-	1889710	0.56
5	**'Goldman Sachs (Singapore) Pte**						
	At the beginning of the year		01/04/2017	1841932	0.55	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	12/05/2017	-112907	-0.03	1729025	0.52
		Sale	09/06/2017	-79025	-0.02	1650000	0.49
		Sale	16/06/2017	-286000	-0.09	1364000	0.41
		Sale	23/06/2017	-673495	-0.20	690505	0.21
		Sale	30/06/2017	-275497	-0.08	415008	0.12
		Sale	07/07/2017	-415008	-0.12	0	0.00
	At the end of the year		31/03/2018			0	0.00
6	**Mr. Anil Agarwal**						
	At the beginning of the year		01.04.2017	1827600	0.55	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	21/04/2017	-175000	-0.05	1652600	0.49
		Sale	26/05/2017	-100000	-0.03	1552600	0.46
		Purchase	21/07/2017	490000	0.15	2042600	0.61
		Sale	04/08/2017	-82500	-0.02	1960100	0.58
		Sale	11/08/2017	-50100	-0.01	1910000	0.57
		Sale	18/08/2017	-50000	0.01	1860000	0.55
		Sale	08/09/2017	-65000	-0.02	1795000	0.54
		Sale	15/09/2017	-5000	-0.00	1790000	0.53
		Sale	22/09/2017	-50000	-0.01	1740000	0.52
		Sale	29/09/2017	-35000	-0.01	1705000	0.51
		Sale	06/10/2017	-50000	-0.01	1655000	0.49
		Purchase	01/12/2017	5000	0.00	1660000	0.49
		Sale	05/01/2018	-1000	-0.00	1659000	0.49
		Sale	02/02/2018	-9000	-0.00	1650000	0.49
		Purchase	23/02/2018	200000	0.06	1850000	0.55
		Sale	02/03/2018	-10000	-0.00	1840000	0.55

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2017		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		Sale	09/03/2018	-84842	-0.03	1755158	0.52
		Sale	16/03/2018	-30158	0.01	1725000	0.51
		Sale	23/03/2018	-25000	0.01	1700000	0.51
		Purchase	30/03/2018	100000	-0.03	1600000	0.48
	At the end of the year		31/03/2018	-	-	1600000	0.48
7	**IL and FS Securities Services Limited**						
	At the beginning of the year		01.04.2017	1221001	0.37	-	
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Purchase	07/04/2017	78284	0.02	1299285	0.39
		Sale	07/04/2017	-200	-0.00	1299085	0.39
		Sale	14/04/2017	-70717	-0.02	1228368	0.37
		Purchase	21/04/2017	32517	0.01	1260885	0.38
		Sale	28/04/2017	-4993	-0.00	1255892	0.38
		Purchase	05/05/2017	37903	0.01	1293795	0.39
		Purchase	12/05/2017	5950	0.00	1299745	0.39
		Purchase	19/05/2017	36219	0.01	1335964	0.40
		Sale	19/05/2017	-50	-0.00	1335914	0.40
		Purchase	26/05/2017	21087	0.01	1357001	0.40
		Sale	02/06/2017	-13141	-0.00	1343860	0.40
		Purchase	09/06/2017	123365	0.04	1467225	0.44
		Purchase	16/06/2017	580	0.00	1467805	0.44
		Sale	16/06/2017	-1876	-0.00	1465929	0.44
		Sale	23/06/2017	-161026	-0.05	1304903	0.39
		Purchase	30/06/2017	23449	0.01	1328352	0.40
		Purchase	07/07/2017	235667	0.07	1564019	0.47
		Sale	07/07/2017	-231933	-0.07	1332086	0.40
		Purchase	14/07/2017	60583	0.02	1392669	0.42
		Purchase	21/07/2017	45623	0.01	1438292	0.43
		Sale	28/07/2017	-36846	-0.01	1401446	0.42
		Purchase	04/08/2017	81330	0.02	1482776	0.44
		Purchase	11/08/2017	24867	0.01	1507643	0.45
		Sale	11/08/2017	-600	-0.00	1507043	0.45
		Sale	18/08/2017	-44730	-0.01	1462313	0.44
		Purchase	25/08/2017	17420	0.01	1479733	0.44
		Purchase	01/09/2017	4876	0.00	1484609	0.44
		Sale	01/09/2017	-20	-0.00	1484589	0.44
		Sale	08/09/2017	-42901	-0.01	1441688	0.43
		Purchase	15/09/2017	242196	0.07	1683884	0.50
		Sale	15/09/2017	-334806	-0.10	1349078	0.40

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Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2017		Cumulative Shareholding During the Year	
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	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Purchase	22/09/2017	64450	0.02	1413528	0.42
		Sale	22/09/2017	-2000	-0.00	1411528	0.42
		Sale	29/09/2017	-73987	-0.02	1337541	0.40
		Purchase	06/10/2017	67322	0.02	1404863	0.42
		Purchase	13/10/2017	183320	0.05	1588183	0.47
		Sale	13/10/2017	-145884	-0.04	1442299	0.43
		Sale	20/10/2017	-29390	-0.01	1412909	0.42
		Purchase	27/10/2017	320197	0.10	1733106	0.52
		Purchase	31/10/2017	53450	0.02	1786556	0.53
		Sale	31/10/2017	-97	-0.00	1786459	0.53
		Purchase	03/11/2017	24547	0.01	1811006	0.54
		Purchase	10/11/2017	32461	0.01	1843467	0.55
		Sale	10/11/2017	-100	-0.00	1843367	0.55
		Purchase	17/11/2017	63293	0.02	1906660	0.57
		Sale	24/11/2017	-54652	-0.02	1852008	0.55
		Purchase	01/12/2017	2000	0.00	1854008	0.55
		Sale	16/12/2016	-44766	0.01	1299384	0.39
		Purchase	23/12/2016	435	0.00	1299819	0.39
		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
		Sale	01/12/2017	-71710	-0.02	1782298	0.53
		Sale	08/12/2017	-17066	-0.01	1765232	0.53
		Sale	15/12/2017	-21318	-0.01	1743914	0.52
		Sale	22/12/2017	-15402	-0.00	1728512	0.52
		Sale	29/12/2017	-50386	-0.02	1678126	0.50
		Sale	30/12/2017	-20801	-0.01	1657325	0.49
		Purchase	05/01/2018	65655	0.02	1722980	0.51
		Purchase	12/01/2018	188771	0.06	1911751	0.57
		Purchase	19/01/2018	125040	0.04	2036791	0.61
		Purchase	26/01/2018	172812	0.05	2209603	0.66
		Purchase	02/02/2018	322080	0.10	2531683	0.75
		Sale	02/02/2018	-297137	-0.09	2234546	0.67
		Sale	09/02/2018	-22939	-0.01	2211607	0.66
		Purchase	16/02/2018	100	0.00	2211707	0.66
		Sale	16/02/2018	-2473	-0.00	2209234	0.66
		Purchase	23/02/2018	68903	0.02	2278137	0.68
		Sale	23/02/2018	-100	-0.00	2278037	0.68
		Purchase	02/03/2018	3842	0.00	2281879	0.68

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		Sale	09/03/2018	-157845	-0.05	2124034	0.63
		Purchase	16/03/2018	153664	0.05	2277698	0.68
		Sale	16/03/2018	-59963	-0.02	2217735	0.66
		Purchase	23/03/2018	19307	0.01	2237042	0.67
		Sale	30/03/2018	-47685	-0.01	2189357	0.65
		Sale	31/03/2018	-11907	-0.00	2177450	0.65
	At the end of the year		31/03/2018	-	-	2177450	0.65
8.	**Axis Bank Limited**						
	At the beginning of the year		01/04/2017	998314	0.30	-	-
		Purchase	07/04/2017	17824	0.01	1016138	0.30
		Sale	07/04/2017	-385	-0.00	1015753	0.30
		Sale	14/04/2017	-10100	-0.00	1005653	0.30
		Purchase	21/04/2017	41950	0.01	1047603	0.31
		Sale	21/04/2017	-5650	-0.00	1041953	0.31
		Sale	28/04/2017	-3846	-0.00	1038107	0.31
		Sale	05/05/2017	-10000	-0.00	1028107	0.31
		Sale	12/05/2017	-75909	-0.02	952198	0.28
		Purchase	19/05/2017	98528	0.03	1050726	0.31
		Sale	26/05/2017	-30780	-0.01	1019946	0.30
		Sale	02/06/2017	-11255	-0.00	1008691	0.30
		Sale	09/06/2017	-7860	-0.00	1000831	0.30
		Purchase	16/06/2017	10225	0.00	1011056	0.30
		Purchase	23/06/2017	25757	0.01	1036813	0.31
		Purchase	30/06/2017	28235	0.01	1065048	0.32
		Purchase	07/07/2017	347530	0.10	1412578	0.42
		Purchase	14/07/2017	164530	0.05	1577108	0.47
		Purchase	21/07/2017	144480	0.04	1721588	0.51
		Sale	28/07/2017	-63100	-0.02	1658488	0.49
		Sale	04/08/2017	-10229	-0.00	1648259	0.49
		Sale	11/08/2017	-205615	-0.06	1442644	0.43
		Purchase	18/08/2017	223977	0.07	1666621	0.50
		Purchase	25/08/2017	18160	0.01	1684781	0.50
		Purchase	01/09/2017	424125	0.13	2108906	0.63
		Sale	01/09/2017	-426124	-0.13	1682782	0.50
		Sale	08/09/2017	-10790	-0.00	1671992	0.50
		Sale	15/09/2017	-29203	-0.01	1642789	0.49
		Sale	22/09/2017	-34500	-0.01	1608289	0.48
		Purchase	29/09/2017	487269	0.15	2095558	0.62
		Sale	29/09/2017	-444558	-0.13	1651000	0.49

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				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	06/10/2017	-18100	-0.01	1632900	0.49
		Purchase	13/10/2017	92985	0.03	1725885	0.51
		Purchase	20/10/2017	7183	0.00	1733068	0.52
		Sale	27/10/2017	-10875	-0.00	1722193	0.51
		Purchase	31/10/2017	800	0.00	1722993	0.51
		Sale	03/11/2017	-2475	-0.00	1720518	0.51
		Purchase	10/11/2017	67680	0.02	1788198	0.53
		Purchase	17/11/2017	42137	0.01	1830335	0.55
		Sale	24/11/2017	-40150	-0.01	1790185	0.53
		Sale	01/12/2017	-31960	-0.01	1758225	0.52
		Sale	08/12/2017	-4214	-0.00	1754011	0.52
		Sale	15/12/2017	-2852	-0.00	1751159	0.52
		Purchase	22/12/2017	150	0.00	1751309	0.52
		Sale	22/12/2017	-20835	-0.01	1730474	0.52
		Sale	29/12/2017	-449051	-0.13	1281423	0.38
		Purchase	05/01/2018	460443	0.14	1741866	0.52
		Sale	05/01/2018	-3000	-0.00	1738866	0.52
		Purchase	12/01/2018	3757	0.00	1742623	0.52
		Purchase	19/01/2018	112362	0.03	1854985	0.55
		Sale	26/01/2018	-14061	-0.00	1840924	0.55
		Sale	02/02/2018	-200126	-0.06	1640798	0.49
		Purchase	09/02/2018	178685	0.05	1819483	0.54
		Sale	09/02/2018	-5700	-0.00	1813783	0.54
		Sale	16/02/2018	-7860	-0.00	1805923	0.54
		Sale	23/02/2018	-16975	-0.01	1788948	0.53
		Sale	02/03/2018	-279666	-0.08	1509282	0.45
		Purchase	09/03/2018	282991	0.08	1792273	0.53
		Sale	16/03/2018	-110880	-0.03	1681393	0.50
		Sale	23/03/2018	-28829	-0.01	1652564	0.49
		Sale	30/03/2018	-395142	-0.12	1257422	0.37
	At the end of the year		31/03/2018			1257422	0.37
9.	**Globe Capital Market Ltd**						
	At the beginning of the year		01.04.2017	966360	0.29		
		Purchase	07/04/2017	19000	0.01	985360	0.29
		Sale	07/04/2017	-54100	-0.02	931260	0.28
		Purchase	14/04/2017	24000	0.01	955260	0.29
		Sale	14/04/2017	-9474	-0.00	945786	0.28
		Purchase	21/04/2017	123920	0.04	1069706	0.32
		Sale	21/04/2017	-107671	-0.03	962035	0.29

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				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	28/04/2017	20400	0.01	982435	0.29
		Sale	28/04/2017	-29269	-0.01	953166	0.29
		Purchase	05/05/2017	20769	0.01	973935	0.29
		Sale	05/05/2017	-36500	-0.01	937435	0.28
		Purchase	12/05/2017	10589	0.00	948024	0.28
		Sale	12/05/2017	-64330	-0.02	883694	0.26
		Purchase	19/05/2017	3559	0.00	887253	0.26
		Sale	19/05/2017	-20751	-0.01	866502	0.26
		Purchase	26/05/2017	45093	0.01	911595	0.27
		Sale	26/05/2017	-862	-0.00	910733	0.27
		Purchase	02/06/2017	58285	0.02	969018	0.29
		Sale	02/06/2017	-1582	-0.00	967436	0.29
		Sale	09/06/2017	-9656	-0.00	957780	0.29
		Purchase	16/06/2017	6732	0.00	964512	0.29
		Sale	16/06/2017	-70000	-0.02	894512	0.27
		Purchase	23/06/2017	528	0.00	895040	0.27
		Sale	23/06/2017	-57019	-0.02	838021	0.25
		Purchase	30/06/2017	20638	0.01	858659	0.26
		Sale	30/06/2017	-1722	-0.00	856937	0.26
		Purchase	07/07/2017	3400	0.00	860337	0.26
		Sale	07/07/2017	-3061	-0.00	857276	0.26
		Purchase	14/07/2017	25357	0.01	882633	0.26
		Sale	14/07/2017	-340	-0.00	882293	0.26
		Purchase	21/07/2017	100	0.00	882393	0.26
		Sale	21/07/2017	-4496	-0.00	877897	0.26
		Purchase	28/07/2017	80430	0.02	958327	0.29
		Sale	28/07/2017	-21441	-0.01	936886	0.28
		Purchase	04/08/2017	2405	0.00	939291	0.28
		Sale	04/08/2017	-80449	-0.02	858842	0.26
		Purchase	11/08/2017	25116	0.01	883958	0.26
		Sale	11/08/2017	-3800	-0.00	880158	0.26
		Purchase	18/08/2017	9570	0.00	889728	0.27
		Sale	18/08/2017	-10706	-0.00	879022	0.26
		Purchase	25/08/2017	98077	0.03	977099	0.29
		Sale	01/09/2017	-52151	-0.02	924948	0.28
		Sale	08/09/2017	-37509	-0.01	887439	0.26
		Purchase	15/09/2017	42628	0.01	930067	0.28
		Sale	15/09/2017	-75380	-0.02	854687	0.25
		Purchase	22/09/2017	25425	0.01	880112	0.26

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				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		Sale	22/09/2017	-397	-0.00	879715	0.26
		Purchase	29/09/2017	4990	0.00	884705	0.26
		Sale	29/09/2017	-49460	-0.01	835245	0.25
		Sale	06/10/2017	-72108	-0.02	763137	0.23
		Purchase	13/10/2017	200	0.00	763337	0.23
		Sale	13/10/2017	-35149	-0.01	728188	0.22
		Sale	20/10/2017	-1572	-0.00	726616	0.22
		Purchase	27/10/2017	2480	0.00	729096	0.22
		Sale	27/10/2017	-13443	-0.00	715653	0.21
		Purchase	31/10/2017	262	0.00	715915	0.21
		Sale	31/10/2017	-49588	-0.01	666327	0.20
		Purchase	03/11/2017	2297	0.00	668624	0.20
		Sale	03/11/2017	-4052	-0.00	664572	0.20
		Purchase	10/11/2017	39523	0.01	704095	0.21
		Sale	17/11/2017	-30693	-0.01	673402	0.20
		Sale	24/11/2017	-26117	-0.01	647285	0.19
		Sale	01/12/2017	-5698	-0.00	641587	0.19
		Sale	08/12/2017	-2309	-0.00	639278	0.19
		Purchase	15/12/2017	50633	0.02	689911	0.21
		Purchase	22/12/2017	11852	0.00	701763	0.21
		Sale	22/12/2017	-7530	-0.00	694233	0.21
		Purchase	29/12/2017	160	0.00	694393	0.21
		Sale	29/12/2017	-17657	-0.01	676736	0.20
		Purchase	30/12/2017	1510	0.00	678246	0.20
		Sale	30/12/2017	-4285	-0.00	673961	0.20
		Purchase	05/01/2018	13539	0.00	687500	0.20
		Sale	05/01/2018	-14184	-0.00	673316	0.20
		Purchase	12/01/2018	110840	0.03	784156	0.23
		Sale	12/01/2018	-56088	-0.02	728068	0.22
		Purchase	19/01/2018	44100	0.01	772168	0.23
		Sale	19/01/2018	-46845	-0.01	725323	0.22
		Purchase	26/01/2018	20808	0.01	746131	0.22
		Sale	26/01/2018	-2394	-0.00	743737	0.22
		Purchase	02/02/2018	41964	0.01	785701	0.23
		Purchase	09/02/2018	71393	0.02	857094	0.26
		Sale	09/02/2018	-68985	-0.02	788109	0.23
		Purchase	16/02/2018	8990	0.00	797099	0.24
		Sale	16/02/2018	-3120	-0.00	793979	0.24
		Purchase	23/02/2018	30036	0.01	824015	0.25

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				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		Sale	23/02/2018	-32759	-0.01	791256	0.24
		Purchase	02/03/2018	2545	0.00	793801	0.24
		Sale	02/03/2018	-37617	-0.01	756184	0.23
		Purchase	09/03/2018	6010	0.00	762194	0.23
		Purchase	16/03/2018	600	0.00	762794	0.23
		Sale	16/03/2018	-165	-0.00	762629	0.23
		Purchase	23/03/2018	75	0.00	762704	0.23
		Sale	23/03/2018	-17959	-0.01	744745	0.22
		Purchase	30/03/2018	9305	0.00	754050	0.22
		Sale	30/03/2018	-36800	-0.01	717250	0.21
		Purchase	31/03/2018	1305	0.00	718555	0.21
		Sale	31/03/2018	-1000	-0.00	717555	0.21
	At the end of the year		31/03/2018	-	-	717555	0.21
10	**Integrated Core Strategies Asia Pte Ltd.**						
	At the beginning of the year		01/04/2017	939203	0.28		
		Sale	16/06/2017	-57309	-0.02	881894	0.26
		Sale	23/06/2017	-98392	-0.03	783502	0.23
		Sale	07/07/2017	-13224	-0.00	770278	0.23
		Sale	14/07/2017	-35300	-0.01	734978	0.22
		Sale	21/07/2017	-35973	-0.01	699005	0.21
		Sale	28/07/2017	-287037	-0.09	411968	0.12
		Sale	04/08/2017	-96053	-0.03	315915	0.09
		Sale	11/08/2017	-113366	-0.03	202549	0.06
		Sale	18/08/2017	-41988	-0.01	160561	0.05
		Sale	25/08/2017	-28026	-0.01	132535	0.04
		Sale	01/09/2017	-27539	-0.01	104996	0.03
		Sale	08/09/2017	-7898	-0.00	97098	0.03
		Sale	15/09/2017	-97098	-0.03	0	0.00
	At the end of the year		31/03/2018	-	-	0	0.00
11	**Angel Broking Private Limited**						
	At the beginning of the year		01/04/2017	572593	0.17	-	-
		Purchase	07/04/2017	41374	0.01	613967	0.18
		Sale	07/04/2017	-40374	-0.01	573593	0.17
		Purchase	14/04/2017	68359	0.02	641952	0.19
		Sale	14/04/2017	-43535	-0.01	598417	0.18
		Purchase	21/04/2017	187792	0.06	786209	0.24
		Sale	21/04/2017	-69018	-0.02	717191	0.21
		Purchase	28/04/2017	57917	0.02	775108	0.23
		Sale	28/04/2017	-86887	-0.03	688221	0.21

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, 2017		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	05/05/2017	73458	0.02	761679	0.23
		Sale	05/05/2017	-38139	-0.01	723540	0.22
		Purchase	12/05/2017	86503	0.03	810043	0.24
		Sale	12/05/2017	-75433	-0.02	734610	0.22
		Purchase	19/05/2017	138761	0.04	873371	0.26
		Sale	19/05/2017	-55208	-0.02	818163	0.24
		Purchase	26/05/2017	81492	0.02	899655	0.27
		Sale	26/05/2017	-93684	-0.03	805971	0.24
		Purchase	02/06/2017	52003	0.02	857974	0.26
		Sale	02/06/2017	-67578	-0.02	790396	0.24
		Purchase	09/06/2017	47069	0.01	837465	0.25
		Sale	09/06/2017	-40662	-0.01	796803	0.24
		Purchase	16/06/2017	62930	0.02	859733	0.26
		Sale	16/06/2017	-34356	-0.01	825377	0.25
		Purchase	23/06/2017	137625	0.04	963002	0.29
		Sale	23/06/2017	-137103	-0.04	825899	0.25
		Purchase	30/06/2017	30607	0.01	856506	0.26
		Sale	30/06/2017	-73462	-0.02	783044	0.23
		Purchase	07/07/2017	33756	0.01	816800	0.24
		Sale	07/07/2017	-122693	-0.04	694107	0.21
		Purchase	14/07/2017	84125	0.03	778232	0.23
		Sale	14/07/2017	-60289	-0.02	717943	0.21
		Purchase	21/07/2017	192280	0.06	910223	0.27
		Sale	21/07/2017	-73574	-0.02	836649	0.25
		Purchase	28/07/2017	50006	0.01	886655	0.26
		Sale	28/07/2017	-180674	-0.05	705981	0.21
		Purchase	04/08/2017	312275	0.09	1018256	0.30
		Sale	04/08/2017	-251794	-0.08	766462	0.23
		Purchase	11/08/2017	93150	0.03	859612	0.26
		Sale	11/08/2017	-69927	-0.02	789685	0.24
		Purchase	18/08/2017	20830	0.01	810515	0.24
		Sale	18/08/2017	-71446	-0.02	739069	0.22
		Purchase	25/08/2017	87042	0.03	826111	0.25
		Sale	29/09/2017	-87295	-0.03	1009058	0.30
		Purchase	06/10/2017	66797	0.02	1075855	0.32
		Sale	06/10/2017	-122873	-0.04	952982	0.28
		Purchase	13/10/2017	60610	0.02	1013592	0.30
		Sale	13/10/2017	-88450	-0.03	925142	0.28
		Purchase	20/10/2017	68015	0.02	993157	0.30

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, 2017		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	20/10/2017	-41189	-0.01	951968	0.28
		Purchase	27/10/2017	28105	0.01	980073	0.29
		Sale	27/10/2017	-129266	-0.04	850807	0.25
		Purchase	31/10/2017	53861	0.02	904668	0.27
		Sale	31/10/2017	-62405	-0.02	842263	0.25
		Purchase	03/11/2017	45812	0.01	888075	0.26
		Sale	03/11/2017	-79861	-0.02	808214	0.24
		Purchase	10/11/2017	72757	0.02	880971	0.26
		Sale	10/11/2017	-27386	-0.01	853585	0.25
		Purchase	17/11/2017	77693	0.02	931278	0.28
		Sale	17/11/2017	-93132	-0.03	838146	0.25
		Purchase	24/11/2017	21088	0.01	859234	0.26
		Sale	24/11/2017	-47194	-0.01	812040	0.24
		Purchase	01/12/2017	105614	0.03	917654	0.27
		Sale	01/12/2017	-119400	-0.04	798254	0.24
		Purchase	08/12/2017	123073	0.04	921327	0.27
		Sale	08/12/2017	-133193	-0.04	788134	0.23
		Purchase	15/12/2017	172167	0.05	960301	0.29
		Sale	15/12/2017	-57123	-0.02	903178	0.27
		Purchase	22/12/2017	135297	0.04	1038475	0.31
		Sale	22/12/2017	-237176	-0.07	801299	0.24
		Purchase	29/12/2017	29725	0.01	831024	0.25
		Sale	29/12/2017	-72998	-0.02	758026	0.23
		Purchase	05/01/2018	313377	0.09	1071403	0.32
		Sale	05/01/2018	-116495	-0.03	954908	0.28
		Purchase	12/01/2018	263183	0.08	1218091	0.36
		Sale	12/01/2018	-75478	-0.02	1142613	0.34
		Purchase	19/01/2018	84034	0.03	1226647	0.37
		Sale	19/01/2018	-109008	-0.03	1117639	0.33
		Purchase	26/01/2018	45910	0.01	1163549	0.35
		Sale	26/01/2018	-103312	-0.03	1060237	0.32
		Purchase	02/02/2018	305079	0.09	1365316	0.41
		Sale	02/02/2018	-285000	-0.08	1080316	0.32
		Purchase	09/02/2018	41177	0.01	1121493	0.33
		Sale	09/02/2018	-78158	-0.02	1043335	0.31
		Purchase	16/02/2018	62319	0.02	1105654	0.33
		Sale	16/02/2018	-135996	-0.04	969658	0.29
		Purchase	23/02/2018	22291	0.01	991949	0.30
		Sale	23/02/2018	-44638	-0.01	947311	0.28

Sl. No.	For Each of the Top 10 Shareholders		Date	No. of Shares: Held at the Beginning of the Year i.e. April 01, 2017		Cumulative Shareholding During the Year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		Purchase	02/03/2018	56736	0.02	1004047	0.30
		Sale	02/03/2018	-62773	-0.02	941274	0.28
		Purchase	09/03/2018	50398	0.02	991672	0.30
		Sale	09/03/2018	-83933	-0.03	907739	0.27
		Purchase	16/03/2018	20541	0.01	928280	0.28
		Sale	16/03/2018	-52937	-0.02	875343	0.26
		Purchase	23/03/2018	171008	0.05	1046351	0.31
		Sale	23/03/2018	-142372	-0.04	903979	0.27
		Purchase	30/03/2018	95588	0.03	999567	0.30
		Sale	30/03/2018	-93694	-0.03	905873	0.27
		Purchase	31/03/2018	626	0.00	906499	0.27
		Sale	31/03/2018	-924	-0.00	905575	0.27
	At the end of the year		31/03/2018	-	-	905575	0.27
12.	**R K R Investments Services Private Limited**						
	At the beginning of the year		01.04.2017	904900	0.27		
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Sale	14/04/2017	-100000	-0.03	804900	0.24
		Purchase	04/08/2017	100000	0.03	904900	0.27
		Sale	27/10/2017	-10000	-0.00	894900	0.27
	At the end of the year		31/03/2018			894900	0.27
13.	**Punjab National Bank**						
	At the beginning of the year		01.04.2017	865000	0.26	-	-
	No Change	NIL					
	At the end of the year		31.03.2018	-	-	865000	0.26
14.	**Rajni Tarun Jain**						
	At the beginning of the year		01.04.2017	15000	0.00	-	-
	Date Wise Increase/ decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):	Purchase	16/03/2018	210000	0.06	225000	0.07
		Purchase	30/03/2018	625000	0.19	850000	0.25
	At the end of the year		31/03/2018			850000	0.25

(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, 2017		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	01-04-2017	1,430,540	0.43	-	-
	No Change	NIL				
	At the end of the year	31-03-2018	-	-	1,430,540	0.43

Sl. No.	For Each of the Directors and KMP	Date	No. of shares held at the beginning of the year i.e. April 01, 2017		Cumulative shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
2	**Mr. Phiroz Adi Vandrevala**					
	At the beginning of the year	01-04-2017	5,000	0.001	-	-
	No Change	NIL				
	At the end of the year	31-03-2018	-	-	5,000	0.001
3.	**Mr. Uday Walia**					
	At the beginning of the year	01-04-2017	0	0.00	-	-
	No Change	NIL				
	At the end of the year	31-03-2018	-	-	0	0.00
4.	**Mr. Shiv Punj**					
	At the beginning of the year	01-04-2017	0	0.00	-	-
	Purchase	08-12-2017	814509	0.24	814509	0.24
	At the end of the year	31-03-2018	-	-	814509	0.24
5.	**Mr. Rajat Khare**					
	At the beginning of the year	01-04-2017	0	0.00	-	-
	No Change	NIL				
	At the end of the year	31-03-2018	-	-	0	0.00
6.	**Mr. Shravan Sampath**					
	At the beginning of the year	01-04-2017	0	0.00	-	-
	No Change	NIL				
	At the end of the year	31-03-2018	-	-	0	0.00
7.	**Mr. Atul Kumar Jain**					
	At the beginning of the year	01-04-2017	0	0.00	-	-
	No Change	NIL				
	At the end of the year	31-03-2018	-	-	0	0.00
8.	**Ms. Jyoti Punj**					
	At the beginning of the year	01-04-2017	501725	0.15	-	-
	No Change	NIL				
	At the end of the year	31-03-2018	-	-	501725	0.15
9.	**Dinesh Thairani (Company Secretary)**					
	At the beginning of the year	01-04-2017	320000	0.09	-	-
	Sold		320000	0.09	-	-
	At the end of the year	31-03-2018	-	-	0	0.00
10.	**Mr. Rahul Maheshwari**					
	At the beginning of the year	01-04-2017	217900	0.06	-	-
	Sold		217900	0.06	-	-
	At the end of the year	31-03-2018	-	-	0	0.00

V. INDEBTEDNESS

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

(Amount in ₹ Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (2017-18)				
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**
Change in Indebtedness during the financial year (2017-18)				
• Addition	443.56	-	-	443.56
• Reduction	206.35	1.17	-	207.52
Net addition / (reduction)	**237.21**	**-1.17**	-	**236.04**
Indebtedness at the end of the financial year (2017-18)				
i) Principal Amount	6,638.65	18.93	**-**	6,657.58
ii) Interest due but not paid	551.81	-	**-**	551.81
iii) Interest accrued but not due	112.43	-	**-**	112.43
Total (i+ii+iii)	**7,302.89**	**18.93**	-	**7,321.82**

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 • Commission • Others, please specify	2,00,000	1,50,000 0 0	50,000 0 0	2,00,000 0 0	6,00,000 0 0
	Total (1)	**2,00,000**	**1,50,000**	**50,000**	**2,00,000**	**6,00,000**
2	Other Non-Executive Directors	Ms. Jyoti Punj				
	• Fee for attending board / committee meetings • Commission • Others, please specify	1,00,000				1,00,000 0 0
	Total (2)	**1,00,000**				**1,00,000**
	Total (B) = (1 + 2)	**3,00,000**	**1,50,000**	**50,000**	**2,00,000**	**7,00,000**
	Total Managerial Remuneration					
	Overall Ceiling as per the Act		N.A.	N.A.	N.A.	N.A.

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)	
1.	Gross salary	77,59,462	50,49,328	1,28,08,790
	(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	5,93,400	4,85,400	10,78,800
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
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)	10,70,296	5,07,467	15,77,763
	Total:	**94,23,158**	**60,42,195**	**1,54,65,353**

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	NIL				
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

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	The date since when subsidiary was acquired / incorporated	% holding of Group as on March 31, 2018	Reporting Currency	Exchange rate as on March 31, 2018	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	(2.02)	84.49	81.51	-	8.58	(0.22)	-	(0.22)	-
2	Punj Lloyd Industries Limited	India	23-Feb-99	99.99%	INR	1.00	11.50	14.32	31.31	5.49	30.00	0.09	(0.56)	-	(0.56)	-
3	Atna Investments Limited	India	28-Jul-00	100.00%	INR	1.00	5.15	(4.48)	1.06	0.39	0.38	0.04	0.03	(0.01)	0.02	-
4	PLN Construction Limited	India	8-Nov-04	100.00%	INR	1.00	2.00	15.39	130.58	113.19	-	26.78	(0.14)	-	(0.14)	-
5	Punj Lloyd International Limited	British Virgin Islands	8-Nov-98	100.00%	USD	65.17	0.65	(2.75)	8.52	10.62	-	-	(2.49)	-	(2.49)	-
6	Punj Lloyd Kazakhstan, LLP	Kazakhstan	6-Mar-02	100.00%	KZT	0.20	22.61	(122.57)	5.74	105.70	-	15.20	(11.68)	-	(11.68)	-
7	Punj Lloyd Building & Infrastructure Private Limited #	Sri Lanka	7-Dec-15	100.00%	LKR	0.42	-	-	-	-	-	-	-	-	-	-
8	PL Engineering Limited	India	13-Dec-06	80.32%	INR	1.00	6.23	(6.40)	17.53	17.70	3.28	8.19	(49.60)	(1.41)	(51.01)	-
9	Punj Lloyd Infrastructure Limited	India	4-Apr-07	100.00%	INR	1.00	22.65	(17.11)	294.56	289.02	125.49	2.84	(2.81)	-	(2.81)	-
10	Punj Lloyd Upstream Limited	India	4-Apr-07	58.06%	INR	1.00	62.69	(208.38)	109.06	254.75	-	-	(23.81)	-	(23.81)	-
11	Punj Lloyd Aviation Limited	India	25-May-07	100.00%	INR	1.00	63.80	(44.21)	115.56	95.97	115.01	0.26	(18.93)	-	(18.93)	-
12	Sembawang Infrastructure (India) Private Limited	India	2-Jun-06	100.00%	INR	1.00	9.58	(27.71)	4.57	22.70	-	0.04	(0.39)	-	(0.39)	-
13	Indtech Global Systems Limited	India	31-Mar-09	99.99%	INR	1.00	0.82	0.24	1.08	0.02	-	0.05	0.05	(0.01)	0.04	-
14	Shitul Overseas Placement and Logistics Limited #	India	1-Jul-09	100.00%	INR	1.00	0.20	(0.04)	0.17	0.01	-	-	(0.00)	-	(0.00)	-
15	Punj Lloyd Construction Contracting Company Limited (formerly known as Dayim Punj Lloyd Construction Contracting Company Limited)	Saudi Arabia	19-Dec-10	100.00%	SAR	17.37	3.47	30.17	63.82	30.18	-	168.01	13.52	(2.94)	10.58	-
16	Punj Lloyd Infrastructure Pte Limited	Singapore	25-Nov-10	100.00%	USD	65.17	3.88	(383.04)	1,226.10	1,605.26	1,160.04	91.42	(283.41)	-	(283.41)	-
17	Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	28-Aug-07	100.00%	MYR	16.85	1.26	133.47	222.96	88.23	1.69	185.08	(2.46)	(0.07)	(2.53)	-
18	Punj Lloyd Sdn. Bhd.	Malaysia	5-Apr-10	100.00%	MYR	16.85	1.69	(97.33)	260.44	356.08	-	877.26	(55.78)	2.70	(53.08)	-
19	Punj Lloyd Aviation Pte Limited	Singapore	2-Jan-14	100.00%	SGD	49.64	251.96	(148.57)	104.34	0.95	-	0.00	(36.00)	(0.50)	(36.50)	-
20	Christos Aviation Limited	Bermuda	24-Oct-12	100.00%	USD	65.17	0.00	(0.42)	0.00	0.42	-	-	(0.13)	-	(0.13)	-
21	Indraprastha Renewables Private Limited	India	5-Nov-09	100.00%	INR	1.00	0.19	(30.38)	16.07	46.26	-	0.56	(3.58)	-	(3.58)	-
22	Punj Lloyd Raksha Systems Private Limited	India	4-Feb-15	51.00%	INR	1.00	9.48	(0.97)	9.67	1.16	-	1.78	(0.91)	-	(0.91)	-
23	Punj Lloyd Engineering Pte Limited	Singapore	13-Oct-10	80.32%	SGD	49.64	0.00	(1.90)	21.96	23.86	-	28.72	(3.13)	-	(3.13)	-
24	PL Delta Technologies Limited @	India	10-Sep-12	80.32%	INR	1.00	-	-	-	-	-	-	-	-	-	-
25	AeroEuro Engineering India Private Limited	India	30-Jun-17	80.32%	INR	1.00	2.50	(4.43)	0.77	2.70	-	1.48	0.07	-	0.07	-
26	Punj Lloyd Solar Power Limited	India	24-Dec-10	100.00%	INR	1.00	15.10	(0.30)	62.13	47.33	-	10.57	(0.03)	-	(0.03)	-
27	Khagaria Purnea Highway Project Limited	India	25-Feb-11	100.00%	INR	1.00	46.60	(7.07)	598.40	558.87	-	77.85	(1.73)	-	(1.73)	-
28	Indraprastha Metropolitan Development Limited	India	25-Feb-12	100.00%	INR	1.00	0.05	(0.44)	84.70	85.09	-	-	(0.02)	-	(0.02)	-
29	PL Surya Urja Limited *	India	3-Sep-13	-	INR	1.00	-	-	-	-	-	7.53	1.07	-	1.07	-
30	PL Sunshine Limited *	India	5-Mar-15	-	INR	1.00	-	-	-	-	-	2.38	(3.96)	-	(3.96)	-
31	PL Surya Vidyut Limited *	India	9-Nov-15	-	INR	1.00	-	-	-	-	-	-	-	-	-	-
32	Punj Lloyd Pte Limited $	Singapore	28-Mar-06	100.00%	SGD	49.64	-	-	-	-	-	-	-	-	-	-

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 Rs. 17.03 crores	50.00%	-	-	-		Held for disposal
2	Ramprastha Punj Lloyd Developers Private Limited	March 31, 2018	5,000 equity shares amounting to Rs. 0.01 crores	50.00%	-	-	-	Note - B	
3	PLE TCI Engineering Limited # @	-	Joint Venture of PLE Engineering Limited	39.36%	-	-	-	Note - B	Held for disposal
4	PLE TCI Engenharia Ltda #	March 31, 2018	Joint Venture of PLE Engineering Limited	39.36%	-	-	-	Note - B	
Associates (Investment as per equity method)									
1	Air Works India (Engineering) Private Limited	March 31, 2018	Associate of Punj Lloyd Aviation Limited	23.24%	29.42	(9.92)	-	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, 2017 to March 31, 2018. Entities sold or 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/ sold during the year

Entities yet to commence operations

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

$ The Singapore High Court ordered for the appointment of Judicial Manager for Punj Lloyd Pte Limited (PLPL) as per the Singapore Companies Act, w.e.f. June 27, 2016 and subsequently ordered the liquidation on August 07, 2017. The Group has lost control over the entire PLPL Group, pursuant to appointment of Judicial Manager. For entities comprising PLPL Group refer Note 26 to the consolidated financial statements.

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 30, 2018

Standalone
Ind-AS
Financial Statements

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, 2018, 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 there under.

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, 2018, its profit, total comprehensive loss, its cash flows and changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a)(iii) to the standalone Ind AS financial statements which indicates that the Company's net worth has deteriorated and as of March 31, 2018, the Company's current liabilities exceeded its current assets by Rs. 1891.71 Crores. These conditions, along with other matters as stated in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our report is not qualified in respect of this matter.

Emphasis of Matter

We draw attention to Note 8 to the standalone Ind AS financial statements which indicates that the Company has recognised deferred tax assets on carried forward losses and unabsorbed depreciation as in the opinion of the management it is reasonably certain that such deferred tax assets are fully realizable. Our report is not qualified in respect of this matter.

Other Matters

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 Rs 3363.10 Crores at March 31, 2018 and total revenues (net of elimination) of Rs. 1022 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 this matter.

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. The matter described in the paragraph "Material uncertainty related to going concern" above, may have an adverse effect on the functioning of the Company.

g. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

h. 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".

i. 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; and

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

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

Darshan Chhajer
Partner
Membership Number: 088308
Place: Gurugram
Date: May 30, 2018

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 equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment 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 equipment 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 equipment and investment property') are held in the name of the Company, which have been verified from pledged and other 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, Goods and service 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 most of the cases. Further, no 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	9.21	0.99	1998-99 to 2004-05	Sales tax Appellate Tribunal, Vizag
	Telangana Value Added Tax Act, 2005	0.26	-	2010-11	Sales tax Appellate Tribunal, Hyderabad
	Bihar Value Added Tax Act, 2005	25.51	-	2009-10	Commercial Tax Tribunal, Patna
		0.83	-	2011-12	Commissioner of Commercial Tax, Patna

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
	Chattisgarh Value added Tax Act 2005	0.15	0.03	2012-13	Additional Commissioner of Commercial Tax
	Delhi Value Added Tax Act 2005	0.26	-	2011-12	Additional Commissioner of Commercial Tax, Delhi
	Gujrat Value Added Tax Act 2003	0.15	-	2013-14	Joint Commsisioner Appeal, Vadodra
	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
	Kerala Value Added Tax Act 2003	0.10	-	2014-15 2015-16 2016-17	Dy. Commissioner , Earnakulam
	Maharashtra Value Added Tax Act	5.47	0.26	2011-12	Joint commissioner appeal, Nasik
	Madhya Pradesh Commercial Tax Act, 1994	0.05	-	2003-04	High Court, Bhopal
	Madhya Pradesh Value Added Tax Act, 2002	0.64	-	2009-10 2010-11	Commercial Tax Tribunal, Bhopal
	Punjab Value Added Tax Act, 2005	58.87	4.14	2008-09 2009-10 2010-11 2012-13	Joint Commissioner, Patiala
		24.33	2.36	2011-12	Commercial Tax Tribunal, Chandigarh
	Rajasthan Value Added Tax, 2003	6.72	-	2013-14 2014-15 2015-16	Deputy Commissioner, Kota
	Orissa Value Added Tax Act, 2005	1.79	-	2011-2013	High Court, Cuttack
		20.96	0.13	2011-2013	Commercial Tax Tribunal , Cuttack
		10.82	0.37	2014-15	Joint Commissioner Appeal , Bhubneshwar
	West Bengal Value Added Tax Act, 2003	23.60	-	2009-10	Appellate & Revisional Board , Kolkata
		6.62	0.83	2014-15	Sr.Joint Commissioner (Appeal), Midnapur
Entry Tax	Bihar Entry Tax Act, 1993	0.21	-	2009-10	Commissioner of Commercial Tax, Patna
	Chhattisgarh Entry Tax Act,1976	0.26	0.35	2005-06, 2006-07	Supreme Court, New Delhi
	Haryana Local Area Development Tax Act, 2000	0.40	-	2003-04	Supreme Court, New Delhi
	Karnataka Sales Tax Act,1957	0.12	0.57	2002-03, 2004-05	Jt. Commissioner Appeal, Bengaluru
	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
	Telangana Value Added Tax Act-2005	1.29	-	2012-13 2013-14 2014-15	Joint Commissioner Appeal, Hyderabad

Nature of dues	Name of the statute	Amount	Paid under protest	Period to which it relates	Forum where dispute is pending
	Uttar Pradesh Trade Tax Act, 1948	0.11	-	2010-11	Additional Commissioner (Appeal), Aligarh
		0.85	-	1998-99, 2003-04	Additional Commissioner (Appeal), Mathura
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

(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	90 and above
Banks		
Andhra Bank	3.01	10.33
Axis Bank Limited	12.01	8.40
Bank of Baroda	0.61	-
Bank of India	0.39	4.00
Central Bank of India	5.06	9.63
HDFC Bank Limited	-	3.39
ICICI Bank Limited	0.48	5.21
IDBI Bank Limited	2.42	27.88
Indian Overseas Bank Limited	17.98	-
The Jammu and Kashmir Bank Limited	-	1.16
Karur Vysya Bank limited	0.75	0.29
Oriental Bank of Commerce Limited	8.63	16.97
Ratnakar Bank Limited	0.91	4.61
Standard Chartered Bank Limited	-	0.00
State Bank of India	11.01	7.02
United Bank of India	10.21	0.10
Financial Institutions		
IFCI Limited	78.55	13.22
L & T Infrastructure Finance Company Limited	0.74	1.63
Mahindra & Mahindra Financial Services Limited	0.97	-
SREI Equipment Finance Private Limited	5.64	-
SREI Infrastructure Finance Limited	0.02	0.45
Tata Capital Financial Service Limited	1.03	0.25

Annexure 1 to Independent Auditors' Report

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	90 and above
Banks		
Andhra Bank	16.05	3.30
Axis Bank Limited	18.43	13.35
Bank of Baroda	0.31	0.08
Bank of India	9.32	3.71
Central Bank of India	18.77	2.79
Dhanlaxmi Bank Limited	0.60	0.62
HDFC Bank Limited	6.59	3.80
ICICI Bank Limited	13.16	21.25
IDBI Bank Limited	48.96	29.45
Indian Overseas Bank Limited	10.09	-
The Jammu and Kashmir Bank Limited	2.31	2.56
Karur Vysya Bank limited	0.66	0.08
Oriental Bank of Commerce Limited	33.59	21.86
Ratnakar Bank Limited	11.25	5.52
Standard Chartered Bank Limited	17.34	232.81
State Bank of India	50.30	52.56
Financial Institutions		
International Finance Corporation	12.12	71.81
Assets Care and Reconstruction Enterprise Limited	1.10	1.47
L & T Infrastructure Finance Company Limited	10.05	27.71
SREI Infrastructure Finance Limited	0.72	0.56
Tata Capital Financial Service Limited	2.90	2.10
Debentures	20.85	471.51

(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 is 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**
Chartered Accountants
ICAI Firm Registration No.: 003304N
Darshan Chhajer
Partner
Membership No. 088308
Date: May 30, 2018
Place: Gurugram

Annexure 2 to Independent Auditors' Report

Referred to in paragraph under report on 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, 2018.

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, 2018 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 control 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 Rs 3,363.10 Crores at March 31, 2018 and total revenues (net of elimination) of Rs 1,022 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 qualified in respect of this matter.

For **BGJC & Associates LLP**

Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308

Place: Gurugram
Date: May 30, 2018

Balance Sheet

as at March 31, 2018

(All amounts in INR Crores, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	599.16	706.06
Capital work-in-progress		-	4.70
Investment property	5	90.20	91.42
Intangible assets	6	3.63	1.84
Intangible assets under development		-	0.72
Financial assets			
Investments	7(a)	463.94	772.73
Loans	7(b)	5.72	5.72
Deferred tax assets (net)	8	1,199.00	-
Other non-current assets	9	180.21	163.25
		2,541.86	**1,746.44**
Current assets			
Inventories	10	117.05	88.57
Unbilled revenue (work-in-progress)		4,755.48	6,133.46
Financial assets			
Loans	7(b)	295.45	396.49
Trade receivables	7(c)	2,591.26	2,386.60
Cash and cash equivalents	7(d)	220.28	366.15
Other bank balances	7(e)	177.88	119.40
Other financial assets	7(f)	453.89	236.46
Current tax assets (net)		69.26	49.37
Other current assets	9	327.92	486.50
		9,008.47	**10,263.00**
Total assets		**11,550.33**	**12,009.44**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	67.12	66.85
Other equity		95.41	136.30
Share application money pending allotment		-	0.20
		162.53	**203.35**
Non-current liabilities			
Financial liabilities			
Borrowings	12(a)	482.14	1,045.12
Provisions	13	5.49	4.06
Deferred tax liabilities (net)	8	-	-
		487.63	**1,049.18**
Current liabilities			
Financial liabilities			
Borrowings	12(b)	4,638.16	4,182.87
Trade payables		2,443.78	2,354.11
Other financial liabilities	12(c)	2,275.35	1,537.03
Other current liabilities	14	1,427.46	2,503.37
Provisions	13	60.94	124.41
Current tax liabilities (net)		54.48	55.12
		10,900.17	**10,756.91**
Total equity and liabilities		**11,550.33**	**12,009.44**
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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: Gurugram
Date: May 30, 2018

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, 2018

(All amounts in INR Crores, unless otherwise stated)

	Notes	Year ended	
		March 31, 2018	March 31, 2017
Income			
Revenue from operations	15	4,059.49	3,761.02
Other income	16	353.41	298.73
Total income		**4,412.90**	**4,059.75**
Expenses			
Projects materials consumed and cost of traded goods sold		2,056.35	1,651.56
Employee benefits expense	17	366.64	383.16
Other expenses	18	1,774.54	1,917.40
Total expenses		**4,197.53**	**3,952.12**
Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)		**215.37**	**107.63**
Depreciation and amortization expense	19	120.70	125.13
Finance costs	20	976.38	881.66
Loss before tax		**(881.71)**	**(899.16)**
Tax expenses	21		
- Current tax		(0.08)	6.86
- Adjustment of tax relating to earlier years		-	(55.44)
- Deferred tax		(1,199.00)	-
Total tax expense		**(1,199.08)**	**(48.58)**
Profit / (Loss) for the year		**317.37**	**(850.58)**
Other comprehensive income (OCI)			
A. OCI to be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of foreign operations		(54.80)	16.36
Net OCI not to be reclassified to profit or loss in subsequent years		(54.80)	16.36
B. OCI not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(losses) on defined benefit plans		5.32	0.97
Net gain/ (loss) on FVTOCI of equity securities		(308.79)	(954.24)
Net OCI not to be reclassified to profit or loss in subsequent years		(303.47)	(953.27)
Other comprehensive income for the year, net of tax (refer note 8)		**(358.27)**	**(936.91)**
Total comprehensive income for the year		**(40.90)**	**(1,787.49)**
Earnings per equity share [nominal value per share ₹ 2 each (Previous year ₹ 2)]	22		
Basic (in ₹)		9.46	(25.60)
Diluted (in ₹)		9.45	(25.60)
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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308
Place: Gurugram
Date: May 30, 2018

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, 2018

(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 March 31, 2016	66.42	25.61	2,486.60	-	112.87	98.18	(1358.55)	540.36	12.24	-	1917.31	1983.73
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
Exercise of Employee Stock Options	0.27	-	2.15	(2.15)	-	-	-	-	-	-	-	0.27
Employee stock option expense	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	-	-	317.37	-	-	-	317.37	317.37
Change in fair value of investments	-	-	-	-	-	-	-	(308.79)	-	-	(308.79)	(308.79)
Currency translation differences	-	-	-	-	-	-	-	-	(54.80)	-	(54.80)	(54.80)
Remeasurement of the net defined benefit liability/ asset										5.32	5.32	5.32
OCI reclassifed to retained earnings	-	-	-	-	-	-	5.32	-	-	(5.32)	-	-
As at March 31, 2018	**67.12**	**25.61**	**2,492.10**	**0.97**	**112.87**	**98.18**	**(1,885.47)**	**(722.67)**	**(26.20)**	**-**	**95.41**	**162.52**

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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: Gurugram
Date: May 30, 2018

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, 2018

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2018	March 31, 2017
Cash flow from operating activities		
Loss before tax	**(881.71)**	**(899.16)**
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization expense	120.70	125.13
Profit on sale of property, plant and equipments (net)	(2.52)	(23.19)
Unrealized foreign exchange gain (net)	84.96	96.62
Unspent liabilities and provisions written back	(121.58)	(118.87)
Irrecoverable balances written off	328.46	366.30
Provision for foreseeable losses	-	23.11
Net gain on sale of long-term investments	(0.48)	-
Employee share based payment expense	-	6.13
Interest expense	924.50	817.25
Interest (income)	(24.82)	(100.16)
Dividend (income)	-	(0.23)
Operating profit before working capital changes	**427.51**	**292.93**
Movement in working capital:		
Trade payables	230.67	85.27
Provisions	(62.04)	23.92
Financial liabilities	19.47	(53.60)
Other liabilities	(1,075.91)	610.29
Trade receivables	(586.20)	(643.98)
Unbilled revenue (work-in-progress)	1,377.98	81.15
Inventories	(28.48)	5.62
Financial assets	(165.87)	183.14
Other assets	141.61	(208.44)
Cash generated from operations	278.74	376.30
Direct taxes refunds (net)	(20.45)	166.24
Net cash flow from operating activities (A)	**258.29**	**542.54**
Cash flow from investing activities		
Purchase of property, plant and equipments, including CWIP and capital advances	(18.51)	(52.33)
Proceeds from sale of property, plant and equipments	13.06	38.05
Proceeds from sale of non-current investments (net)	0.48	-
Redemption/maturity in bank deposits (having original maturity of more than three months)	-	0.12
Interest received	22.24	37.50
Dividends received	-	0.23
Decrease/ (Increase) in margin money deposits	(58.48)	(59.75)
Net cash flow from investing activities (B)	**(41.21)**	**(36.18)**
Cash flow from financing activities		
Proceeds from long-term borrowings	11.61	113.11
Repayment of long-term borrowings	(231.31)	(137.66)
Proceeds/ (Repayment) from short-term borrowings (net)	455.29	236.24

Statement of Cash Flows
for the year ended March 31, 2018

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2018	March 31, 2017
Interest paid	(549.37)	(681.45)
Proceeds from exercise of stock options	0.07	0.63
Net cash flow from financing activities (C)	**(313.71)**	**(469.13)**
Net change in cash and cash equivalents (A + B + C)	**(96.63)**	**37.23**
Effect of exchange differences on cash and cash equivalents held in foreign currency	(0.93)	(7.43)
Exchange difference	(54.86)	17.55
Cash and cash equivalents at the beginning of the year	366.15	316.34
Cash and cash equivalents at the end of the year	**213.73**	**363.70**
Components of cash and cash equivalents		
Balances with banks:		
On current accounts	144.95	120.48
On EEFC account	69.83	166.78
Deposit with original maturity of less than three months	4.56	74.36
Cash on hand	0.94	4.53
Less : Book overdraft	(6.55)	(2.45)
Total cash and cash equivalents [refer notes 7(d) & 12(c)]	**213.73**	**363.70**

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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: Gurugram
Date: May 30, 2018

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, 2018 were authorized for issue in accordance with a resolution of the directors on May 30, 2018.

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.

(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

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

(iii) The net worth of the Company has deteriorated further as at March 31, 2018 and there are delays/ defaults in repayments of dues to its lenders. In view of the above, the Company has submitted a proposal to its lenders for restructuring of its debt. Restructuring is essential for the company's ability to continue as a going concern and ability to realise its assets and discharge the liabilities in the normal course of business. The restructuring proposal is under active consideration by the lenders as per the latest RBI guidelines. Subsequently, the Company will obtain mandatory approvals from other stakeholders. The management is confident of favourable restructuring within stipulated timeframe and also getting the necessary approvals. Additionally, to improve operational efficiencies, the Company is taking various measures, including monetizing its identified assets as avenues of raising funds. The management is confident that with the above measures, the Company would be able to generate sustainable cash flow, discharge its short term and long-term liabilities and improve its net worth through profitable operations and continue as a going concern. In view of the above, these financial statements have been prepared on a going concern basis.

(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.

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

(All amounts in INR Crores, unless otherwise stated)

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

(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.

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

(All amounts in INR Crores, unless otherwise stated)

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.

(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.(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 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

(All amounts in INR Crores, unless otherwise stated)

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 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

(All amounts in INR Crores, unless otherwise stated)

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 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

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. 01 April 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.

(All amounts in INR Crores, unless otherwise stated)

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.

(All amounts in INR Crores, unless otherwise stated)

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 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.

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 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 assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfer 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 Other Comprehensive Income.

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

(All amounts in INR Crores, unless otherwise stated)

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 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

(All amounts in INR Crores, unless otherwise stated)

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 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 Division II of Schedule III to the Companies Act, 2013, 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.

(All amounts in INR Crores, unless otherwise stated)

3. (a) 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.

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 neither has any taxable temporary difference nor 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, for which it is reasonably certain that future taxable income would be generated.

b) Recent accounting pronouncements:

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

(All amounts in INR Crores, unless otherwise stated)

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

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

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

4. Property, plant and equipment

	Land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Tools	Vehicles	Total
Gross carrying amount								
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**
Additions	-	6.26	15.17	0.01	0.00	-	-	21.45
Disposals(-)	-	-	142.60	0.51	0.49	0.12	1.72	145.43
Other adjustments								
Exchange differences	-	-	-	-	-	-	-	-
Currency translation	-	-	12.00	0.39	0.08	-	2.43	14.90
At March 31, 2018	**100.11**	**94.39**	**1,470.17**	**18.97**	**11.63**	**13.09**	**62.11**	**1,770.45**
Accumulated depreciation								
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**
Charge for the year	-	2.71	111.70	0.78	0.10	0.65	1.95	117.90
Disposals(-)	-	-	132.28	0.32	0.49	0.12	1.72	134.93
Other adjustments								
Currency translation	-	-	11.95	0.39	0.08	-	2.41	14.84
At March 31, 2018	**-**	**8.03**	**1064.18**	**18.68**	**11.53**	**8.47**	**60.41**	**1171.29**
Net block								
At March 31, 2017	**100.11**	**82.80**	**512.79**	**1.25**	**0.20**	**5.27**	**3.64**	**706.06**
At March 31, 2018	**100.11**	**86.36**	**405.99**	**0.30**	**0.10**	**4.62**	**1.71**	**599.16**

(All amounts in INR Crores, unless otherwise stated)

1. 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 loss of 0.45 (Previous year: foreign exchange gain of 1.98) has been adjusted in the gross block of plant and equipment.

2. Gross block of vehicles includes vehicles of cost Nil (Previous year: 1.25) taken on finance lease. Accumulated depreciation there on is Nil (Previous year: 1.25).

3. Gross block of plant and equipment includes equipment of cost 68.34 (Previous year: 105.35) taken on finance lease. Accumulated depreciation thereon is 68.34 (Previous year: 105.35).

4. For assets pledged as security, refer notes 12(a) and 12(b) and for capital commitments refer note 28.

5. Investment properties

	March 31, 2018	March 31, 2017
Gross carrying amount		
Opening gross carrying amount	98.76	98.76
Additions	0.44	-
Closing gross carrying amount	99.20	98.76
Accumulated depreciation		
Opening accumulated depreciation	7.34	5.69
Charge for the year	1.65	1.65
Closing accumulated depreciation	8.99	7.34
Net carrying amount	**90.20**	**91.42**

Amounts recognized in profit or loss for investment properties:

	2017-18	2016-17
Rental income	6.62	6.62
Direct operating expenses from property that generated rental income	(0.07)	(0.07)
Direct operating expenses from property that did not generated rental income	(0.66)	(0.58)
Profit from investment properties before depreciation	**5.89**	**5.97**
Depreciation	(1.65)	(1.65)
Profit from investment properties	**4.23**	**4.32**

There is no contractual obligation for repairs, maintenance or enhancements which has not been recognized 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, 2018	March 31, 2017
Within one year	6.62	6.62
Later than one year but not later than 5 years	9.7	16.32
Later than five years	-	-

Fair value		
	March 31, 2018	March 31, 2017
Investment properties	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, 2018	March 31, 2017
Gross carrying amount		
Opening gross carrying amount	3.92	3.09
Additions	2.94	0.83
Disposals(-)	0.01	0.00
Other adjustments		
Currency translation	0.00	0.00
Closing gross carrying amount	**6.85**	**3.92**
Accumulated amortization		
Opening accumulated amortization	2.09	1.01
Charge for the year	1.14	1.08
Disposals(-)	0.01	0.00
Other adjustments		
Currency translation	0.00	0.00
Closing accumulated amortization	**3.22**	**2.09**
Net block	**3.63**	**1.84**

*Software

7. Financial assets

7(a) Investments

	As at	
	March 31, 2018	March 31, 2017
Fair valued through Other Comprehensive Income		
Trade investments		
Unquoted equity instruments		
Investment in subsidiaries		
Punj Lloyd International Limited	-	-
100,000 (March 31, 2017: 100,000) equity shares of USD 1 each fully paid up.		
Punj Lloyd Industries Limited	25.71	11.47
11,500,195 (March 31, 2017: 11,500,195) equity shares of Rs. 10 each fully paid up		
Atna Investments Limited	0.67	0.70
515,221 (March 31, 2017: 515,221) equity shares of Rs. 100 each fully paid up.		
PLN Construction Limited	-	-
2,000,000 (March 31, 2017: 2,000,000) equity shares of Rs. 10 each fully paid up.		

(All amounts in INR Crores, unless otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
Punj Lloyd Pte Limited 573,346 (March 31, 2017: 573,346) equity share of SGD 1 fully paid up.	-	-
PL Engineering Limited 5,000,000 (March 31, 2017: 5,000,000) equity shares of Rs 10 each fully paid up.	5.28	48.77
Punj Lloyd Aviation Limited 53,998,710 (March 31, 2017: 53,998,710) equity shares of Rs 10 each fully paid up.	26.13	49.35
Punj Lloyd Infrastructure Limited 22,650,000 (March 31, 2017: 22,650,000) equity shares of Rs 10 each fully paid up. Of the above, 6,795,000 (March 31, 2017: 6,795,000) equity shares are pledged with bank.	3.33	50.30
Punj Lloyd Upstream Limited 36,397,350 (March 31, 2017: 36,397,350) equity shares of Rs 10 each fully paid up.	-	-
Sembawang Infrastructure (India) Private Limited 9,575,000 (March 31, 2017: 9,575,000) equity shares of Rs.10 each fully paid up.	-	-
Indtech Global Systems Limited 82,418 (March 31, 2017: 82,418) equity shares of Rs.100 each fully paid up	1.06	1.02
Shitul Overseas Placement and Logistics Limited 102,000 (March 31, 2017: 102,000) equity shares of Rs. 10 each fully paid up.	0.08	0.10
Punj Lloyd Construction Contracting Company Limited (formerly known as Dayim Punj Lloyd Construction Contracting Company Limited) 51,000 (March 31, 2017: 51,000) equity shares of SAR 20 each fully paid up.	55.56	44.35
Spectra Punj Lloyd Limited 5,000,000 (March 31, 2017: 5,000,000) equity shares of Rs.10 each fully paid up.	-	-
Punj Lloyd Infrastructure Pte Limited 835,625 (March 31, 2017: 835,625) equity shares of SGD 1 each fully paid up. Above equity shares are encumbered vide a non-disposal undertaking.	346.09	554.46

(All amounts in INR Crores, unless otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
PT Punj Lloyd Indonesia 7,805 (March 31, 2017: 7,805) equity shares of USD 500 each fully paid up.	-	-
Investment in joint ventures		
Ramprastha Punj Lloyd Developers Private Limited 5,000 (March 31, 2017: 5,000) equity shares of Rs. 10 each fully paid up	-	-
Investment in others		
GMR Hyderabad Vijaywada Expressways Private Limited 500,000 (March 31, 2017: 500,000) equity shares of Rs. 10 each fully paid up.	-	-
Hazaribagh Ranchi Expressway Limited 13,100 (March 31, 2017: 13,100) equity shares of Rs. 10 each fully paid up.	0.01	0.01
Kaefer Private Limited 74,520 (March 31, 2017: 74,520) equity shares of Rs. 100 each fully paid up.	-	-
Unquoted other instruments **Investment in subsidiary**		
Punj Lloyd Pte Limited 450,000 (March 31, 2017: 450,000) redeemable convertible preference share of SGD 100 each and 1,400,000 (March 31, 2017: 1,400,000) redeemable convertible preference share A of SGD 100 each fully paid up	-	-
Punj Lloyd Kazakhstan LLP KZT 1,107,977,200 (March 31, 2017: 1,107,977,200) being 100% of the amount of Charter Capital.	-	12.19
Non-trade **Unquoted equity instruments**		
Investment in others		
RFB Latex Limited NIL (March 31, 2017: 200,000) equity shares of Rs. 10 each fully paid up.	-	-
Arooshi Enterprises Private Limited 598,500 (March 31, 2017: 598,500) equity shares of Rs. 10 each fully paid up.	-	-

(All amounts in INR Crores, unless otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
Quoted equity instruments		
Investment in others		
Reliance Naval and Engineering Limited	0.00	0.01
1,000 (March 31, 2017: 1,000) equity shares of Rs. 10 each fully paid up.		
	463.94	**772.73**
Aggregate carrying value of quoted investments	0.00	0.01
Aggregate market value of quoted investments	0.00	0.01
Aggregate carrying value of unquoted investments	463.93	772.72

7(b) Loans

	Non-current		Current	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unsecured, considered good				
Security deposits	5.72	5.72	5.81	5.99
Loan to subsidiaries	-	-	289.64	388.88
Loan to employees	-	-	-	1.62
Unsecured, considered doubtful				
Loan to subsidiaries	-	-	86.87	47.00
Less: Allowance for doubtful loans	-	-	(86.87)	(47.00)
	5.72	**5.72**	**295.45**	**396.49**

7(c) Trade receivables

	As at	
	March 31, 2018	March 31, 2017
Unsecured, considered good	2,591.26	2,386.60
Doubtful	180.73	207.19
Less: Allowance for doubtful debts	(180.73)	(207.19)
Net trade receivables	**2,591.26**	**2,386.60**
Retention money included in total receivables	440.6	813.04

Of the above, trade receivables from related parties are as below:

	As at	
	March 31, 2018	March 31, 2017
Trade receivable from related parties	908.61	843.42
Less: Allowance for doubtful receivables	(89.07)	(81.87)
Net receivable	**819.54**	**761.55**

(All amounts in INR Crores, unless otherwise stated)

7 (d) Cash and cash equivalents

	As at	
	March 31, 2018	March 31, 2017
Balances with banks:		
On current accounts #	144.95	120.48
On EEFC account	69.83	166.78
Deposit with original maturity of less than three months	4.56	74.36
Cash on hand	0.94	4.53
	220.28	**366.15**
#Balance with banks in unpaid dividend accounts	0.15	0.19

7(e) Other bank balances

	Current	
	As at	
	March 31, 2018	March 31, 2017
Deposits with original maturity for more than 12 months	0.18	0.18
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Margin money deposit	177.70	119.22
	177.88	**119.40**

7(f) Other financial assets

	Current	
	As at	
	March 31, 2018	March 31, 2017
Unsecured, considered good		
Advances to related parties	426.26	195.22
Interest receivable	23.77	21.19
Insurance claim receivable	-	15.73
Receivables against sale of investments	-	0.42
Assets held for disposal	3.86	3.86
Other receivable	-	0.04
Unsecured, considered doubtful		
Advances to related parties	22.62	17.42
Interest receivable from related parties	24.04	24.04
Less: Allowance for doubtful advances/receivable	(46.66)	(41.46)
	453.89	**236.46**

(All amounts in INR Crores, unless otherwise stated)

8. Deferred tax (net)

	As at	
	March 31, 2018	March 31, 2017
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	20.53	39.70
Others	31.86	40.94
Unabsorbed tax losses	1,404.32	165.68
Gross deferred tax assets	**1,456.71**	**246.32**
Deferred tax liability		
Property, plant and equipments, investment property & intangible assets	34.41	71.41
Financial assets carried at fair value through OCI	223.30	174.91
Gross deferred tax liability	**257.71**	**246.32**
Net Deferred tax assets	**1,199.00**	**-**

The Company has business losses and unabsorbed depreciation which are allowed to be carried forward and set off against future taxable income under Income Tax Act, 1961. Owing to uncertainties in earlier years regarding future profits, the Company had refrained from recognising deferred tax assets on such carried forward losses and unabsorbed depreciation. However, the Company has undertaken several measures to improve operational efficiency which have resulted in increased revenues and higher margins. Further, as stated in Note 2 (a) (iii), the management is confident of a favourable outcome of its restructuring proposal submitted with its lenders. Accordingly, based on projected future taxable income and results of operations, the management believes that the Company will more likely than not have sufficient taxable income in future allowing it to realize the carried forward losses and unabsorbed depreciation. In the view of the above, the Company has recognized deferred tax asset, on conservative basis, during the year.

9. Other assets

	Non-current		Current	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Unsecured, considered good)				
Capital advances	0.00	0.01	-	-
Advances other than capital advances				
Prepayments to vendors for supply of goods/ services	-	-	313.54	467.76
Prepaid expenses	4.63	4.62	2.78	3.01
Others				
GST / Value added tax / sales tax recoverable (net)	175.58	158.62	-	-
Balances with statutory/ government authorities	-	-	11.60	15.73
	180.21	**163.25**	**327.92**	**486.50**

10. Inventories

	As at	
	March 31, 2018	March 31, 2017
Project materials	117.05	88.57
	117.05	**88.57**

(All amounts in INR Crores, unless otherwise stated)

11. Equity share capital

	As at	
	March 31, 2018	March 31, 2017
Authorized share capital		
450,000,000 (March 31, 2017: 450,000,000 equity shares of Rs. 2 par value each	90.00	90.00
10,000,000 (March 31, 2017: 10,000,000 preference shares of Rs. 10 par value each	10.00	10.00
	100.00	**100.00**
Issued, subscribed and fully paid-up shares		
Equity shares of ₹ 2 par value	67.12	66.85
	67.12	**66.85**

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

Equity shares

	As at March 31, 2018		As at March 31, 2017	
	Nos	Amount	Nos	Amount
At the beginning of the year	334,225,745	66.85	332,095,745	66.42
Exercise of Employee Stock Options	1,370,000	0.27	2,130,000	0.43
Outstanding as at the end of the year	335,595,745	67.12	334,225,745	66.85

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 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 March 31, 2017	75,691,430	22.65	21,852,977	6.54
As at March 31, 2018	75,691,430	22.55	20,485,361	6.10

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, 2018, 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
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. 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.	-	-	300.00	300.00
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. 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.	-	29.79	135.00	105.00
Term loans				
Indian rupee loan from banks (secured)				
Loans carrying rate of interest of NIL (March 31, 2017: 10.44% repayable in 36 to 60 monthly installments. Secured by way of exclusive charge on the equipment purchased out of the proceeds of loans.	-	-	-	0.10
Loans carrying rate of interest of NIL (March 31, 2017: 11.75% repayable in 15 to 16 quarterly installments beginning at the end of 1 year from the disbursement. Secured by way of first pari passu charge on movable tangible assets of the project division of the Company.	-	-	-	9.38
Loan carrying rate of interest of 12.75% (March 31, 2017: 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 movable tangible assets of the project division of the Company (upto 0.5 times of loan outstanding).	-	-	168.24	168.24
Loans carrying weighted average rate of interest of 10.80% (March 31, 2017: 10.82%) repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement.	429.82	870.74	723.11	403.74

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
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 73,004,316 shares of Company held by two promoter group companies, pledged to IFCI Limited.				
Foreign currency loan from others (secured)				
Loan carrying rate of interest of 5.77% (March 31, 2017: 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.	15.37	-	76.67	91.59
Indian rupee loan from financial institutions (secured)				
Loans carrying weighted average rate of interest of 12.25% (March 31, 2017: 12.80%), repayable in 47 to 57 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.	10.69	23.47	6.06	6.73
Loan carrying rate of interest of 13.60% (March 31, 2017: 13.60%) 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.	2.00	7.25	9.25	4.75
Loan carrying rate of interest of 13.00% (March 31, 2017: 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.	13.96	29.17	40.50	25.92
Loan carrying rate of interest of 14.60% (March 31, 2017: 13.25%) repayable in 12 equal quarterly installments after the moratorium period of 2 years from the date of disbursement.	-	71.66	66.67	66.67

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
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, 2017: 10.91%) repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement.	10.30	13.04	11.78	11.43
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 73,004,316 shares of Company held by two promoter group companies, pledged to IFCI Limited.				
	482.14	1,045.12	1,537.28	1,193.55
The above amount includes				
Secured borrowings	482.14	1,045.12	1,537.28	1,193.55
Amount disclosed under the head "Other financial liabilities" (refer note 12(c))	-	-	(1,537.28)	(1,193.55)
Net amount	**482.14**	**1,045.12**	**-**	**-**

12 (b) Current borrowings

	As at	
	March 31, 2018	March 31, 2017
Secured		
Working capital loan repayable on demand		
Loans carrying weighted average rate of interest of 12.75% (March 31, 2017: 13.75%).	181.65	161.39
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.		
Loans carrying rate of interest of 12.50% (March 31, 2017: 12.50%).	26.93	26.91
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.		

(All amounts in INR Crores, unless otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
Loans carrying weighted average rate of interest of 11.38% (March 31, 2017: 11.47%).	4,229.46	3,659.52
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 NIL (March 31, 2017: 16%).	-	16.79
Secured by way of pari passu charge on the receivables financed.		
Loan carrying rate of interest of 3 months LIBOR + 6% (March 31, 2017: 3 months LIBOR + 6%).	125.11	255.78
Secured by way of pari passu charge on the receivables financed.		
Loan carrying rate of interest of 5.54% (March 31, 2017: 4.00%).	55.86	15.82
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, 2017: 3 Months FGB EIBOR + 2.5%).	0.22	26.56
Secured by way of charge on the receivables and assets of the project financed.		
Unsecured		
Buyer's line of credit from banks carried rate of interest of 2.18% (April 01, 2017: 1.92%).	18.93	20.10
Cash credit from a bank carried rate of interest of 3 months EIBOR + 2.5%		-
	4,638.16	**4,182.87**
The above amount includes:		
Secured borrowings	4,619.23	4,162.77
Unsecured borrowings	18.93	20.10
	4,638.16	**4,182.87**

12(c) Other financial liabilities

	Current	
	As at	
	March 31, 2018	March 31, 2017
Current maturities of long term borrowings [note 12(a)]	1,537.28	1,193.55
Interest accrued but not due on borrowings	112.43	16.92
Interest accrued and due on borrowings	551.81	272.20

(All amounts in INR Crores, unless otherwise stated)

Book overdraft	6.54	2.45
Unpaid dividends #	0.15	0.19
Due to subsidiaries	59.42	43.92
Security deposits	7.72	7.80
	2,275.35	**1,537.03**

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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for gratuity (also refer note 23)	3.48	4.06	-	-
Provision for compensated absences	2.01	-	12.05	16.27
	5.49	**4.06**	**12.05**	**16.27**
Other provisions				
Provision for foreseeable losses	-	-	48.89	108.14
	-	**-**	**48.89**	**108.14**
	5.49	**4.06**	**60.94**	**124.41**

14. Other liabilities

	Current	
	As at	
	March 31, 2018	March 31, 2017
Service tax payable	-	18.30
Tax deducted at source payable	17.77	18.83
Advance billing	174.82	745.15
Advances from customers	1,227.06	1,712.68
Others	7.81	8.41
	1,427.46	**2,503.37**

15. Revenue from operations

	Year ended	
	March 31, 2018	March 31, 2017
Contract revenue	3,826.84	3,345.51
Sale of traded goods	132.28	337.87
Other operating revenue		
Hire charges	14.65	0.37
Management services	85.72	77.27
	4,059.49	**3,761.02**

(All amounts in INR Crores, unless otherwise stated)

16. Other income

	Year ended	
	March 31, 2018	March 31, 2017
Scrap sales	15.38	19.13
Insurance claims	30.98	9.53
Unspent liabilities and provisions written back	121.58	118.87
Exchange differences (net)	138.13	-
Interest income on		
Bank deposits	3.16	3.53
Financial assets, carried at amortized costs	-	70.10
Others	21.66	26.53
Net gain on sale of long-term investments	0.48	-
Profit on sale of property, plant & equipments (net)	2.52	23.19
Dividend income on non-trade long term investments	-	0.23
Rental income from investment property	6.62	6.62
Others	12.90	21.00
	353.41	**298.73**

17. Employee benefit expense

	Year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and bonus	322.60	340.88
Contribution to provident funds	14.26	12.62
Employee share based payment expense	-	6.13
Gratuity expense (also refer note 23)	1.85	2.06
Compensated absences	4.43	2.52
Staff welfare expenses	23.50	18.95
	366.64	**383.16**

18. Other expenses

	Year ended	
	March 31, 2018	March 31, 2017
Contractor charges	918.92	957.06
Site expenses	57.97	55.33
Diesel and fuel	81.19	63.83
Repair and maintenance		
Buildings	0.60	0.46
Plant and equipments	2.27	4.04
Others	1.76	2.18
Rent	31.69	26.83

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2018	March 31, 2017
Freight and cartage	62.39	43.38
Hire charges	61.68	51.47
Rates and taxes	62.34	29.91
Insurance	23.93	11.65
Travelling and conveyance	29.86	47.24
Payment to auditors (refer below)	0.65	0.53
Consultancy and professional	95.07	131.38
Exchange difference (net)	-	75.48
Irrecoverable balances written off (including provision for expected credit loss and unbilled revenue of 253.90 (Previous year: 110.86))	328.46	366.30
CSR expenditure (also refer note 38(c))	0.01	0.00
Provision for foreseeable losses on onerous contract	-	23.11
Miscellaneous	15.75	27.22
	1,774.54	**1,917.40**

Details of payment to auditors:

	Year ended	
	March 31, 2018	March 31, 2017
As auditors:		
Audit fee	0.32	0.20
Limited reviews	0.30	0.30
Certification	0.02	0.02
Reimbursement of expenses	0.01	0.01
	0.65	**0.53**

19. Depreciation and amortization expense

	Year ended	
	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment	117.90	122.40
Depreciation on investment properties	1.65	1.65
Amortisation of intangible assets	1.14	1.08
	120.70	**125.13**

20. Finance costs

	Year ended	
	March 31, 2018	March 31, 2017
Interest	924.50	817.25
Bank charges	51.88	64.41
	976.38	**881.66**

(All amounts in INR Crores, unless otherwise stated)

21. Income tax expenses

	2017-18	2016-17
(a) Income Tax expense		
Current Tax	(0.08)	6.86
Adjustments for current tax of prior periods	-	(55.44)
Deferred Tax	(1,199.00)	-
Total tax expense	**(1,199.08)**	**(48.58)**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(881.71)	(899.16)
Tax at the Indian tax rate of 30.90% (Previous year - 30.90%)	(272.45)	(277.84)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Provisions for diminution in value of Investments	-	-
Tax losses of provision for unforeseeable losses & credit losses	5.75	27.68
Overseas tax	(0.08)	6.86
Effect of deferred tax asset not recognised	247.53	228.05
Deferred tax recognised	(1,199.00)	-
Tax relating to earlier years	-	(55.44)
Other items	19.17	22.11
Total tax expense	**(1,199.08)**	**(48.58)**
(c) Tax Losses:		
Unused tax losses for which no deferred tax asset has been recognised	592.25	2,294.83
Potential tax benefit @ tax rate	183.01	709.10

22. Earnings per share (EPS)

	2017-18	2016-17
Net profit/(loss) after tax attributable to equity share holders	317.37	(850.58)
Weighted average number of equity shares outstanding during the year (Nos.)	335,378,211	332,200,786
Basic EPS (₹)	9.46	(25.60)
Adjustment for calculation of diluted EPS on account of stock options	326,608	1,803,559*
Weighted average number of equity shares for calculating diluted EPS (Nos.)	335,740,819	332,200,786*
Diluted EPS	9.45	(25.60)
Nominal value per equity share (₹)	2.00	2.00

* As the Company has incurred loss during the previous 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 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.

(All amounts in INR Crores, unless otherwise stated)

(a) 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, 2017	**12.63**	**(8.57)**	**4.06**
Current service cost	1.66	-	1.66
Interest expenses/(income)	0.81	(0.63)	0.18
Total amount recognized in profit or loss	**2.47**	**(0.63)**	**1.84**
Re-measurements:			
- Due to changes in financial assumptions	0.49	-	0.49
- Due to experience adjustments	2.87	-	2.87
- Return on assets (excluding interest income)	-	(2.47)	(2.47)
Total amount recognized in OCI	**3.36**	**(2.47)**	**0.89**
Benefits payments	(0.30)	0.30	-
Employer contributions	-	(1.54)	(1.54)
March 31, 2018	**11.44**	**(7.97)**	**3.47**

	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**

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 1.18 (Previous year: 1.50) to gratuity fund in the next year.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	March 31, 2018	March 31, 2017
Discount rate	7.53%	6.90%
Expected rate of return on assets	7.53%	6.90%
Salary increase rate	5.50%	5.50%
Employee turnover		
upto age 30 years	15.00%	15.00%
31-44 years	10.00%	10.00%

(All amounts in INR Crores, unless otherwise stated)

	March 31, 2018	March 31, 2017
45 and above	5.00%	5.00%
Retirement age (in years)	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 8.03%
	Decrease by 50 basis points	Increase by 8.03%
Salary increase rate	Increase by 50 basis points	Increase by 6.00%
	Decrease by 50 basis points	Decrease by 5.00%

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	1.18
Between 1 – 2 years	1.48
Between 2 – 5 years	5.80
Over 5 years	10.09

(b) The company recognizes the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation. The expenses recognized in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

	2017-18	2016-17
At the beginning of the period	**16.08**	**14.91**
Current service cost	3.53	3.39
Interest expenses/(income)	0.90	0.93

(All amounts in INR Crores, unless otherwise stated)

	2017-18	2016-17
Total amount recognised in profit or loss	**4.43**	**4.32**
Remeasurements:		
- Due to changes in financial assumptions	0.49	-
- Due to experience adjustments	3.94	-
- Return on assets (excluding interest income)	-	-
Total amount recognised in OCI	**4.43**	**-**
Benefits payments	(2.02)	(2.96)
Employer contributions	-	-
At the end of the period	**14.06**	**16.27**

24. Employee stock option plans (ESOP)

The Company provides various share based payment schemes to its employees. During the year ended March 31, 2018, 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 (₹)	
	2017-18	2016-17	2017-18	2016-17
Outstanding at the beginning of the year	770,000	2,972,760	2.00	2.00
Granted during the year	-	-	-	-
Exercised during the year	150,000	1,702,760*	2.00	2.00
Expired during the year	-	500,000	-	2.00
Outstanding at the end of the year	620,000	770,000	2.00	2.00
Exercisable at the end of the year	620,000	770,000	2.00	2.00

(All amounts in INR Crores, unless otherwise stated)

*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 (₹)	
	2017-18	2016-17	2017-18	2016-17
Outstanding at the beginning of the year	200,000	1,897,240	2.00	2.00
Granted during the year	-	-	-	-
Exercised during the year	200,000	1,447,240**	2.00	2.00
Expired during the year	-	250,000	-	2.00
Outstanding at the end of the year	-	200,000	-	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, 2018 was Rs. 22.03. The weighted average remaining contractual life of the stock options outstanding as at March 31, 2018 is 1.37 years.

No options were granted during the year ended March 31, 2018. The fair value at the grant date of options granted during the year ended March 31, 2016 was Rs. 15.72, which was determined using the Black Scholes Model. The Model took into account the following inputs for computing the fair value:

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 Nil (previous year Rs. 6.13).

25. Segment information

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment viz. Engineering, procurement and construction services. Accordingly the segment disclosure requirements of Ind AS 108 are not applicable.

26. Interest in other entities

(a) Subsidiaries

The Company's interest and share in subsidiaries as at March 31, 2018 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.

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at	
		March 31, 2018	March 31, 2017
Subsidiaries		%	%
Spectra Punj Lloyd Limited	India	100.00	100.00
Punj Lloyd Industries Limited	India	99.99	99.99
Atna Investments Limited	India	100.00	100.00
PLN Construction Limited	India	100.00	100.00
Punj Lloyd International Limited	British Virgin Islands	100.00	100.00
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00	100.00
Punj Lloyd Pte. Limited $	Singapore	100.00	100.00
PL Engineering Limited	India	80.32	80.32
Punj Lloyd Infrastructure Limited	India	100.00	100.00
Punj Lloyd Upstream Limited	India	58.06	58.06
Punj Lloyd Aviation Limited	India	100.00	100.00
Sembawang Infrastructure (India) Private Limited	India	100.00	100.00
Indtech Global Systems Limited	India	99.99	99.99
Shitul Overseas Placement and Logistics Limited	India	100.00	100.00
Punj Lloyd Construction Contracting Company Limited (formerly known as Dayim Punj Lloyd Construction Contracting Company Limited)	Saudi Arabia	100.00	51.00
Punj Lloyd Infrastructure Pte. Limited	Singapore	100.00	100.00
Punj Lloyd Building and Infrastructure Private Limited	Sri Lanka	100.00	100.00
Step Down Subsidiaries			
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Aviation Pte. Limited	Singapore	100.00	100.00
Christos Aviation Limited	Bermuda	100.00	100.00
Indraprastha Renewables Private Limited	India	100.00	100.00
Punj Lloyd Raksha Systems Private Limited	India	51.00	51.00
Punj Lloyd Engineering Pte. Limited	Singapore	80.32	80.32
PL Delta Technologies Limited @	India	80.32	80.32
AeroEuro Engineering India Private Limited	India	80.32	-
Punj Lloyd Solar Power Limited	India	100.00	100.00
Khagaria Purnea Highway Project Limited	India	100.00	100.00
Indraprastha Metropolitan Development Limited	India	100.00	100.00
PL Surya Urja Limited *	India	-	100.00

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at	
		March 31, 2018	March 31, 2017
PL Sunshine Limited *	India	-	100.00
PL Surya Vidyut Limited *	India	-	100.00

(b) Joint operations

The Company's interest in joint operations as at March 31, 2018 is set out below.

Name of entity	Nature of operations	Place of business	March 31, 2018	March 31, 2017
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
Punj Lloyd Group Joint Venture	Design and construction services of platform compression facilities	Thailand	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

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 as at March 31, 2018 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	March 31, 2018	March 31, 2017
Joint ventures of the Company			%	%
Thiruvananthpuram Road Development Company Limited @	Thiruvananthpuram city road improvement	India	50.00	50.00
Ramprastha Punj Lloyd Developers Private Limited	Real estate developers	India	50.00	50.00
Joint ventures through subsidiary:				
AeroEuro Engineering India Private Limited	Designing in aerospace sector	India	-	40.16%
PLE TCI Engenharia Ltda	Engineering and design consultancy services	Brazil	39.36%	39.36%
PLE TCI Engineering Limited @	Engineering and Designing	India	39.36%	39.36%
Associates through subsidiaries:				
Air Works India (Engineering) Private Limited	Aviation – Maintenance, Repair and Overhaul	India	23.24	23.24

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

@ Entity held with an intention of disposal in near future.

$ The Singapore High Court ordered for the appointment of Judicial Manager for Punj Lloyd Pte Limited (PLPL) as per the Singapore Companies Act, w.e.f. June 27, 2016 and subsequently ordered the liquidation on August 07, 2017. The Group has lost control over the entire PLPL Group, comprising the following entities, pursuant to appointment of Judicial Manager.

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at	
		March 31, 2018	March 31, 2017
Subsidiaries			
PT Punj Lloyd Indonesia	Indonesia	100.00	100.00
PT Sempec Indonesia	Indonesia	100.00	100.00
Punj Lloyd Engineers and Constructors Pte. Limited	Singapore	100.00	100.00
Buffalo Hills Limited	British Virgin Islands	100.00	100.00
Indtech Trading FZE	United Arab Emirates	100.00	100.00
Punj Lloyd Thailand (Co.) Limited	Thailand	100.00	100.00
Sembawang Development Pte. Limited	Singapore	97.38	97.38
Sembawang Engineers and Constructors Pte. Limited	Singapore	97.38	97.38
Contech Trading Pte. Limited	Singapore	97.38	97.38
Sembawang Mining (Kekal) Pte. Limited	Singapore	97.38	97.38
Sembawang (Tianjin) Constructions Engineering Co. Limited	China	68.17	68.17
Sembawang UAE Pte. Limited	Singapore	97.38	97.38
Sembawang Consult Pte. Limited	Singapore	97.38	97.38
Sembawang (Malaysia) Sdn. Bhd	Malaysia	97.38	97.38
Jurubina Sembawang (M) Sdn. Bhd.	Malaysia	97.38	97.38
Tueri Aquila FZE	United Arab Emirates	97.38	97.38
Sembawang Equity Capital Pte. Limited	Singapore	97.38	97.38
Sembawang (Tianjin) Investment Management Co. Limited	China	97.38	97.38
PT Sembawang Indonesia	Indonesia	97.38	97.38
Reliance Contractors Private Limited	Singapore	97.38	97.38
Sembawang E&C Malaysia Sdn. Bhd.	Malaysia	97.38	97.38
Joint Operations			
Kumagai-Sembawang-Mitsui Joint Venture	Singapore	43.82	43.82
Kumagai-SembCorp Joint Venture	Singapore	48.69	48.69
Kumagai-SembCorp Joint Venture (DTSS)	Singapore	48.69	48.69
SembCorp-Daewoo Joint Venture	Singapore	58.43	58.43
Joint Ventures			
PT Kekal Adidaya	Indonesia	48.69	48.69
Punj Lloyd Dynamic LLC	Qatar	48.00	48.00

(All amounts in INR Crores, unless otherwise stated)

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 (upto May 29, 2018)
Shiv Punj	Director

Non-executive director

Jyoti Punj

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 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

	March 31, 2018	March 31, 2017
Short-term employee benefits	-	-
Post-employment benefits *	-	-

*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.

(All amounts in INR Crores, unless otherwise stated)

(c) Transaction with related parties

	2017-18	2016-17
Sales and purchase of goods and services		
With subsidiaries:		
Contract revenue	11.55	5.40
Sale of traded goods	90.29	88.38
Hire income	14.64	-
Management services	0.07	14.56
Interest income	7.11	7.75
Other income	4.63	9.51
Contractor charges	7.33	23.94
Consultancy and professional	15.66	19.08
With enterprises where KMPs or their relatives have influence		
Rent expense	1.57	2.13
With other related parties - post employment benefit plans		
Contribution towards post employment benefit plans	6.71	5.32
Other transactions		
With subsidiaries:		
Loan received back	66.73	5.71

(d) Outstanding balances

	March 31, 2018	March 31, 2017
Subsidiaries		
Loan receivable	369.37	435.88
Trade receivable	908.61	841.89
Interest receivable	42.48	35.63
Other advances (advances to related parties)	-	212.63
Other payable (Due to related parties)	-	(-) 43.92
Mobilization advance	(-) 9.45	(-) 9.45
Associate		
Trade receivable	1.53	1.53
Joint operation		
Other advances (advances to related parties)	-	-
Enterprises where KMPs or their relative have influence		
Trade payable	(-) 6.79	(-) 5.06
KMP remuneration payable	-	-

(All amounts in INR Crores, unless otherwise stated)

(e) Commitments on behalf of related parties

	March 31, 2018	March 31, 2017
Subsidiaries		
Bank guarantees	396.54	586.39
Corporate guarantees	2314.21	3,164.93

(f) Cumulative provision for doubtful debts against outstanding balances

	March 31, 2018	March 31, 2017
Subsidiaries		
Loan receivable	86.87	47.00
Trade receivable	90.47	81.87
Interest receivable	24.04	24.04
Other advances (advances to related parties)	22.62	17.42

(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, 2018	March 31, 2017
Property, plant and equipment	0.88	6.17
Intangible assets	-	1.64

(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, 2018 is Nil (Previous year: Nil). Rental expenses relating to operating lease for the year ended March 31, 2018 is 31.69 (Previous year: 26.83).

(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, 2018	March 31, 2017
Gross block at the end of financial year	167.54	204.12
Written down value at the end of financial year	90.20	91.47
Details of payments made during the year:		
Principal	-	-
Interest	-	-

(All amounts in INR Crores, unless otherwise stated)

29. Contingent liabilities

		As at	
		March 31, 2018	March 31, 2017
a)	Liquidated damages deducted by customers not accepted by the Company and pending final settlement. #	82.30	113.05
b)	Corporate guarantees given on behalf of subsidiaries, joint ventures and associates	121.96	911.44
c)	Corporate guarantees given on behalf of subsidiaries, joint ventures and associates under iquidation	498.43	769.69
d)	Value added tax demands: *		
	on disallowance of deduction on labour and services of the works contracts pending with sales tax authorities and High Court	6.38	3.14
	for non submission of statutory forms	0.11	0.11
	for purchases against statutory forms not accepted by department	10.95	8.49
	against the CST demand on sales in-transit/ sale in the course of import	0.79	0.79
e)	Entry tax demands *	2.43	3.97

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 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.

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 Company.

g) 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Punj Lloyd Kazakhstan LLP	-	34.16	34.16	34.90
Punj Lloyd Pte Limited	-	-	-	-
Punj Lloyd Aviation Limited	27.44	27.44	27.44	27.44
Punj Lloyd Infrastructure Limited	251.27	310.49	310.49	315.49
Punj Lloyd Upstream Limited	10.93	16.79	16.79	16.81
PT Punj Lloyd Indonesia	-	-	-	7.29

(All amounts in INR Crores, unless otherwise stated)

Name of the entities	Outstanding amount as at *		Maximum amount outstanding during the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Punj Lloyd International Limited	-	-	-	-
Sembawang Infrastructure (India) Private Limited	-	-	-	-
Spectra Punj Lloyd Limited	-	-	-	-
Punj Lloyd Infrastructure Pte. Limited	-	-	-	-
PLN Construction Limited	-	-	-	-

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:

		2017-18	2016-17
a)	Contract revenue recognized as revenue in the period (Clause 39 (a))	3,811.28	3,330.07
b)	Aggregate amount of costs incurred and recognized profits (less recognized losses) up to the reporting date on contract under progress (Clause 40 (a))	11,702.24	16,829.22
c)	Advance received on contract under progress (Clause 40 (b))	1,227.06	1,712.68
d)	Retention amounts on contract under progress (Clause 40 (c))	440.60	813.04
e)	Gross amount due from customers for contract work as an asset (Clause 42(a))	4,755.48	6,133.46
f)	Gross amount due to customers for contract work as a liability (Clause 42 (b))	174.82	745.15

32. The Company, during earlier years, accrued claims 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, 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.

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 1,274.36 as on March 31, 2018 (March 31, 2017: 717.80).

35. Financial instruments

(a) Financial instruments by category

Particulars	March 31, 2018		March 31, 2017	
	FVTOCI	Amortized cost	FVTOCI	Amortized cost
Financial assets				
Non-current investments	463.94	-	772.73	-
Trade receivables	-	2,591.26	-	2,386.60
Loans	-	301.16	-	402.21

(All amounts in INR Crores, unless otherwise stated)

Cash and cash equivalents	-	220.28	-	366.15
Other bank balances	-	177.88	-	119.40
Other financial assets	-	453.89	-	236.46
	463.94	**3,744.47**	**772.73**	**3,510.82**
Financial liabilities				
Borrowings	-	5,120.30	-	5,227.99
Trade payables	-	2,443.78	-	2,354.11
Other financial liabilities	-	2,275.35	-	1,537.03
	-	**9,839.43**	**-**	**9,119.13**

(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, 2018				
Non-current investments				
Quoted	0.00	-	-	0.00
Unquoted	-	-	463.93	463.93
Total	**0.00**	**-**	**463.93**	**463.94**
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

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.

(All amounts in INR Crores, unless otherwise stated)

(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, 2018	463.94	0 – 4.00	7.87 – 15.00
March 31, 2017	772.73	0 – 4.00	8.23 – 9.64

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(f) Reconciliation of financial instruments categorized under Level 3

	2017-18	2016-17
Opening	772.73	1,726.97
Addition	-	-
Gains/(losses) recognized in OCI	(308.79)	(954.24)
Closing	463.94	772.73

36. Financial risk management objective and policies

The Company's principal financial instruments are as follows:

Financial assets: Investments, Cash and cash equivalents, 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.

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.

(All amounts in INR Crores, unless otherwise stated)

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 cash equivalents 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, 2018, March 31, 2017 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 2,019.42, approximately 76% is payable in less than one year at March 31, 2018 (March 31, 2017: 53% of 2,238.67) 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, 2018 and March 31, 2017. 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, 2018 and March 31, 2017.

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, 2018 and March 31, 2017, 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.

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, 2018	March 31, 2017
Total borrowings*	6,657.58	6,421.55
Less: fixed rate borrowings	776.67	776.62
Variable rate borrowings	5,880.91	5,644.93

*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 29.40 before tax (Previous year: 28.22) and a decrease of 50 bps will result in a gain of 29.40 before tax (Previous year: 28.22).

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, 2018

	USD	SGD	AED	OMR	QAR	LYD	THB
Financial assets	616.96	954.71	-	-	-	-	-
Financial liabilities	(648.08)	(16.76)	-	-	-	-	-
Net investment in foreign operations	-	-	358.80	174.38	124.32	182.33	339.92
Net exposure	**(31.12)**	**937.95**	**358.80**	**174.38**	**124.32**	**182.33**	**339.92**

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**

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, 2018	March 31, 2017
USD	+5%	(1.56)	9.11
SGD	+5%	46.90	55.23
AED	+5%	17.94	14.38
OMR	+5%	8.72	6.77
QAR	+5%	6.22	33.52
LYD	+5%	9.12	13.85
THB	+5%	17.00	31.87

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

(All amounts in INR Crores, unless otherwise stated)

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. Borrowings include long-term borrowings, current maturities of long-term borrowings, short-term borrowings and interest accrued thereon. The company's strategy is to maintain a gearing ratio within 100%. The gearing ratios were as follows:

	March 31, 2018	March 31, 2017
Borrowings	7,321.82	6,710.66
Less: Cash and cash equivalents	220.28	366.15
Net debt	**7,101.55**	**6,344.51**
Equity	162.53	203.35
Equity and net debt	**7,264.07**	**6,547.86**
Gearing ratio (%)	**97.76**	**96.89**

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, 2018 and March 31, 2017.

38. Others

a) Details of loan given, investments made and guarantee given covered u/s 186(4) of the Companies Act 2013 Act have been disclosed under the respective heads of 'Related party transactions' given in note 27.

b) Contract revenues include Rs. 289.25 crores (Previous year Rs. 160.49) 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, 2018, as prescribed under section 135 of the Companies Act 2013 Act, is Nil.

(All amounts in INR Crores, unless otherwise stated)

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 disclosure in respect to Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

S.No.	Particulars	2017-18	2016-17
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount	4.35	6.48
	- Interest thereon	0.94	1.35
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.	0.32	0.45
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.94	1.35
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.	0.63	0.90

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, 2018 and March 31, 2017, 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 application filed by Judicial Management (JM) of Punj Lloyd Pte. Limited and Sembawang Engineers and Constructors Pte. Limited, subsidiaries of the Company. Accordingly the Court ordered for the liquidation of Punj Lloyd Pte. Limited and Sembawang Engineers and Constructors Pte. Limited vide its order dated August 07, 2017. Pursuant to appointment of Judicial Managers by the Court w.e.f June 27, 2016, the Company had lost control over these subsidiaries and consequently necessary adjustments were made in the year ended March 31, 2017.

h) 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.

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

For **BGJC & Associates LLP**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: Gurugram

Date: May 30, 2018

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

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, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow, 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, 2018, their consolidated loss, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a)(iii) to the consolidated Ind AS financial statements which indicates that the Holding Company's net worth has deteriorated and as of March 31, 2018, the Holding Company's current liabilities exceeded its current assets by Rs. 1,891.71 Crores. These conditions, along with other matters as stated in said note, indicate that a material uncertainty exists that may cast significant

doubt on the Holding Company's ability to continue as a going concern. Our report is not qualified in respect of this matter.

Emphasis of Matter

We draw attention to Note 8 to the consolidated Ind AS financial statements which indicates that the Holding Company has recognised deferred tax assets on carried forward losses and unabsorbed depreciation, as in the opinion of the management it is reasonably certain that such deferred tax assets are fully realizable. Our report 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 Rs. 4,446.85 Crores as at March 31, 2018 and total revenues (net of elimination) of Rs. 2,059.50 Crores for the year ended on that date. The consolidated Ind AS financial statements also include Group's share of net loss of Rs. 9.92 Crores for the year ended March 31, 2018 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 branches, unincorporated Joint ventures, 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 aforesaid 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. The matter described in the paragraph "Material uncertainty related to going concern" above, may have an adverse effect on the functioning of the Holding Company;

f. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 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, jointly controlled entities incorporated in India, none of the directors of such companies, is disqualified as on March 31, 2018 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 Group, its associate company and jointly controlled entities, which are incorporated in India, as at March 31, 2018, 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 is in "Annexure-1".

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 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; and

   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;

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

Darshan Chhajer
Partner
Membership Number: 088308
Place: Gurugram
Date: May 30, 2018

Annexure 1 to Independent Auditors' Report

Referred to in paragraph under report on 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, 2018.

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 (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, 2018 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 controls 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 control 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Matters' 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, 2018, based on the internal controls 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 Rs. 4,446.85 Crores as at March 31, 2018 and total revenues (net of elimination) of Rs. 2,059.50 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 Rs. 9.92 Crores for the year ended March 31, 2018 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 qualified in respect of the above matter.

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

Darshan Chhajer
Partner

Membership Number: 088308

Place: Gurugram

Date: May 30, 2018

Consolidated Balance Sheet

as at March 31, 2018

(All amounts in INR Crores, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	825.80	972.77
Capital work-in-progress		40.76	46.91
Investment property	5	90.21	91.42
Intangible assets	6	59.75	356.54
Intangible assets under development		-	0.72
Financial assets	7		
Investments	7a	29.73	39.71
Loans	7b	5.73	8.09
Others	7f	379.22	411.68
Deferred tax assets (net)	8	1,466.63	5.68
Other non-current assets	9	189.36	176.36
		3,087.18	**2,109.88**
Current assets			
Inventories	10	151.98	120.99
Unbilled revenue (work-in-progress)		4,788.83	6,297.88
Financial assets	7		
Trade receivables	7c	1,847.73	1,758.47
Cash and cash equivalents	7d	376.54	628.22
Other bank balances	7e	202.43	140.11
Loans	7b	17.63	13.24
Others	7f	212.55	230.83
Current tax assets (net)		97.68	73.52
Other current assets	9	397.97	589.36
		8,093.34	**9,852.62**
Total assets		**11,180.52**	**11,962.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	67.12	66.85
Other equity		(2,098.11)	(1,893.77)
Share application money pending allotment		-	0.20
Equity attributable to owners		**(2,030.99)**	**(1,826.72)**
Non-controlling interest		4.21	20.44
		(2,026.78)	**(1,806.28)**
Non-current liabilities			
Financial liabilities			
Borrowings	12a	987.57	1,871.27
Provisions	13	26.04	28.04
Deferred tax liabilities (net)	8	262.39	2.46
		1,276.00	**1,901.77**
Current liabilities			
Financial liabilities			
Borrowings	12b	4,652.85	4,200.26
Trade payables		2,744.86	2,675.51
Other financial liabilities	12c	2,785.02	2,094.63
Other current liabilities	14	1,622.74	2,697.22
Provisions	13	68.39	129.04
Current tax liabilities (net)		57.44	70.35
		11,931.30	**11,867.01**
Total equity and liabilities		**11,180.52**	**11,962.50**
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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: Gurugram
Date: May 30, 2018

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, 2018

(All amounts in INR Crores, unless otherwise stated)

	Notes	Year ended	
		March 31, 2018	March 31, 2017
Income			
Revenue from operations	15	5,080.37	4,867.28
Other income	16	505.40	1,355.10
Total income		**5,585.77**	**6,222.38**
Expenses			
Projects materials consumed and cost of traded goods sold		2,236.10	1,738.08
Employee benefits expense	17	583.98	578.17
Other expenses	18	2,747.72	3,566.94
Total expenses		**5,567.80**	**5,883.19**
Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)		**17.97**	**339.19**
Depreciation and amortization expense	19	194.06	220.54
Finance costs	20	1,087.49	1,018.23
Loss before share of loss in associates / joint ventures (net) and tax		**(1,263.58)**	**(899.58)**
Share of loss of associates / joint vantures (net)		(9.92)	(5.72)
Loss before tax		**(1,273.50)**	**(905.30)**
Tax expenses	21		
- Current tax		(2.20)	11.71
- Minimum alternate tax credit entitlement / written off (net)		-	(0.02)
- Adjustment of tax relating to earlier years		(0.48)	(45.11)
- Deferred tax		(1,199.00)	(1.45)
Total tax expense		**(1,201.68)**	**(34.87)**
Loss for the year		**(71.82)**	**(870.43)**
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		(138.91)	418.23
Net OCI to be reclassified to profit or loss in subsequent years		(138.91)	418.23
B. OCI not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(losses) on defined benefit plans		8.09	0.97
Net gain/ (loss) on FVTOCI of equity securities		2.32	(0.27)
Net OCI not to be reclassified to profit or loss in subsequent years		10.41	0.70
Other comprehensive income for the year, net of tax (refer note 8)		**(128.50)**	**418.93**
Total comprehensive income for the year		**(200.32)**	**(451.50)**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

	Notes	Year ended	
		March 31, 2018	March 31, 2017
Loss is attributable to :			
Equity holders of the parent		(68.75)	(920.05)
Non-controlling interests		(3.07)	49.62
		(71.82)	**(870.43)**
OCI is attributable to :			
Equity holders of the parent		(127.44)	430.32
Non-controlling interest		(1.06)	(11.39)
		(128.50)	**418.93**
Total comprehensive income is attributable to :			
Equity holders of the parent		(196.19)	(489.73)
Non-controlling interest		(4.13)	38.23
		(200.32)	**(451.50)**
Earnings per equity share [nominal value per share Rs. 2 each (Previous year Rs. 2)]	22		
Basic and Diluted (in Rs.)		(2.05)	(27.70)
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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: Gurugram
Date: May 30, 2018

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, 2018

(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 (A+B+C)	Non controlling interest	Total Equity
			Reserves and Surplus							Other comprehensive income (OCI)			Total other equity (C)			
			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, 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)**
Employee stock option expense	0.27	**-**	-	-	(0.34)	-	-	-	-	-	-	-	(0.34)	(0.07)	**-**	**(0.07)**
Exercise of employee stock options		**-**	-	2.16	(2.16)	-	-	-	-	-	-	-	-	-	**-**	**-**
Loss for the year	-	**-**	-	-	-	-	-	-	(68.75)	-	-	-	(68.75)	(68.75)	**(3.07)**	**(71.82)**
Change in fair value of investments	-	**-**	-	-	-	-	-	-	-	2.32	-	-	2.32	2.32	**-**	**2.32**
Currency translation differences	-	-	-	-	-	-	-	-	-	-	(137.85)	-	(137.85)	(137.85)	(1.06)	(138.91)
Transfer by Indian subsidiary under RBI Act, 1934	-	-	-	-	-	-	(0.04)	-	0.04	-	-	-	-	-	-	-
Acquisition of minority interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(8.43)	-	(8.43)	(8.43)	(12.10)	(20.53)
Remeasurement of the net defined benefit liability/ asset	-	-		-	-	-	-	-	0.62		-	8.09	8.71	8.71	-	8.71
OCI reclassified to retained earning	-	-	-	-	-	-		-	8.09	-	-	(8.09)	-	-	-	-
As at March 31, 2018	**67.12**	**20.01**	**27.12**	**2,507.16**	**0.63**	**112.87**	**-**	**99.04**	**(5,128.10)**	**14.82**	**248.34**	**-**	**(2,118.11)**	**(2,030.99)**	**4.21**	**(2,026.78)**

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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: Gurugram
Date: May 30, 2018

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, 2018

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2018	March 31, 2017
Cash flow from operating activities		
Loss before tax	(1,273.50)	(905.30)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortization expense	194.06	220.54
(Profit) / loss on sale of property, plant and machinery (net)	(9.65)	46.09
(Profit) / loss on deconsolidation of a subsidiary / joint ventures	-	(973.85)
Unrealised foreign exchange gain (net)	(34.59)	43.10
Unspent liabilities and provisions written back	(121.84)	(138.69)
Derivative premium on hedged borrowing	(2.00)	(3.08)
Irrecoverable balances and other assets written off	597.14	774.75
Provision for foreseeable losses	15.67	25.56
Provision for major maintenance	(7.36)	(8.97)
Net gain on sale of long-term investments	(9.84)	(6.93)
Employee share based payment expense	-	6.13
Share of loss in associates / joint ventures (net)	9.92	5.72
Interest expense	951.39	939.61
Interest (income)	(80.12)	(157.17)
Dividend (income)	-	(0.77)
Operating profit before working capital changes	**229.28**	**(133.26)**
Movement in working capital:		
Trade payables	171.78	302.10
Provisions	3.97	18.57
Financial liabilities	(0.11)	(10.89)
Other current liabilities	(1,074.48)	740.73
Trade receivables	(518.21)	(121.60)
Unbilled revenue (work-in-progress)	1,524.71	129.91
Inventories	(30.99)	7.27
Financial assets	41.43	93.94
Other current assets	174.64	(298.89)
Cash generated from operations	**522.02**	**727.88**
Direct taxes paid (net of refunds)	(34.38)	125.10
Net cash flow from operating activities (A)	**487.64**	**852.98**
Cash flow from investing activities		
Purchase of property, plant and equipments, including CWIP and capital advances	(35.06)	(70.34)
Proceeds from sale of property, plant and equipments	26.20	109.50
Acquisition of non-controlling interest in a subsidiary	(54.76)	-
Proceeds from sale of non-current investments (net)	43.90	20.57
(Investments)/ Redemption/maturity in bank deposits (having original maturity of more than three months)	(1.83)	26.27
Interest received	23.06	28.72
Dividends received	-	0.77
Decrease/ (Increase) in margin money deposits	(60.49)	(51.09)
Net cash flow from investing activities (B)	**(58.98)**	**64.40**

Consolidated of Cash Flows

for the year ended March 31, 2018

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2018	March 31, 2017
Cash flow from financing activities		
Proceeds from long-term borrowings	12.55	91.15
Repayment of long-term borrowings	(594.65)	(203.51)
Proceeds/ (Repayment) from short-term borrowings (net)	452.59	249.76
Interest paid	(561.49)	(790.01)
Proceeds from exercise of stock options	0.07	0.63
Net cash flow from financing activities (C)	**(690.93)**	**(651.98)**
Net change in cash and cash equivalents (A + B + C)	**(262.27)**	**265.39**
Exchange difference	13.70	(10.96)
Cash outflow on deconsolidation of subsidiaries & joint ventures	(2.09)	(75.26)
Cash and cash equivalents at the beginning of the year	612.53	433.36
Cash and cash equivalents at the end of the year	**361.87**	**612.53**
Components of cash and cash equivalents		
Balance with banks		
- On current accounts	258.13	342.09
- On EEFC accounts	69.83	166.78
- Deposit with original maturity of less than three months	47.04	114.11
Cash on hand	1.54	5.24
Less : Book overdraft	(14.67)	(15.69)
Total cash and cash equivalents [Refer notes 7(d) & 12(c)]	**361.87**	**612.53**

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**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: Gurugram
Date: May 30, 2018

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, 2018 were authorized for issue in accordance with a resolution of the directors on May 30, 2018.

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.

(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

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

(iii) The net worth of the holding Company has deteriorated as at March 31, 2018 and there are delays/defaults in repayments of dues to its lenders. In view of the above, the Company has submitted a proposal to its lenders for restructuring of its debt. Restructuring is essential for the company's ability to continue as a going concern and ability to realize its assets and discharge the liabilities in the normal course of business. The restructuring proposal is under active consideration by the lenders as per the latest RBI guidelines. Subsequently, the Company will obtain mandatory approvals from other stakeholders. The management is confident of favourable restructuring within stipulated timeframe and also getting the necessary approvals. Additionally, to improve operational efficiencies, the Company is taking various measures, including monetizing its identified assets as avenues of raising funds. The management is confident that with the above measures, the Company would be able to generate sustainable cash flow, discharge its short term and long-term liabilities and improve its net worth through profitable operations and continue as a going concern. In view of the above, these financial statements have been prepared on a going concern basis.

(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, 2018. 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

(All amounts in INR Crores, unless otherwise stated)

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 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

(All amounts in INR Crores, unless otherwise stated)

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 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 discontinues 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. 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

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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.

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.

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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.

(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.

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.

(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 .

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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.

(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

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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.

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

(All amounts in INR Crores, unless otherwise stated)

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.

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

(All amounts in INR Crores, unless otherwise stated)

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.

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.

(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

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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 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,

(All amounts in INR Crores, unless otherwise stated)

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 Division II of Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line

(All amounts in INR Crores, unless otherwise stated)

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. a) 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 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 neither has any taxable temporary difference nor 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, for which it is reasonably certain that future taxable income would be generated.

(All amounts in INR Crores, unless otherwise stated)

b) Recent accounting pronouncements

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

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

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

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

4. Property, plant and equipment

	Land	Buildings	Plant and equipment	Furniture and fixtures	Tools	Vehicles	Total
Gross carrying amount							
At April 01, 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	0.00	26.54	394.60
Disposal of subsidiaries (-)	15.79	13.07	317.89	19.64	-	2.67	369.06
Other adjustments							
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**
Additions	-	6.26	24.20	0.39	1.90	9.99	42.74
Disposals(-)	0.92	12.58	170.98	4.74	0.12	6.48	195.82
Other adjustments							
Foreign currency translation	-	-	42.89	0.59	-	3.61	47.09
At March 31, 2018	**100.93**	**94.27**	**2,114.15**	**35.56**	**14.99**	**81.01**	**2,440.91**
Accumulated depreciation	**-**	**2.66**	**115.27**	**1.41**	**0.80**	**1.93**	**122.40**
At April 01, 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
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**

(All amounts in INR Crores, unless otherwise stated)

	Land	Buildings	Plant and equipment	Furniture and fixtures	Tools	Vehicles	Total
Charge for the year	-	3.66	174.69	1.79	1.03	3.98	185.15
Disposals(-)	-	11.02	157.93	3.93	0.12	6.27	179.27
Other adjustments							
Foreign currency translation	-		31.15	0.47		3.48	35.10
At March 31, 2018	**-**	**8.02**	**1,493.54**	**34.05**	**8.84**	**70.66**	**1,615.11**
Net block							
At March 31, 2017	**101.85**	**85.21**	**772.41**	**3.60**	**5.28**	**4.42**	**972.77**
At March 31, 2018	**100.93**	**86.25**	**620.61**	**1.51**	**6.15**	**10.35**	**825.80**

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 0.45 (Previous year: foreign exchange gain of 1.98) has been adjusted in the gross block of plant and equipment.

b. Gross block of vehicles includes vehicles of cost Nil (Previous year 1.25) taken on finance lease. Accumulated depreciation there on is Nil (Previous year 1.25).

c. Gross block of plant and equipment includes equipment of cost 68.34 (Previous year 105.35) taken on finance lease. Accumulated depreciation thereon is 68.34 (Previous year 105.30).

d. For assets pledged as security, refer notes 12(a) and 12(b) and for capital commitments refer note 28.

5. Investment properties

	2017-18	2016-17
Gross carrying amount		
Opening gross carrying amount	98.76	98.76
Additions		0.44
Closing gross carrying amount	**99.20**	**98.76**
Accumulated depreciation		
Opening accumulated depreciation	7.34	5.69
Charge for the year	1.65	1.65
Closing accumulated depreciation	**8.99**	**7.34**
Net carrying amount	**90.20**	**91.42**

Amounts recognized in profit or loss for investment properties:

	2017-18	2016-17
Rental income	6.62	6.62
Direct operating expenses from property that generated rental income	(0.07)	(0.07)
Direct operating expenses from property that did not generated rental income	(0.66)	(0.58)
Profit from investment properties before depreciation	**5.89**	**5.97**
Depreciation	(1.65)	(1.65)
Profit from investment properties	**4.24**	**4.32**

(All amounts in INR Crores, unless otherwise stated)

There is no contractual obligation for repairs, maintenance or enhancements which has not been recognized as liability.

	March 31, 2018	March 31, 2017
Within one year	6.62	6.62
Later than one year but not later than 5 years	9.70	16.32
Later than five years	-	-

Fair value

	March 31, 2018	March 31, 2017
Investment properties	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, 2016	387.70	39.08	426.78
Additions	1.37	1.67	3.04
Disposals(-)	1.19	-	1.19
Disposal of subsidiaries(-)	-	11.72	11.72
Other adjustments			
Foreign currency translation	-	-	-
At March 31, 2017	**387.88**	29.03	416.91
Additions	-	2.94	2.94
Disposals(-)	-	0.02	0.02
Disposal of subsidiaries(-)	315.94	-	315.94
Other adjustments			
Foreign currency translation	-	(0.36)	(0.36)
At March 31, 2018	**71.94**	**31.59**	**103.53**
Accumulated amortization			
At April 01, 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	-	-	-
At March 31, 2017	**35.22**	**25.15**	**60.37**
Charge for the year	5.56	1.70	7.26
Disposals(-)	-	0.02	0.02
Disposal of subsidiaries(-)	23.51	-	23.51
Other adjustments			
Foreign currency translation	-	(0.32)	(0.32)
At March 31, 2018	**17.27**	**26.51**	**43.78**
Net block			
At March 31, 2017	**352.66**	**3.88**	**356.54**
At March 31, 2018	**54.67**	**5.08**	**59.75**

(All amounts in INR Crores, unless otherwise stated)

* 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 Rs. 12.73 to Rs. 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 of the Group has earned revenue of 10.57 (previous year 58.81) and incurred 10.60 (previous year 63.56) as expenses during the financial year ending March 31, 2018. As at March 31, 2018, the Group has accrued provisions for 21.01 (March 31, 2017: 22.89) 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, 2018	**March 31, 2017**
Fair valued through Other Comprehensive Income		
Trade investments		
Investment in subsidiary		
Unquoted equity instruments		
Punj Lloyd Pte Limited	-	-
573,346 (previous year: 573,346) equity shares of SGD 100 each and 1 (previous year: 1) equity share of SGD 1 fully paid up. Refer note 37(a).		
Unquoted other instruments		
Punj Lloyd Pte Limited	-	-
450,000 (previous year: 450,000) redeemable convertible preference share of SGD 100 each and 1,400,000 (previous year: 1,400,000) redeemable convertible preference share A of SGD 100 each fully paid up. Refer note 37(a).		
Investments in associates and joint ventures (accounted on equity method)		
Unquoted equity instruments		
Air Works India (Engineering) Private Limited	53.00	53.00
17,516,100 (previous year: 17,516,100) equity shares of Rs. 1 each fully paid up (including goodwill of 9.46).		
Add: Share in opening accumulated losses	(13.66)	(7.94)
Add: Share in profit/(loss) for the year	(9.92)	(5.72)
	29.42	39.34
Ramprastha Punj Lloyd Developers Private Limited		
5,000 (previous year: 5,000) equity shares of Rs. 10 each fully paid up	0.01	0.01
Add: Share in opening accumulated losses	(0.01)	(0.01)
Add: Share in profit/(loss) for the year	-	-
	-	-
Aero Euro (Engineering) India Pvt. Ltd		
Nil (previous year: 1,250,000) equity shares of Rs 10 each fully paid up	-	1.25
Add: Share in opening accumulated losses	-	(1.25)

(All amounts in INR Crores, unless otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
	-	-
PLE TCI Engenharia Ltda		
245,000 (previous year: 245,000) equity shares of BRL 1.00 each, only BRL 10,000 paid up	0.03	0.03
Add: Share in opening accumulated losses	(0.03)	(0.03)
	-	-
Investment in others		
Unquoted equity instruments		
GMR Hyderabad Vijayawada Expressways Pvt Ltd	-	-
500,000 (previous year: 500,000) equity shares of Rs. 10 each fully paid up.		
Hazaribagh Ranchi Expressway Limited	0.01	0.01
13,100 (previous year: 13,100) equity shares of Rs. 10 each fully paid up.		
Non-trade		
Investment in others		
Unquoted equity instruments		
RFB Latex Limited	-	-
Nil (previous year: 200,000) equity shares of Rs. 10 each fully paid up.		
Arooshi Enterprises Private Limited	-	-
598,500 (previous year: 598,500) equity shares of Rs. 10 each fully paid up.		
Kaefer Private Limited	-	-
88,200 (previous year: 88,200) equity shares of Rs. 10 each fully paid up.		
Quoted equity instruments		
Panasonic Energy India Company Limited	0.04	0.04
1,300 (previous year: 1,300) equity shares of Rs 10 each fully paid up		
Triton Corporation Limited	0.00	0.00
6,000 (previous year: 6,000) equity shares of Rs 10 each fully paid up		
JCT Electronics Limited	-	-
600 (previous year: 600) equity shares of Rs 10 each, fully paid up		
Continental Constructions Limited	-	-
3,000 (previous year: 3,000) equity shares of Rs 10 each, fully paid up		
Max India Limited	0.11	0.14
2,500 (previous year: 2,500) equity shares of Rs. 2 each fully paid up		
Kirloskar Pneumatics Company Limited	0.08	0.12
1,000 (previous year: 1,000) equity shares of Rs 10 each fully paid up		

(All amounts in INR Crores, unless otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
Hindustan Oil Exploration Company Limited	0.07	0.05
6,133 (previous year: 6,133) equity shares of Rs 10 each fully paid up		
Reliance Naval and Engineering Limited	0.00	0.01
1,000 (previous year: 1,000) equity share of Rs. 10 each fully paid up		
	29.73	**39.71**
Carrying amount of quoted investments (Market value: 0.30 (Previous year 0.36))	0.30	0.36
Carrying amount of unquoted investments	29.43	39.35

7(b) Loans

	Non-current		Current	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unsecured, considered good				
Security deposits	5.73	8.09	8.93	11.24
Loan to employees	-	-	8.70	2.00
	5.73	**8.09**	**17.63**	**13.24**

7(c) Trade receivables

	As at	
	March 31, 2018	March 31, 2017
Unsecured, considered good	1,847.73	1,758.47
Doubtful	104.13	133.28
Less: Allowance for doubtful debts	(104.13)	(133.28)
	1,847.73	**1,758.47**
Retention money included in total receivables	448.12	843.61

7 (d) Cash and cash equivalents

	As at	
	March 31, 2018	March 31, 2017
Balances with banks:		
On current accounts #	258.13	342.09
On EEFC account	69.83	166.78
Deposit with original maturity of less than three months	47.04	114.11
Cash on hand	1.54	5.24
	376.54	**628.22**
# Balance with banks in unpaid dividend accounts	0.15	0.19

(All amounts in INR Crores, unless otherwise stated)

7(e) Other bank balances

	Current	
	As at	
	March 31, 2018	March 31, 2017
Deposits with original maturity for more than 12 months	1.41	0.18
Deposits with original maturity for more than 3 months but less than 12 months	21.18	20.58
Margin money deposit	179.84	119.35
	202.43	**140.11**

7(f) Other financial assets

	Non-current		Current	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unsecured, considered good				
Advances to related parties	-	-	79.31	80.43
Interest receivable	-	-	5.50	9.79
Receivables against sale of investments	-	-	-	0.42
Insurance claim receivable	-	-	-	15.73
Investment held for disposal	-	-	3.87	4.51
Other receivable	-	-	-	0.04
Option derivative	-	-	11.87	7.91
Concession asset *	379.22	411.68	112.00	112.00
	379.22	**411.68**	**212.55**	**230.83**

* The Group has entered into a service concession agreement with NHAI for construction of road from Khagaria to Purnea from KM 270.00 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 75.84 (previous year 68.46) and incurred expenses of 85.19 (previous year 70.09) during the financial year ended March 31, 2018. 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 7 years starting from financial year 2019.

8. Deferred tax (net)

	As at	
	March 31, 2018	March 31, 2017
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	20.99	44.92
Unabsorbed tax losses	1,413.80	199.96
Others	31.84	40.94
Gross deferred tax assets	**1,466.63**	**285.82**
Deferred tax liability		
Property, Plant and equipments, investment property & intangible assets	39.09	86.70
Financial assets carried at fair value through OCI	223.30	195.90
Gross deferred tax liability	**262.39**	**282.60**
Net Deferred tax asset / (liability)*	**1,204.24**	**3.22**

The holding Company has business losses and unabsorbed depreciation which are allowed to be carried forward and set off against future taxable income under Income Tax Act, 1961. Owing to uncertainties in earlier years regarding future profits, the holding Company had refrained from recognising deferred tax assets on such carried forward losses and unabsorbed depreciation. However, the holding Company has undertaken several measures to improve operational efficiency which have resulted in increased revenues and higher margins. Further, as stated in Note 2 (a) (iii), the management is confident of a favourable outcome of its restructuring proposal submitted with its lenders. Accordingly, based on projected future taxable income and results of operations, the management believes that the Company will more likely than not have sufficient taxable income in future allowing it to realize the carried forward losses and unabsorbed depreciation. In view of the above, the Company has recognized deferred tax asset, on conservative basis, during the year.

(All amounts in INR Crores, unless otherwise stated)

9. Other assets

	Non-current		Current	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Unsecured, considered good)				
Capital advances	0.00	3.75	-	-
Advances other than capital advances				
Prepayments to vendors for supply of goods/ services	-	-	381.68	566.08
Prepaid expenses	5.30	4.67	2.81	5.51
Others				
Minimum alternate tax credit entitlement	1.68	3.14	-	-
Value added tax / sales tax recoverable (net)	182.38	164.80	0.84	0.23
Balances with statutory/ government authorities	-	-	12.64	17.54
	189.36	**176.36**	**397.97**	**589.36**

10. Inventories

	As at	
	March 31, 2018	March 31, 2017
Project materials	151.98	120.99
	151.98	**120.99**

11. Equity share capital

	As at	
	March 31, 2018	March 31, 2017
Authorized share capital		
450,000,000 (March 31, 2017: 450,000,000 equity shares of Rs. 2 par value each	90.00	90.00
10,000,000 (March 31, 2017: 10,000,000 preference shares of Rs. 10 par value each	10.00	10.00
	100.00	**100.00**
Issued, subscribed and fully paid-up shares		
Equity shares of ₹ 2 par value	67.12	66.85
	67.12	**66.85**

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

Equity shares

	As at March 31, 2018		As at March 31, 2017	
	Nos	Amount	Nos	Amount
At the beginning of the year	334,225,745	66.85	332,095,745	66.42
Exercise of Employee Stock Options	1,370,000	0.27	2,130,000	0.43
Outstanding as at the end of the year	**335,595,745**	**67.12**	**334,225,745**	**66.85**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 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 March 31, 2017	75,691,430	22.65	21,852,977	6.54
As at March 31, 2018	75,691,430	22.55	20,485,361	6.10

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, 2018, 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
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. 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.	-	-	300.00	300.00
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. 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.	-	29.79	135.00	105.00
Term loans				
Indian rupee loan from banks (secured)				
Loans carrying weighted average rate of interest of Nil; (previous year: 11.34%), repayable in 15 to 60 monthly/ quarterly instalments. Secured by way of exclusive charge on the equipment/ vehicles purchased out of the proceeds of the loan.	-	0.05	-	0.19

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loans carrying rate of interest of Nil; (previous year: 11.75%), repayable in 16 quarterly installments beginning at the end of 1 year from the disbursement. Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	-	-	-	9.38
Loan carrying rate of interest of Nil (previous year: 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	-	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).	-	-	168.24	168.24
Loan carrying rate of interest of 9.70%; (previous year: 10.55%), repayable in 25 structured unequal semi-annual installments. Secured by way of charge on all moveable and immoveable tangible assets of a subsidiary.	241.24	264.62	23.39	23.20
Loans carrying weighted average rate of interest of 10.80%; (previous year: 10.82%) 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 73,004,316 shares of Company held by two promoter group companies, pledged to IFCI Limited.	429.82	870.74	723.11	403.74

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Indian rupee loan from others				
Loans carrying weighted average rate of interest of 12.25%; (previous year:12.80%), repayable in 47 to 57 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.	10.69	23.47	6.06	6.73
Loan carrying rate of interest of 13.60%; (previous year 13.60%), 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.	2.00	7.25	9.25	4.75
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.	13.96	29.17	40.50	25.92
Loan carrying rate of interest of 14.60%; (previous year: 13.25%), 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	66.67	66.67
Loan carrying rate of interest of 10.91%; (previous year: 10.91%), 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 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.	10.30	13.04	11.78	11.43

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
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 73,004,316 shares of Company held by two promoter group companies, pledged to IFCI Limited.				
Loans carrying rate of interest of 09.70%; (previous year 10.55%), repayable in 25 structured unequal semi-annual installments.	101.26	105.36	4.10	3.63
Secured by first pari passu charge on moveable and immoveable tangible assets of a subsidiary.				
Foreign currency loan from banks				
Loan carrying rate of interest of LIBOR + 1.25% , repayable in 36 structured semi-annual installments.	31.98	34.46	3.10	3.08
Secured by charge on the assets of a subsidiary.				
Loan carrying rate of interest of 6M LIBOR + 4.20%, repayable in 25 structured unequal semi-annual installments.	130.56	144.18	11.48	10.88
Secured by charge on all moveable and immoveable assets of the subsidiary.				
Loan carrying rate of interest of Nil; (previous year 12.25%), repayable in 48 quarterly installments, beginning from March 2016.	-	98.03	-	10.60
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.				
Loan carrying rate of interest of Nil (previous year: LIBOR + 4.50%), repayable in 10 equal quarterly installments commencing after a moratorium period of 18 months from the date of disbursement.	-	77.80	250.70	181.58
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.				
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.	15.38	-	76.67	91.59
Secured by first pari passu charge on the moveable tangible assets of the project division of the Company.				
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.	-	-	54.31	54.04
Secured by first pari passu charge on the moveable tangible assets of a subsidiary.				

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loans carrying rate of interest of 5.11% (Previous year LIBOR + 4.50%), repayable in 2 equal annual installments, starting from April 2015.	-	-	168.66	263.72
Secured by exclusive charge on the tangible and current assets of a subsidiary.				
Other loan				
Finance lease obligations carrying weighted average rate of interest of Nil; (previous year: Nil).	-	0.09	-	-
Secured by first and exclusive charge by way of hypothecation on specific equipments financed through the loan.				
Unsecured				
Other loans				
Inter-corporate deposits	0.38	0.38	-	-
	987.57	**1,871.27**	**2,053.02**	**1,751.41**
The above amount includes				
Secured borrowings	987.18	1,870.89	2,053.02	1,751.41
Unsecured borrowings	0.38	0.38	-	-
Amount disclosed under the head "Other financial liabilities" (note 12 (c))	-	-	(2,053.02)	(1,751.41)
Net amount	**987.57**	**1,871.27**	**-**	**-**

12 (b) Current borrowings

	As at	
	March 31, 2018	March 31, 2017
Secured		
Working capital loan repayable on demand		
Loans carrying rate of interest of 12.75% (previous year: 13.75%). 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.	181.65	161.39
Loans carrying 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.	26.93	26.91
Loans carrying weighted average rate of interest of 11.38%: (previous year: 11.47%). 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.	4,229.46	3,659.53
Loan carrying rate of interest of 3 months LIBOR + 6% (previous year LIBOR + 6%) Secured by way of pari passu charge on the receivables financed.	125.11	255.78

(All amounts in INR Crores, unless otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
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	0.22	26.56
Loan carrying rate of interest of Nil; (previous year: 16.00%) Secured by way of pari passu charge on the receivables financed.	-	16.79
Loan carrying rate of interest of 5.54%; (previous year: 4.00%) Secured by way of pari passu charge on the receivables financed.	55.87	15.82
Loans from banks carrying weighted average rate of interest Nil; (previous year: 16.30%). Secured by hypothecation charge over trade receivables of a subsidiary.	-	1.84
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.	14.68	15.55
Unsecured		
Buyer's line of credit from a bank carrying rate of interest 2.18% (previous year 1.92%)	18.93	20.09
	4,652.85	**4,200.25**
The above amount includes:		
Secured borrowings	4,633.92	4,180.16
Unsecured borrowings	18.93	20.09
	4,652.85	**4,200.26**

12(c) Other financial liabilities

	Current	
	As at	
	March 31, 2018	March 31, 2017
Current maturities of long term borrowings [note 12(a)]	2,053.02	1,751.41
Interest accrued but not due on borrowings	157.65	47.34
Interest accrued and due on borrowings	551.81	272.20
Book overdraft	14.67	15.69
Unpaid dividends #	0.15	0.19
Security deposits	7.72	7.80
	2,785.02	**2,094.63**

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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for Retirement benefits	5.03	5.15	17.05	18.45
	5.03	**5.15**	**17.05**	**18.45**
Other provisions				
Provision for foreseeable losses	-	-	51.34	110.59
Provision for major maintenance	21.01	22.89	-	-
	21.01	**22.89**	**51.34**	**110.59**
	26.04	**28.04**	**68.39**	**129.04**

14. Other liabilities

	Current	
	As at	
	March 31, 2018	March 31, 2017
GST, Service tax and VAT payable	0.89	18.31
Tax deducted at source payable	23.65	27.24
Advance billing	330.59	907.71
Advances from customers	1,220.88	1,712.28
Others	46.73	31.68
	1,622.74	**2,697.22**

15. Revenue from operations

	Year ended	
	March 31, 2018	March 31, 2017
Contract revenue	4,857.29	4,455.11
Sale of traded goods	134.01	338.78
Other operating revenue		
Hire charges	3.42	6.21
Management services	85.65	67.18
	5,080.37	**4,867.28**

16. Other income

	Year ended	
	March 31, 2018	March 31, 2017
Scrap sales	17.75	26.63
Insurance claims	30.98	9.53
Unspent liabilities and provisions written back	121.84	138.69

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2018	March 31, 2017
Interest income on		
Bank deposits	3.77	4.72
Financial assets, carried at amortized costs	61.34	136.13
Others	15.01	16.32
Derivative premium on hedged borrowings	2.00	3.08
Net gain on sale of long-term investments	9.84	6.93
Profit on sale of property, plant & equipments (net)	9.65	-
Exchange difference (net)	204.35	
Dividend income on non-trade long term investments	0.00	0.77
Rental income	9.04	6.62
Income on deconsolidation of subsidiaries [refer note 37(a)]	-	973.85
Bad debts recovered	-	0.18
Others	19.83	31.65
	505.40	**1,355.10**

17. Employee benefit expense

	Year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and bonus	526.01	525.86
Contribution to provident funds	16.02	17.09
Employee share based payment expense	-	6.13
Retirement benefits	12.68	6.41
Staff welfare expenses	29.27	22.68
	583.98	**578.17**

18. Other expenses

	Year ended	
	March 31, 2018	March 31, 2017
Contractor charges	1,432.38	1,488.83
Site expenses	92.90	63.76
Diesel and fuel	100.59	75.56
Repair and maintenance		
Buildings	0.61	0.45
Plant and equipments	8.05	10.37
Others	1.83	9.15
Rent	33.61	34.86
Freight and cartage	80.58	53.10
Hire charges	99.36	77.93
Rates and taxes	76.65	69.24
Insurance	27.79	16.53

(All amounts in INR Crores, unless otherwise stated)

	Year ended	
	March 31, 2018	March 31, 2017
Travelling and conveyance	46.01	57.11
Loss on disposal of property, plant and equipment (net)	-	46.09
Consultancy and professional	98.38	152.66
Exchange difference (net)	-	547.84
Irrecoverable balances written off (including provision for expected credit loss and unbilled revenue of 242.99 (previous year 69.80))	543.37	774.75
Provision for major maintenance	7.36	8.97
Provision for foreseeable losses on onerous contract	15.67	25.56
Miscellaneous	82.58	54.18
	2,747.72	**3,566.94**

19. Depreciation and amortization expense

	Year ended	
	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment	185.15	201.57
Depreciation on investment properties	1.65	1.65
Amortisation of intangible assets	7.26	17.32
	194.06	**220.54**

20. Finance costs

	Year ended	
	March 31, 2018	March 31, 2017
Interest	1,026.77	939.61
Bank charges	60.72	78.62
	1,087.49	**1,018.23**

21. Income tax expenses

	2017-18	2016-17
(a) Income Tax expense		
Current Tax	(2.20)	11.71
Minimum alternate tax credit entitlement / written off (net)	-	(0.02)
Adjustment of tax relating to earlier years	(0.48)	(45.11)
Deferred Tax	(1,199.00)	(1.45)
Total tax expense	**(1,201.68)**	**(34.87)**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(1,273.50)	(905.30)
Tax at the Indian tax rate of 30.90% (Previous year - 30.90%)	(393.51)	(279.74)

(All amounts in INR Crores, unless otherwise stated)

	2017-18	2016-17
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Provisions for diminution in value of Investments	-	-
Tax losses of provision for unforeseeable losses & credit losses	(9.12)	37.07
Tax effect of different jurisdiction of operation / subsidiaries	(0.08)	22.27
Effect of deferred tax asset not recognised	381.16	209.92
Deferred tax recognised	(1,199.00)	(1.45)
Tax relating to earlier years	(0.48)	(45.11)
Other items	19.36	22.17
Total tax expense	**(1,201.68)**	**(34.87)**
(c) Tax Losses: *		
Unused tax losses for which no deferred tax asset has been recognised	592.25	2,294.83
Potential tax benefit @ tax rate	183.01	709.10

*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.

22. Earnings per share (EPS)

	2017-18	2016-17
Net loss after tax attributable to equity share holders of parent	(68.75)	(920.05)
Weighted average number of equity shares outstanding during the year (Nos.)	335,378,211	332,200,786
Basic EPS (₹)	(2.05)	(27.70)
Adjustment for calculation of diluted EPS on account of stock options	362,608	1,803,559
Weighted average number of equity shares for calculating diluted EPS (Nos.) *	335,378,211	332,200,786
Diluted EPS	(2.05)	(27.70)
Nominal value per equity share (₹)	2.00	2.00

* As the Group 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.

(a) 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, 2017	**15.43**	**(8.60)**	**6.83**
Current service cost	3.04	-	3.04
Interest expenses/(income)	0.97	(0.64)	0.33
Total amount recognized in profit or loss	**4.00**	**(0.64)**	**3.36**

(All amounts in INR Crores, unless otherwise stated)

Re-measurements:			
- Due to changes in financial assumptions	0.41	-	0.41
- Due to experience adjustments	5.11	-	5.11
- Return on assets (excluding interest income)	-	(2.47)	(2.47)
Total amount recognized in OCI	**5.52**	**(2.47)**	**3.05**
Benefits payments	(0.38)	0.30	(0.08)
Employer contributions	-	(1.54)	(1.54)
March 31, 2018	**13.53**	**(8.01)**	**5.52**

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2016	**15.49**	**(9.73)**	**5.76**
Current service cost	1.67	-	1.67
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**

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 1.18 (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, 2018	March 31, 2017
Discount rate	7.53%	6.90%
Expected rate of return on assets	7.53%	6.90%
Salary increase rate	5.50%	5.50%
Employee turnover		
upto age 30 years	15.00%	15.00%
31-44 years	10.00%	10.00%
45 and above	5.00%	5.00%
Retirement age (in years)	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.

(All amounts in INR Crores, unless otherwise stated)

Sensitivity analysis*

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase by 50 basis points	Decrease by 8.03%
	Decrease by 50 basis points	Increase by 8.03%
Salary increase rate	Increase by 50 basis points	Increase by 6.00%
	Decrease by 50 basis points	Decrease by 5.00%

*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

TThe 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	1.18
Between 1 – 2 years	1.48
Between 2 – 5 years	5.80
Over 5 years	10.09

(b) The Company and few of its Indian subsidiaries recognize the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation. The expense recognized in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year.

	2017-18	2016-17
At the beginning of the period	**16.78**	**15.42**
Current service cost	8.30	3.39
Interest expenses/(income)	1.01	0.93
Total amount recognised in profit or loss	**9.31**	**4.32**
Remeasurements:		
- Due to changes in financial assumptions	0.49	-
- Due to experience adjustments	4.55	-
- Return on assets (excluding interest income)	-	-
Total amount recognised in OCI	**5.04**	**-**
Benefits payments	(4.51)	(2.96)
Employer contributions	-	-
At the end of the period	**16.54**	**16.78**

(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, 2018, 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 (₹)	
	2017-18	2016-17	2017-18	2016-17
Outstanding at the beginning of the year	770,000	2,972,760	2.00	2.00
Granted during the year	-	-	-	-
Exercised during the year	150,000	1,702,760*	2.00	2.00
Expired during the year	-	500,000	-	2.00
Outstanding at the end of the year	620,000	770,000	2.00	2.00
Exercisable at the end of the year	620,000	770,000	2.00	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 (₹)	
	2017-18	2016-17	2017-18	2016-17
Outstanding at the beginning of the year	200,000	1,897,240	2.00	2.00
Granted during the year	-	-	-	-
Exercised during the year	200,000	1,447,240**	2.00	2.00
Expired during the year	-	250,000	-	2.00
Outstanding at the end of the year	-	200,000	-	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, 2018 was Rs. 22.03. The weighted average remaining contractual life of the stock options outstanding as at March 31, 2018 is 1.37 years

No options were granted during the year ended March 31, 2018. The fair value at the grant date of options granted during the year ended March 31, 2016 was Rs. 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	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 Nil (previous year Rs. 6.13).

(b) One of the Indian subsidiaries of the Company had in earlier years provided share based payment scheme to its employees. During the year ended March 31, 2018, all the options lapsed, hence no further disclosure is given.

25. Segment information

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Group's business activity falls within a single operating segment viz. Engineering, procurement and construction services. Accordingly the segment disclosure requirements of Ind AS 108 are not applicable.

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, 2018	March 31, 2017
Subsidiaries		%	%
Spectra Punj Lloyd Limited	India	100.00	100.00
Punj Lloyd Industries Limited	India	99.99	99.99
Atna Investments Limited	India	100.00	100.00
PLN Construction Limited	India	100.00	100.00
Punj Lloyd International Limited	British Virgin Islands	100.00	100.00
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00	100.00
Punj Lloyd Pte. Limited $	Singapore	100.00	100.00
PL Engineering Limited	India	80.32	80.32
Punj Lloyd Infrastructure Limited	India	100.00	100.00
Punj Lloyd Upstream Limited	India	58.06	58.06
Punj Lloyd Aviation Limited	India	100.00	100.00
Sembawang Infrastructure (India) Private Limited	India	100.00	100.00
Indtech Global Systems Limited	India	99.99	99.99
Shitul Overseas Placement and Logistics Limited	India	100.00	100.00
Punj Lloyd Construction Contracting Company Limited (formerly known as Dayim Punj Lloyd Construction Contracting Company Limited)	Saudi Arabia	100.00	51.00
Punj Lloyd Infrastructure Pte. Limited	Singapore	100.00	100.00
Punj Lloyd Building and Infrastructure Private Limited	Sri Lanka	100.00	100.00

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at	
		March 31, 2018	March 31, 2017
Step Down Subsidiaries			
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Aviation Pte. Limited	Singapore	100.00	100.00
Christos Aviation Limited	Bermuda	100.00	100.00
Indraprastha Renewables Private Limited	India	100.00	100.00
Punj Lloyd Raksha Systems Private Limited	India	51.00	51.00
Punj Lloyd Engineering Pte. Limited	Singapore	80.32	80.32
PL Delta Technologies Limited @	India	80.32	80.32
AeroEuro Engineering India Private Limited	India	80.32	-
Punj Lloyd Solar Power Limited	India	100.00	100.00
Khagaria Purnea Highway Project Limited	India	100.00	100.00
Indraprastha Metropolitan Development Limited	India	100.00	100.00
PL Surya Urja Limited *	India	-	100.00
PL Sunshine Limited *	India	-	100.00
PL Surya Vidyut Limited *	India	-	100.00

(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, 2018	March 31, 2017
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
Punj Lloyd Group Joint Venture	Design and construction services of platform compression facilities	Thailand	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

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, 2018	March 31, 2017
Joint ventures of the Company			%	%
Thiruvananthpuram Road Development Company Limited @	Thiruvananthpuram city road improvement	India	50.00	50.00

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Nature of operations	Place of business	Ownership interest as at	
			March 31, 2018	March 31, 2017
Ramprastha Punj Lloyd Developers Private Limited	Real estate developers	India	50.00	50.00
Joint ventures through subsidiaries:				
AeroEuro Engineering India Private Limited	Designing in aerospace sector	India	-	40.16
PLE TCI Engenharia Ltda	Engineering and design consultancy services	Brazil	39.36	39.36
PLE TCI Engineering Limited @	Engineering and Designing	India	39.36	39.36
Associate of the subsidiary company				
Air Works India (Engineering) Private Limited	Aviation – Maintenance, Repair and Overhaul	India	23.24	23.24

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

@ Entities held with an intention of disposal in near future.

$ The Singapore High Court ordered for the appointment of Judicial Manager for Punj Lloyd Pte Limited (PLPL) as per the Singapore Companies Act, w.e.f. June 27, 2016 and subsequently ordered the liquidation on August 07, 2017. The Group has lost control over the entire PLPL Group, comprising the following entities, pursuant to appointment of Judicial Manager.

Name of entity	Country of incorporation	Ownership interest as at	
		March 31, 2018	March 31, 2017
Subsidiaries			
PT Punj Lloyd Indonesia	Indonesia	100.00	100.00
PT Sempec Indonesia	Indonesia	100.00	100.00
Punj Lloyd Engineers and Constructors Pte. Limited	Singapore	100.00	100.00
Buffalo Hills Limited	British Virgin Islands	100.00	100.00
Indtech Trading FZE	United Arab Emirates	100.00	100.00
Punj Lloyd Thailand (Co.) Limited	Thailand	100.00	100.00
Sembawang Development Pte. Limited	Singapore	97.38	97.38
Sembawang Engineers and Constructors Pte. Limited	Singapore	97.38	97.38
Contech Trading Pte. Limited	Singapore	97.38	97.38
Sembawang Mining (Kekal) Pte. Limited	Singapore	97.38	97.38
Sembawang (Tianjin) Constructions Engineering Co. Limited	China	68.17	68.17
Sembawang UAE Pte. Limited	Singapore	97.38	97.38
Sembawang Consult Pte. Limited	Singapore	97.38	97.38
Sembawang (Malaysia) Sdn. Bhd	Malaysia	97.38	97.38
Jurubina Sembawang (M) Sdn. Bhd.	Malaysia	97.38	97.38
Tueri Aquila FZE	United Arab Emirates	97.38	97.38
Sembawang Equity Capital Pte. Limited	Singapore	97.38	97.38
Sembawang (Tianjin) Investment Management Co. Limited	China	97.38	97.38
PT Sembawang Indonesia	Indonesia	97.38	97.38
Reliance Contractors Private Limited	Singapore	97.38	97.38

(All amounts in INR Crores, unless otherwise stated)

Name of entity	Country of incorporation	Ownership interest as at	
		March 31, 2018	March 31, 2017
Sembawang E&C Malaysia Sdn. Bhd.	Malaysia	97.38	97.38
Joint Operations			
Kumagai-Sembawang-Mitsui Joint Venture	Singapore	43.82	43.82
Kumagai-SembCorp Joint Venture	Singapore	48.69	48.69
Kumagai-SembCorp Joint Venture (DTSS)	Singapore	48.69	48.69
SembCorp-Daewoo Joint Venture	Singapore	58.43	58.43
Joint Ventures			
PT Kekal Adidaya	Indonesia	48.69	48.69
Punj Lloyd Dynamic LLC	Qatar	48.00	48.00

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 (upto May 29, 2018)
Shiv Punj	Director

Non-executive director

Jyoti Punj

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 Employees' Provident Fund Trust
Punj Lloyd Employees' Group Gratuity Trust
Punj Lloyd Group Employees' Superannuation Trust

(All amounts in INR Crores, unless otherwise stated)

(b) Transaction with related parties

	March 31, 2018	March 31, 2017
With associates:		
Travelling and conveyance	0.49	0.86
Consultancy and professional	-	0.01
With enterprises where KMPs or their relatives have influence		
Rent expense	1.57	2.13
With KMP		
Employee benefit expenses	-	-
Consultancy and professional	5.40	2.73
With other related parties - post employment benefit plans		
Contribution towards post employment benefit plans	6.71	5.32

(c) Outstanding balances

	March 31, 2018	March 31, 2017
Associate		
Trade receivable	2.73	2.73
Joint operation		
Other advances (advances to related parties)	79.31	80.43
Enterprises where KMPs or their relative have influence		
Trade payable	(6.79)	(5.06)
KMP remuneration payable	-	-

(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, 2018	March 31, 2017
Property, plant and equipment	0.88	6.17
Intangible assets	-	1.64

(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, 2018 is Nil (Previous year: Nil). Rental expenses relating to operating lease for the year ended March 31, 2018 is 33.61 (Previous year: 34.86).

(All amounts in INR Crores, unless otherwise stated)

(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.

	2017-18	2016-17
Gross block at the end of financial year	167.54	205.36
Written down value at the end of financial year	90.20	91.47
Details of payments made during the year:		
Principal	-	-
Interest	-	-

29. Contingent liabilities

		As at	
		March 31, 2018	March 31, 2017
a)	Liquidated damages deducted by customers not accepted by the Company and pending final settlement. #	82.30	113.05
b)	Corporate guarantees given on behalf of subsidiaries, joint ventures and associates under liquidation	498.43	769.69
c)	Demand by custom authorities against import of aircraft	17.89	17.89
d)	Value added tax demands: *		
	on disallowance of deduction on labour and services of the works contracts pending with sales tax authorities and High Court	6.38	3.14
	for non submission of statutory forms	0.11	0.11
	for purchases against statutory forms not accepted by department	10.95	8.49
	against the central sales tax demand on sales in transit/ sale in the course of import	0.79	0.79
e)	Demand by income tax authorities in one of overseas subsidiary	6.15	5.75
f)	Differential amount of customs duty in respect of machinery imported under EPCG Scheme	5.56	-
g)	Entry tax demands against entry of goods into the local area not accepted by department. *	2.43	3.97

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.

h) 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.

i) 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.

(All amounts in INR Crores, unless otherwise stated)

30. The disclosures as per provisions of Clauses 39, 40 and 42 of Indian Accounting Standard 11 – 'Construction Contracts' are as under:

		2017-18	2016-17
a)	Contract revenue recognized as revenue in the period (Clause 39 (a))	4,801.06	4,455.11
b)	Aggregate amount of costs incurred and recognized profits (less recognized losses) up to the reporting date on contract under progress (Clause 40 (a))	11,951.46	21,798.32
c)	Advance received on contract under progress (Clause 40 (b))	1,220.88	1,712.28
d)	Retention amounts on contract under progress (Clause 40 (c))	448.12	843.61
e)	Gross amount due from customers for contract work as an asset (Clause 42(a))	4,788.47	6,297.88
f)	Gross amount due to customers for contract work as a liability (Clause 42 (b))	330.59	907.71

31. The Group, during earlier years, accrued claims 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, 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.

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, 2018		March 31, 2017	
	FVTOCI	Amortized cost	FVTOCI	Amortized cost
Financial assets				
Non-current investments	29.73	-	39.71	-
Trade receivables	-	1,847.73	-	1,758.47
Loans	-	23.36	-	21.33
Cash and cash equivalents	-	376.54	-	628.22
Other bank balances	-	202.43	-	140.11
Other financial assets	-	591.77	-	642.51
	29.73	**3,041.83**	**39.71**	**3,190.64**
Financial liabilities				
Borrowings	-	5,640.42	-	6,071.53
Trade payables	-	2,744.86	-	2,675.51
Other financial liabilities	-	2,785.02	-	2,094.63
	-	**11,170.30**	**-**	**10,841.67**

(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.

(All amounts in INR Crores, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
As at March 31, 2018				
Non-current investments				
Quoted	0.30	-	-	0.30
Unquoted	-	-	29.43	29.43
Total	0.30	-	29.43	29.73
As at March 31, 2017				
Non-current investments				
Quoted	0.36	-	-	0.36
Unquoted	-	-	39.35	39.35
Total	0.36	-	39.35	39.71

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 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, 2018	29.43	Fair value accounted on equity method based on financial statements of the investees.
March 31, 2017	39.35	

* There were no significant interrelationships between unobservable inputs that materially affect fair values.

(f) Reconciliation of financial instruments categorized under Level 3

	2017-18	20116-17
Opening	39.35	79.79
Disposed off during the year	-	(34.72)
Share of losses of associates/joint ventures for the year	(9.92)	(5.72)
Closing	**29.43**	**39.35**

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 counterparty 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 noninterest bearing and are generally on 30 to 45days 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 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 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.

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, 2018 and March 31, 2017 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 3,040.58, approximately 68% is payable in less than one year at March 31, 2018 (March 31, 2017: 48% of 3,622.68) 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, 2018 and March 31, 2017. 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, 2018 and March 31, 2017.

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, 2018 and March 31, 2017, 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.

(All amounts in INR Crores, unless otherwise stated)

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, 2018	March 31, 2017
Total borrowing*	7,693.44	7,822.94
Less:		
Fixed rate borrowings	954.83	955.06
Hedged borrowings	118.96	128.96
Un-hedged borrowings	**6,619.65**	**6,738.92**

*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 33.10 before tax (previous year: 33.69) and a decrease of 50 bps will result in a gain of 33.10 before tax (previous year: 33.69).

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:

As at March 31, 2018

	USD	SGD	AED	OMR	QAR	LYD	THB	SAR
Financial assets	454.04	-	-	-	-	-	-	-
Financial liabilities	(640.99)	(6.42)	(1.05)	-	-	-	-	-
Net investment in foreign operations	(2.71)	210.25	95.35	165.25	30.01	179.78	660.08	31.64
Net exposure	**(189.66)**	**203.83**	**94.30**	**165.25**	**30.01**	**179.78**	**660.08**	**31.64**

As at March 31, 2017

	USD	SGD	AED	OMR	QAR	LYD	THB	SAR
Financial assets	714.40	-	-	-	-	-	-	-
Financial liabilities	(780.93)	(3.85)	(2.75)	-	-	-	-	-
Net investment in foreign operations	-	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**

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, 2018	March 31, 2017
USD	+5%	(9.48)	(3.33)
SGD	+5%	10.19	18.18
AED	+5%	4.71	14.96
OMR	+5%	8.26	6.77
QAR	+5%	1.50	33.52

(All amounts in INR Crores, unless otherwise stated)

LYD	+5%	8.99	13.85
THB	+5%	33.00	31.87
SAR	+5%	1.58	2.41

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.

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:

	March 31, 2018	March 31, 2017
Borrowings	8,402.90	8,142.49
Less: Cash and cash equivalents	376.54	628.22
Net debt	**8,026.36**	**7,514.27**
Equity	(2,030.99)	(1,826.52)
Equity and net debt	**5,995.37**	**5,687.75**
Gearing ratio (%)	**133.88**	**132.11**

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 of 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, 2018 and March 31, 2017.

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, 2018		Share in profit / (loss) for the year ended March 31, 2018		Share in other comprehensive income for the year ended March 31, 2018		Share in total comprehensive income for the year ended March 31, 2018	
	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	162.53	-92.39%	317.37	-174.55%	(358.27)	129.20%	(40.90)	8.91%

(All amounts in INR Crores, unless otherwise stated)

Name of Entities	Net assets i.e. total assets minus total liabilities as at March 31, 2018		Share in profit / (loss) for the year ended March 31, 2018		Share in other comprehensive income for the year ended March 31, 2018		Share in total comprehensive income for the year ended March 31, 2018	
	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
Subsidiaries: Indian								
Spectra Punj Lloyd Limited	2.98	-1.70%	(0.22)	0.12%	-	-	(0.22)	0.05%
Punj Lloyd Industries Limited	25.82	-14.68%	(0.56)	0.31%	14.82	-5.34%	14.26	-3.11%
Atna Investments Limited	0.67	-0.38%	0.02	-0.01%	(0.05)	0.02%	(0.03)	0.01%
PLN Construction Limited	17.39	-9.89%	(0.14)	0.08%	-	-	(0.14)	0.03%
PL Engineering Limited	(0.17)	0.10%	(51.01)	28.06%	0.12	-0.04%	(50.89)	11.08%
Punj Lloyd Infrastructure Limited	5.54	-3.15%	(2.81)	1.55%	-	0.00%	(2.81)	0.61%
Punj Lloyd Upstream Limited	(145.69)	82.81%	(23.81)	13.10%	3.98	-1.44%	(19.83)	4.32%
Punj Lloyd Aviation Limited	19.59	-11.13%	(18.93)	10.41%	62.13	(0.22)	43.20	-9.41%
Sembawang Infrastructure (India) Private Limited	(18.13)	10.31%	(0.39)	0.21%	-	-	(0.39)	0.08%
Indtech Global Systems Limited	1.06	-0.60%	0.04	-0.02%	-	-	0.04	-0.01%
Shitul Overseas Placement and Logistics Limited #	0.16	-0.09%	(0.00)	0.00%	-	-	(0.00)	0.00%
Indraprastha Renewables Private Limited	(30.18)	17.16%	(3.58)	1.97%	-	-	(3.58)	0.78%
Punj Lloyd Raksha Systems Private Limited	8.52	-4.84%	(0.91)	0.50%	-	-	(0.91)	0.20%
PL Delta Technologies Limited @	-	-	-	-	-	-	-	-
PL Engineering Limited	(0.17)	0.10%	(51.01)	28.06%	0.12	-0.04%	(50.89)	11.08%
Punj Lloyd Solar Power Limited	14.80	-8.42%	(0.03)	0.02%	-	-	(0.03)	0.01%
Khagaria Purnea Highway Project Limited	39.53	-22.47%	(1.73)	0.95%	-	-	(1.73)	0.38%
Indraprastha Metropolitan Development Limited	(0.39)	0.22%	(0.02)	0.01%	-	-	(0.02)	0.00%
PL Surya Urja Limited *	-	0.00%	1.07	-0.59%	-	-	1.07	-0.23%
PL Sunshine Limited *	-	0.00%	(3.96)	2.18%	-	-	(3.96)	0.86%
PL Surya Vidyut Limited *	-	0.00%	-	0.00%	-	-	-	0.00%
AeroEuro Engineering India Private Limited	(1.93)	0.01	0.07	-0.04%	-	-	-	0.00%
Subsidiaries: Foreign								
Punj Lloyd International Limited	(2.11)	1.20%	(2.49)	1.37%	-	-	(2.49)	0.54%
Punj Lloyd Kazakhstan, LLP	(99.96)	56.82%	(11.68)	6.42%	-	-	(11.68)	2.54%
Punj Lloyd Building & Infrastructure Private Limited #	-	-	-	-	-	-	-	-

(All amounts in INR Crores, unless otherwise stated)

Name of Entities	Net assets i.e. total assets minus total liabilities as at March 31, 2018		Share in profit / (loss) for the year ended March 31, 2018		Share in other comprehensive income for the year ended March 31, 2018		Share in total comprehensive income for the year ended March 31, 2018	
	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
Punj Lloyd Construction Contracting Company Limited (formerly known as Dayim Punj Lloyd Construction Contracting Company Limited)	33.63	-19.12%	10.58	-5.82%	-	-	10.58	-2.30%
Punj Lloyd Infrastructure Pte Limited	(379.16)	215.52%	(283.41)	155.87%	-	-	(283.41)	61.72%
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	134.72	-76.58%	(2.53)	1.39%	-	-	(2.53)	0.55%
Punj Lloyd Sdn. Bhd.	(95.64)	54.37%	(53.08)	29.19%	-	-	(53.08)	11.56%
Punj Lloyd Aviation Pte Limited	103.39	-58.77%	(36.50)	20.07%	-	-	(36.50)	7.95%
Christos Aviation Limited	(0.43)	0.24%	(0.13)	0.07%	-	-	(0.13)	0.00
Punj Lloyd Engineering Pte Limited	(1.90)	1.08%	(3.13)	1.72%	(0.03)	0.01%	(3.16)	0.69%
Punj Lloyd Pte Limited $	-	-	-	-	-	-	-	-
Associate (Investment as per equity method): Indian								
Air Works India (Engineering) Private Limited	29.42	-16.72%	(9.92)	5.46%	-	-	(9.92)	2.16%
Joint ventures (Investment as per equity method): Indian								
Thiruvananthpuram Road Development Company Limited @	-	-	-	-	-	-	-	-
Ramprastha Punj Lloyd Developers Private Limited	-	-	-	-	-	-	-	-
PLE TCI Engineering Limited # @	-	-	-	-	-	-	-	-
Foreign								
PLE TCI Engenharia Ltda #	-	-	-	-	-	-	-	-
Sub-total	**(175.92)**	**100.00%**	**(181.82)**	**100.00%**	**(277.30)**	**100.00%**	**(459.19)**	**100.00%**
Non-controlling interest in all subsidiaries	4.21		(3.07)		(1.06)		(4.13)	
Adjustments arising out of consolidation	(1,855.07)		113.07		149.86		262.99	
Total	**(2,026.78)**		**(71.82)**		**(128.50)**		**(200.32)**	

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

\# Entities yet to commence operations

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

$ Refer 37 (a) below and for entities comprising PLPL group refer note 26.

(All amounts in INR Crores, unless otherwise stated)

37. Others

a) During the current year, the Singapore High Court ('the Court') heard upon the applications filed by Judicial Manager (JM) of Punj Lloyd Pte. Limited and Sembawang Engineers and Constructors Pte. Limited, subsidiaries of the Group. Accordingly the Court ordered for the liquidation of Punj Lloyd Pte. Limited and Sembawang Engineers and Constructors Pte. Limited vide its order dated August 07, 2017. Pursuant to appointment of Judicial Managers by the Court w.e.f June 27, 2016, the Company had lost control over these subsidiaries and consequently necessary adjustments were made in the financial year ended March 31, 2017.

Income recognized 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 PLP considered for deconsolidation	-
Net income recognized at Group level under other income	**973.85**

b) 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.

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

For **BGJC & Associates LLP**
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: Gurugram

Date: May 30, 2018

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	

Notes

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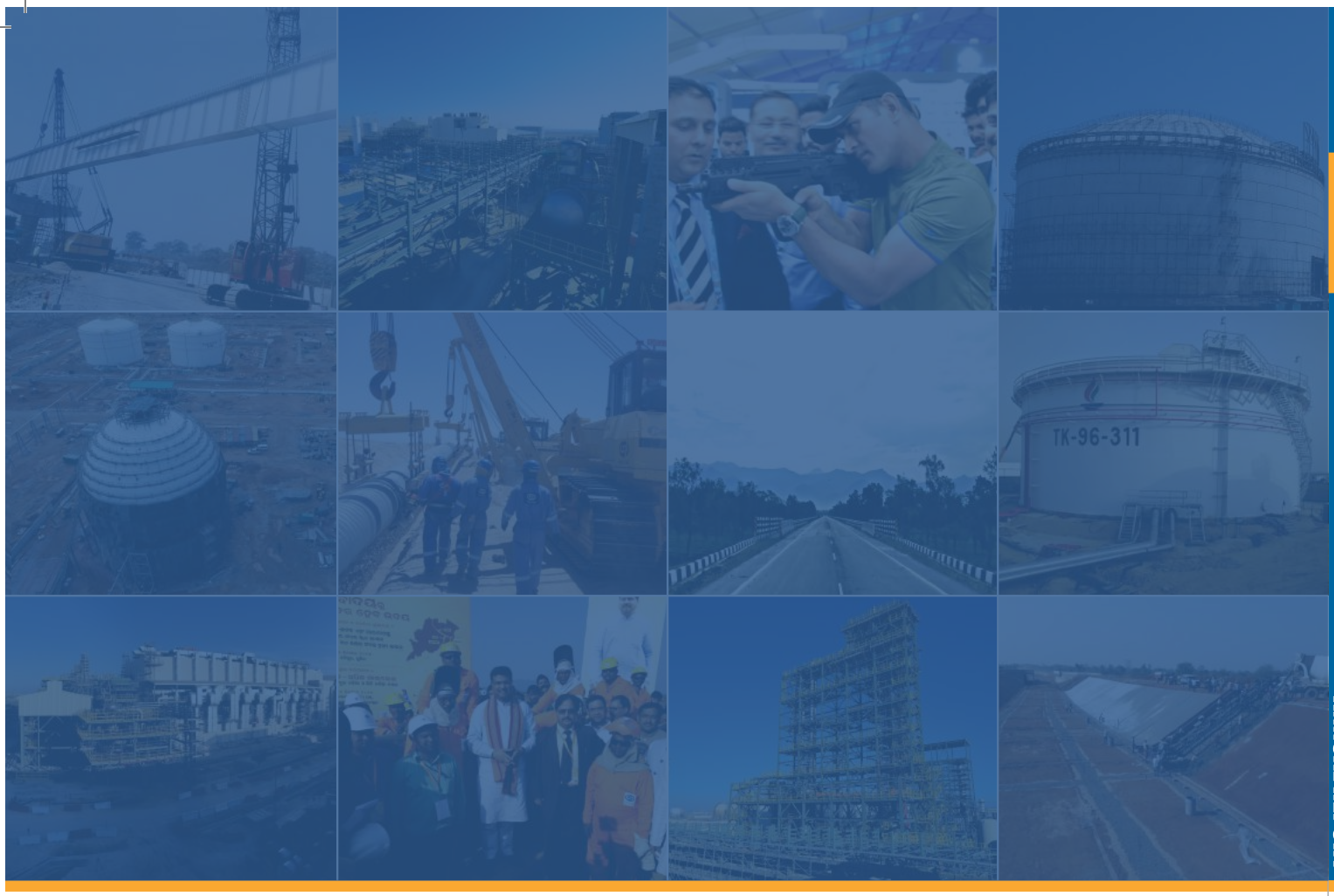

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