Punj Lloyd Limited
Regd. Office: Punj Lloyd House, 17-18 Nehru Place, New Delhi 110 019
CIN: L74899DL1988PLC033314
Statement of unaudited financial results for the quarter and six month ended September 30, 2018
(All amounts are in Lacs of INR, unless otherwise stated)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Income from operations						
Net sales/income from operations	61,630	102,928	100,258	164,558	197,992	405,949
Other income	15,059	9,416	8,342	24,475	18,929	35,341
Total income from operations	**76,689**	**112,344**	**108,600**	**189,033**	**216,921**	**441,290**
Expenses						
Cost of material consumed	10,198	37,593	64,387	47,791	119,193	205,635
Contractor charges	8,537	14,616	10,676	23,154	34,605	91,892
Employee benefits expense	11,219	11,777	8,284	22,995	16,470	36,664
Finance cost	24,583	23,272	27,073	47,854	48,741	97,638
Depreciation and amortisation expense	2,498	2,591	3,075	5,089	5,828	12,070
Irrecoverable balances written Off	153,356	27,023	11,172	180,379	13,764	32,846
Other expenses	12,855	17,036	8,809	29,891	22,629	52,715
Total expenses	**223,246**	**133,908**	**133,477**	**357,153**	**261,230**	**529,461**
Loss from ordinary activities before exceptional items	**(146,557)**	**(21,564)**	**(24,877)**	**(168,120)**	**(44,309)**	**(88,171)**
Exceptional items	-	-	-	-	-	-
Loss from ordinary activities before tax	**(146,557)**	**(21,564)**	**(24,877)**	**(168,120)**	**(44,309)**	**(88,171)**
Income Tax expense		-	(35)	-	(35)	(119,908)
Profit / (Loss) for the period	**(146,557)**	**(21,564)**	**(24,842)**	**(168,120)**	**(44,274)**	**31,737**
Other comprehensive income (OCI)						
A. OCI to be reclassified to profit or loss in subsequent years:						
Exchange differences on translation of foreign operations	(3,719)	278	(2,610)	(3,997)	(2,974)	(5,480)
B. OCI not to be reclassified to profit or loss in subsequent years:						
Re-measurement gains/(losses) on defined benefit plans	-	-	-	-	-	532
Net gain/ (loss) on fair value of equity securities through OCI	(34,154)	(5,803)	-	(39,957)	531	(30,879)
Other comprehensive income for the period, net of tax	**(37,873)**	**(5,525)**	**(2,610)**	**(43,954)**	**(2,443)**	**(35,827)**
Total comprehensive income	**(184,430)**	**(27,089)**	**(27,452)**	**(212,074)**	**(46,717)**	**(4,090)**
Paid-up equity share capital (face value of Rs. 2 each)	6,712	6,712	6,709	6,712	6,709	6,712
Reserves excluding revaluation reserves						9,540
Earnings per share						
Basic (in Rs.)	(43.67)	(6.43)	(7.41)	(50.10)	(13.21)	9.46
Diluted (in Rs.)	(43.67)	(6.43)	(7.41)	(50.10)	(13.21)	9.45
	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)

Notes

1. The above unaudited financial results for the quarter and six month ended September 30, 2018 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 27, 2018.

2. Statement of Assets and Liabilities :

Particulars	As at September 30, 2018	As at March 31, 2018
	(unaudited)	(audited)
ASSETS		
Non-current assets		
Property, plant and equipment	55,861	59,916
Investment property	8,937	9,020
Intangible assets	323	363
Financial assets		
Investments	6,437	46,394
Loans	572	572
Deferred tax assets (net)	119,900	119,900
Other non-current assets	17,314	19,140
Current assets		
Inventories	12,174	11,705
Unbilled revenue (work-in-progress)	386,162	431,914
Financial assets		
Trade receivables	178,896	230,399
Cash and cash equivalents	9,850	22,028
Other bank balances	22,240	17,788
Loans	29,490	29,545
Others	4,327	45,389
Current tax assets (net)	7,556	6,926
Other current assets	43,985	52,093
TOTAL - ASSETS	**904,024**	**1,103,092**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,712	6,712
Other equity	(202,480)	9,541
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	25,787	48,214
Provisions	284	549
Current liabilities		
Financial liabilities		
Borrowings	508,185	463,816
Trade payables	180,418	244,379
Other financial liabilities	277,057	227,535
Other current liabilities	96,085	90,804
Provisions	6,148	6,094
Current tax liabilities (net)	5,828	5,448
TOTAL - EQUITY AND LIABILITIES	**904,024**	**1,103,092**

3. There are delays/ defaults in repayments of dues to lenders, Company's current liabilities exceeded its current assets and net worth of the Company has also been eroded as at September 30, 2018. Majority of the Indian lenders have categorized the Company as Non-Performing Asset (NPA) under RBI regulations. Some of the lenders have given their dissent for the proposed "Scheme of restructuring" and few lenders have filed application for recovery of its dues before the National Company Law Tribunal (NCLT) and Debt Recovery Tribunal (DRT). The Company had 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 consideration by the lenders. As per Reserve Bank of India (RBI) guidelines, the restructuring should have been concluded by August 27, 2018 by the lenders. However, the Company has challenged the vires of the RBI Circular dated February 12, 2018 before Honorable Delhi High Court. Various other Companies have also challenged the vires of the RBI Circular dated February 12, 2018 before the Honorable Supreme Court of India. The Honorable Supreme Court of India vide order dated September 11, 2018 has directed status quo be maintained by the parties of the petition. In view of the aforesaid order of the Honorable Supreme Court of India, the Honorable Delhi High Court has directed status quo to be maintained till November 19, 2018 against writ petition by the Company challenging the vires of the RBI circular dated February 12, 2018. The management is confident and hopeful that restructuring proposal of the company shall be approved. During the quarter ended September 30, 2018, the Company has obtained mandatory approvals from the shareholders of the Company for the same. Additionally, to improve operational efficiencies, the Company is taking various measures, including monetizing its identified assets as avenues of raising funds. The present conditions indicate that a material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern, however 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. Hence, financial results have been prepared on a going concern basis.

4. 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.

5. Ind AS 115 "Revenue from Contracts with Customers", mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The Company has elected the option of using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, comparatives have not been retrospectively adjusted. Further, the applicability of Ind AS 115 did not have any material impact on recognition and measurement of revenue and related items in these financial results.

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

(b). 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. 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 3, the management is confident of a favorable 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 recognised deferred tax asset aggregating to Rs. 119,900 lacs, on conservative basis and is confident that such asset carried as at September 30, 2018 is fully recoverable.

7. The Company's current assets include receivables/claims of Rs. 154,101 lacs under receivables/ unbilled revenue (work in progress) which are subject matter of arbitration and the ultimate outcome of the matter is presently unascertainable. As the Company is confident of a satisfactory settlement of the arbitration and recovery of the said amount, no adjustment have been considered necessary in the financial results.

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

(b). Exchange differences are clubbed under 'Other income' or 'Other expenses' based on the resultant net amount.

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

Atul Punj
Chairman and Managing Director
and Group Chief Executive Officer
DIN: 00005612

Place: New Delhi
Date: October 27, 2018