

SRIVASTAVA KUMAR & CO.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of PUNJ LLOYD UPSTREAM LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Punj Lloyd Upstream Limited** ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

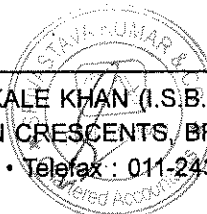
Auditor's Responsibility

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

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

We conducted our audit 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 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. 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 the 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, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

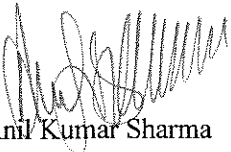
Report on Other Legal and Regulatory Requirements

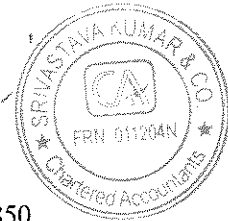
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.
- ii. the Company does not have any long-term contracts including derivative contracts, for which provision is required for any foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


Anil Kumar Sharma
Partner
Membership No. 097850



Place: New Delhi
Date : 28-04-2018

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of **Punj Lloyd Upstream Limited** on the financial statements as of and for the year ended March 31, 2018:

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

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

(c) The title deeds of immovable properties are held in the name of the company.
- ii. (a) The inventory has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable

(b) In our opinion, the procedure of physical verification of inventory, followed by the management, is reasonable and adequate in relation to the size of the company and nature of its business.

(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees and securities in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee’s State Insurance, Service Tax, cess and Income Tax though, and any other Statutory dues, as applicable, with the appropriate authorities except delay in deposit of tds in some cases. Further, no material undisputed amounts payable in respect thereof, were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



- viii. The Company has defaulted in the repayment of loan and interest amounted to Rs. 54.30 crores and 12.78 crores respectively for more than 91 days to International Finance Corporation. The company did not have any outstanding dues in respect of debenture.
- ix. According to the records of the company examined by us and the information and explanations given to us, during the year no money were raised by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the information and explanations given by the management, that the company has utilized the monies raised by way of terms of loans for the purposes for which they were raised.
- x. According to the audit procedures performed and the information and explanations given to us by management, no fraud noticed by the Company, or its officers, or employees during the year.
- xi. According to the records of the company examined by us and the information and explanations given to us, no managerial remuneration paid during the year, hence provisions of section 197 read with schedule V to the Companies Act not applicable.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us by management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- xiv. According to the information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the audit procedures performed and the information and explanations given to us by management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

for Srivastava Kumar & Co.

Chartered Accountants

Firm Registration No: 011204N


Anil Kumar Sharma

Partner

Membership No. 097850

Place: New Delhi

Date : 28-04-2018



“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Punj Lloyd Upstream Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

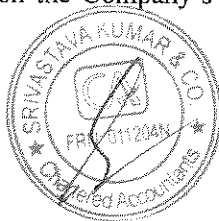
- i. We have audited the internal financial controls over financial reporting of **Punj Lloyd Upstream Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

- ii. The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

- iii. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- iv. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

- vi. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

- vii. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.


Opinion

- viii. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

for Srivastava Kumar & Co.

Chartered Accountants

Firm Registration No: 011204N


Anil Kumar Sharma

Partner

Membership No. 097850



Place: New Delhi

Date : 28-04-2018


Punj Lloyd Upstream Limited
Standalone Balance Sheet as at March 31, 2018
 (All amounts in INR, unless otherwise stated)

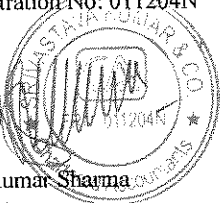
	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3	815,874,008	831,582,184
Intangible assets	4	-	-
Current assets			
Inventories		34,219,600	56,041,430
Financial Assets			
Trade receivables	5	235,924,315	254,097,752
Cash and bank balance	6	2,838,301	3,149,173
Other current asset	7	1,773,262	1,944,368
		1,090,629,485	1,146,814,907
Equity and liabilities			
Shareholders' funds			
Share capital	8	626,940,000	626,940,000
Other Reserve	9	(2,083,816,815)	(1,885,538,706)
Non-current liabilities			
Financial Liabilities			
Borrowings	10	-	-
Deferred tax liabilities (net)	11	16,373,366	16,373,366
Provisions	12	990,494	990,494
Current liabilities			
Financial Liabilities			
Borrowings	13	916,087,914	910,842,914
Trade payables	14	59,533,296	58,237,851
Other current liabilities	14	1,553,341,498	1,417,789,256
Provisions	12	1,179,732	1,179,732
		1,090,629,485	1,146,814,907
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

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

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


per 
 Partner
 Membership No. : 097850
 Place: New Delhi
 Date: April 28, 2018





 Chief Financial
 Officer


 Company
 Secretary

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


 Director
 DIN - 01417609


 Director
 DIN
 - 07738410

Punj Lloyd Upstream Limited
Standalone statement of profit and loss for the year ended March 31, 2018
 (All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	15	-	-
Other Income	16	-	-
Total Income (I)		-	-
Expenses			
Cost of raw material and components consumed	17	21,821,830	18,680,477
Employee benefits expense	18	-	1,692,062
Other expenses	19	45,648,078	859,005,082
Total expenses (II)		67,469,908	879,377,621
Earning before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		(67,469,908)	(879,377,621)
Depreciation and amortization expense	3	38,655,876	58,221,746
Finance costs	20	131,961,293	137,291,350
Loss before tax		(238,087,077)	(1,074,890,717)
Tax expenses			
Deferred tax charge/(credit)		-	-
Total tax expense		-	-
Loss for the period		(238,087,077)	(1,074,890,717)
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to profit or loss in subsequent year			
Exchange Difference on translation of foreign operations	21	39,808,968	(35,857,215)
Income tax effect		-	-
Other Comprehensive Income for the year, net of taxes		39,808,968	(35,857,215)
Total comprehensive loss for the year, net of tax attributable to:		(198,278,109)	(1,110,747,932)
Earnings per equity share [nominal value per share Rs.10 each (previous year Rs. 10)]			
Basic and diluted earning per share	22	(3.16)	(17.72)
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date


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


per **Anil Kumar Sharma**
 Partner
 Membership No. : 097850
 Place: Gurgaon
 Date: April 28, 2018


 Chief Financial
 Officer

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


 Company
 Secretary


 Director
 DIN - 01417609


 Director
 DIN
 = 07738410

Punj Lloyd Upstream Limited
Cash flow statement for the year ended March 31, 2018

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Loss before tax	(238,087,077)	(1,074,890,717)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Depreciation/ amortization	38,655,876	58,221,746
Provision for Expected Credit Loss (ECL)	40,498,777	26,121,288
Loss on disposal of Assets	-	721,258,120
Unrealised foreign exchange loss/ (profit) (net)		-
Interest expense	131,955,474	137,072,926
Operating profit before working capital changes	(26,976,950)	(132,216,637)
Movement in working capital:		
Increase/ (decrease) in trade payables	1,295,445	(165,951,633)
Increase/ (decrease) in provisions	-	(350,016)
Increase/ (decrease) in other current liabilities	103,613,321	112,866,044
Decrease/ (increase) in trade receivables	(22,325,340)	17,360,313
Decrease/ (increase) in inventories	21,821,830	18,680,477
Decrease/ (increase) in loans and advances	171,108	1,016,035
Cash generated from operations	77,599,414	(148,595,417)
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities (A)	77,599,414	(148,595,417)
Cash flow used in investing activities		
Purchase of fixed assets, including CWIP and capital advances	16,565,006	1,135,010
Proceeds from sale of fixed assets	-	256,942,205
Net cash flow used in investing activities (B)	16,565,006	258,077,215
Cash flow used in financing activities		
Proceeds from long-term borrowings	-	-
Proceeds from sale of Fixed Assets	-	-
Repayment of long-term borrowings	-	-
Proceeds/ (Repayment) from short-term borrowings (net)	5,245,000	4,460,000
Interest paid	(102,683,284)	(107,944,469)
Net cash flow used in financing activities (C)	(97,438,284)	(103,484,469)
Net increase /(decrease) in cash and cash equivalents (A + B + C)	(3,273,864)	5,997,329
Exchange difference	2,962,992	(35,857,214)
Cash and cash equivalents at the beginning of the year	3,149,173	33,009,058
Cash and cash equivalents at the end of the year	2,838,301	3,149,173
Components of cash and cash equivalents		
Cash on hand	488	161,780
With banks		
- on current account	2,837,813	2,987,393
Total cash and cash equivalents (also refer note 6)	2,838,301	3,149,173

The accompanying notes form an integral part of the financial statements

This is the cash flow statement referred to in our report of even date.

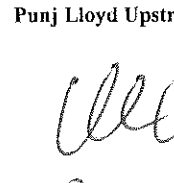
For Srivastava Kumar & Co
Chartered Accountants
Firm Registration No: 011204N

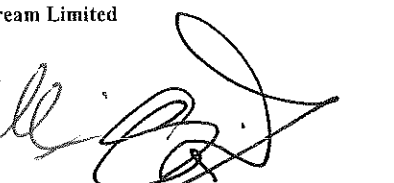
per Anil Kumar Sharma
Partner
Membership No. : 097850
Place: Gurgaon
Date: April 28, 2018


Chief Financial
Officer


Company
Secretary

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


Director
DIN-01417609


Director
DIN-07738410

Punj Lloyd Upstream Limited
 Standalone statement of equity for the year ended March 31, 2018
 (All amounts in INR, unless otherwise stated)

	Numbers	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
At 1, April 2016	62,694,000	626,940,000
At 31, March 2017	62,694,000	626,940,000
At 31, March 2018	62,694,000	626,940,000

Other Equity

For the year ended March 31, 2016	Retained earning	FCTR	Total
As at March 31, 2015	(227,329,533)	-	(227,329,533)
Profit for the year	(418,347,948)	-	(418,347,948)
Add: Exchange difference during the year on net investment in non-integral operations	-	(129,113,293)	(129,113,293)
Other comprehensive Income (net of taxes)	-	-	-
Total Comprehensive Income	(645,677,481)	(129,113,293)	(774,790,774)
As at March 31, 2016	(645,677,481)	(129,113,293)	(774,790,774)

For the year ended March 31, 2016	Retained earning	FCTR	Total
As at March 31, 2016	(645,677,481)	(129,113,293)	(774,790,774)
Profit for the year	(1,074,890,717)	-	(1,074,890,717)
Add: Exchange difference during the year on net investment in non-integral operations	-	(35,857,215)	(35,857,215)
Other comprehensive Income	-	-	-
Total Comprehensive Income	(1,720,568,198)	(164,970,508)	(1,885,538,706)
As at March 31, 2017	(1,720,568,198)	(164,970,508)	(1,885,538,706)

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



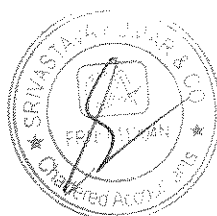
Punj Lloyd Upstream Limited
 Standalone notes to financial statements for the year ended March 31, 2018
 (All amounts in INR, unless otherwise stated)

3. Fixed assets : Property, Plant and Equipments

Particulars	Plant and equipment	Furniture and fixtures	Office equipment	Total
Cost				
At April 01, 2016	2,627,480,323	2,173,019	2,733,615	2,632,386,957
Additions during the year	-	-	-	-
Disposals during the period	(1,387,890,728)	-	-	(1,387,890,728)
Other adjustments	-	-	-	-
Exchange differences	(12,914,478)	-	-	(12,914,478)
Foreign exchange translation adjustment	82,178	-	-	82,178
As at March 31, 2017	1,226,757,295	2,173,019	2,733,615	1,231,663,929
Additions during the year	-	-	-	-
Disposals during the period	-	-	-	-
Exchange differences	2,666,731	-	-	2,666,731
Foreign exchange translation adjustment	524,616	-	-	524,616
As at March 31, 2018	1,229,948,642	2,173,019	2,733,615	1,234,855,276
Depreciation				
At April 01, 2015	747,977,322	997,618	2,575,462	751,550,402
Charge for the year	57,887,246	176,347	158,153	58,221,746
Disposal during the Period	(409,690,403)	-	-	(409,690,403)
Foreign exchange translation adjustment	-	-	-	-
As at March 31, 2017	396,174,165	1,173,965	2,733,615	400,081,745
Charge for the year	38,474,350	181,526	-	38,655,876
Disposal during the Period	-	-	-	-
Foreign exchange translation adjustment	(19,756,353)	-	-	(19,756,353)
As at March 31, 2018	414,892,162	1,355,491	2,733,615	418,981,268
Net block				
As at March 31, 2017	830,583,130	999,054	0	831,582,184
As at March 31, 2018	815,056,480	817,528	0	815,874,008

4. Intangible assets

Particulars	Computer softwares	Total
Cost		
At April 01, 2015	90,940	90,940
As at March 31, 2017	90,940	90,940
As at March 31, 2018	90,940	90,940
Amortization		
At April 01, 2015	90,940	90,940
Charge for the year	-	-
As at March 31, 2017	90,940	90,940
Charge for the year	-	-
As at March 31, 2018	90,940	90,940
Net block		
As at March 31, 2017	-	-
As at March 31, 2018	-	-



5. Financial Assets : Trade Receivables

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Unsecured, considered good	314,030,346	291,705,007
Provision for Expected Credit Loss	(78,106,031)	(37,607,254)
	<u>235,924,315</u>	<u>254,097,752</u>

6. Financial Assets : Cash and bank balances

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Balances with banks:		
On current accounts	2,837,813	2,987,393
Cash on hand	488	161,780
	<u>2,838,301</u>	<u>3,149,173</u>

7. Other current assets

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Security deposits		
Unsecured, considered good	1,112,064	1,033,004
	<u>1,112,064</u>	<u>1,033,004</u>
Advances recoverable in kind		
Unsecured, considered good	655,580	905,746
	<u>655,580</u>	<u>905,746</u>
Others		
Unsecured, considered good		
Advance income-tax (net of provision for taxation)	5,619	5,619
	<u>5,619</u>	<u>5,619</u>
	<u>1,773,262</u>	<u>1,944,368</u>



Punj Lloyd Upstream Limited
 Standalone notes to financial statements for the year ended March 31, 2018
 (All amounts in INR, unless otherwise stated)

8. Share capital

Particulars	As at March 31, 2018	As at March 31, 2016
Authorized shares 100,000,000 (Previous year 100,000,000) equity shares of Rs. 10 each	1,000,000,000	1,000,000,000
Issued, subscribed and fully paid-up shares 62,694,000 (Previous year 62,694,000) equity shares of Rs. 10 each	626,940,000	626,940,000

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
Equity shares outstanding at the beginning of the year	62,694,000	626,940,000	62,694,000	626,940,000
Add: Equity shares issued during the year	-	-	-	-
Outstanding at the end of the year	62,694,000	626,940,000	62,694,000	626,940,000

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

Out of equity shares issued, subscribed and fully paid up by the Company, shares held by its holding company is as below:

	As at March 31, 2018	As at March 31, 2017
Punj Lloyd Limited, the holding company 36,397,350 (Previous year 36,397,350) equity shares of Rs. 10 each fully paid	363,973,500	363,973,500

d. Details of shareholders holding more than 5% of the equity share capital of the Company

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Limited	36,397,350	58.06%	36,397,350	58.06%
Mr. Vikram Walia	14,686,650	23.43%	14,686,650	23.43%
International Finance Corporation	11,610,000	18.52%	11,610,000	18.52%

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

9. Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
Other Comprehensive Income / (Loss)		
Foreign currency translation reserve		
Balance as per last financial statements	(164,970,508)	(129,113,293)
Add: Exchange difference during the year on net investment in non-integral operations	39,808,968	(35,857,215)
Closing Balance	(125,161,540)	(164,970,508)
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(1,720,568,198)	(645,677,481)
Loss for the year	(238,087,077)	(1,074,890,717)
Closing balance	(1,958,655,276)	(1,720,568,198)
Total reserves and surplus	(2,083,816,815)	(1,885,538,706)

10. Financial Liabilities : Borrowings

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Term Loan From a financial institution (secured) 5.39% (previous year 5.39%) loan repayable in 20 half yearly installments, beginning at the end of 2 years from the date of its origination i.e. April 01, 2010. The loan is secured by way of pari passu charge on the fixed assets purchased out of the proceeds of the loan. Further, the loan has been guaranteed by the corporate guarantee of Punj Lloyd Limited, the holding company.	-	-	543,083,311	540,416,580
The above amount includes Secured borrowings	-	-	543,083,311	540,416,580
Amount disclosed under the head "other current liabilities" (note 14)	-	-	(543,083,311)	(540,416,580)



11. Deferred Tax Liabilities

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	310,183,765	310,183,765
Gross deferred tax liability	310,183,765	310,183,765
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis	750,376	750,376
Unrealised foreign exchange on purchase of tangible assets	69,029,201	69,029,201
Unabsorbed losses/carried forward losses	224,030,822	224,030,822
Gross deferred tax asset	293,810,399	293,810,399
Net Deferred Tax Liability	16,373,366	16,373,366

12. Provisions

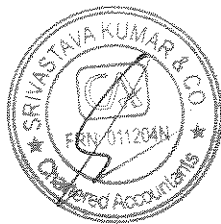
Particulars	Long-term		Short-term	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits				
Provision for gratuity	990,494	990,494	-	-
Provision for compensated absences	-	-	1,179,732	1,179,732
	990,494	990,494	1,179,732	1,179,732
Other provisions				
Provision for current tax	-	-	-	-
	990,494	990,494	1,179,732	1,179,732

13. Financial Liabilities : Short-term borrowings

Particulars	As at	As at
	March 31, 2018	March 31, 2017
From others (Unsecured)		
Loans from related parties	916,087,914	910,842,914
	916,087,914	910,842,914
Loans and advances to related parties include:		
12% loan from Punj Lloyd Ltd	167,910,000	167,910,000
10% loan from PLN Construction Ltd	339,357,914	339,357,914
12% loan from Spectra Punj Lloyd Ltd	403,220,000	397,975,000
11% loan from Punj Lloyd Industries Ltd	5,600,000	5,600,000
	916,087,914	910,842,914

14. Financial Liabilities : Other current liabilities

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Trade payables (refer note 36 for details of dues to micro and small enterprises)	59,533,296	58,237,851
Other liabilities		
Current maturities of long term borrowings (note 10)	543,083,311	540,416,580
Interest accrued	127,893,211	98,621,021
Others	-	-
Other Liabilities Payable	107,856,692	100,099,075
Due to related parties	774,508,284	678,652,580
	1,553,341,498	1,417,789,256
	1,612,874,794	1,476,027,107



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 (All amounts in INR, unless otherwise stated)

15. Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract Revenue	-	-

16. Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Exchange difference (net)	-	-

17. Raw Material Details

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1) Op. stock	56,041,430	74,721,907
Add : Purchases	-	-
Less: Cl. Stock	34,219,600	56,041,430
Consumption	21,821,830	18,680,477
Total	21,821,830	18,680,477

18. Employee benefit expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	-	1,692,062
Compensated absences	-	-
Gratuity	-	-
Staff welfare expenses	-	-
	-	1,692,062

19. Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rates and taxes	4,614,499	22,121,250
Payment to auditors (refer below)	100,000	115,000
Travelling and conveyance	3,260	6,902
Consultancy and professional charges	188,010	741,803
Provision for Expected Credit Loss (ECL)	40,498,777	26,121,288
Office expenses	243,000	232,661
Rent	-	-
Demurrage Charges	-	88,407,608
Loss on disposal of Assets	-	721,258,120
Miscellaneous expenses	532	450
	45,648,078	859,005,082
Payment to auditors:		
As auditors:		
Audit fees	100,000	115,000
Reimbursement of expenses		
	100,000	115,000

20. Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on Borrowing	29,272,190	29,128,457
Interest on Others	102,683,284	107,944,469
Bank charges	5,819	218,424
Other borrowing cost	-	-
	131,961,293	137,291,350



21 Components of Other Comprehensive Income (OCI)

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

Particulars	March 31, 2018	March 31, 2017
Foreign exchange translation differences	39,808,968	(35,857,215)
Total	39,808,968	(35,857,215)

22 Earnings per share

Basic and diluted earnings

Particulars	March 31, 2018	March 31, 2017
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the end of the year	62,694,000	62,694,000
Weighted average number of equity shares outstanding during the year	62,694,000	62,694,000
b) Net loss after tax available for equity share holders (Rs.)	(198,278,109)	(1,110,747,932)
c) Basic and diluted earnings per share (Rs.)	(3.16)	(17.72)
d) Nominal value of share (Rs.)	10	10

23 Hedging / unhedging activities

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

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

Particulars	Currency	March 31, 2018			March 31, 2017		
		Amount in foreign currency	Exchange rate	Amount	Amount in foreign currency	Exchange rate	Amount
Loans Taken	USD	8,333,333	65.17	543,083,311	8,333,333	64.85	540,416,645

24 Earnings in foreign currency (accrual basis)

Particulars	March 31, 2018	March 31, 2017
Contract Revenue	-	-

25 Segment Reporting

Business Segment:

The Company's business activity falls within a single business segment i.e. Hiring of Oil Rigs. Therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable.

Geographical Segment

The Company's operations are based in Africa only and the company does not operate in any other Country and hence there are no geographical segments.

26 Fair Value

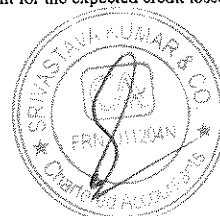
Set out below, is a comparison by class of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair value

Description	Carrying Value		Fair Value	
	Mar-18	Mar-17	Mar-18	Mar-17
Financial Assets				
Trade Receivables	314,030,346	291,705,007	235,924,315	254,097,752
Total	314,030,346	291,705,007	235,924,315	254,097,752

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

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

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



27 Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Companies assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018

Assets for which fair values are disclosed	Total	Fair value measurement using		
		Quoted price in active market	Significant observable inputs	Significant Unobservable inputs
As at March 31, 2018				
Trade Receivables	235,924,315			314,030,346
As at March 31, 2017				
Trade Receivables	254,097,752			291,705,007

28 Financial risk management objectives and policies

Exposure to credit, interest rate, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

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

Credit Risk

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

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

Trade receivable : Customer credit risk is managed with the Companies established policy, procedures and control relating to customer credit risk management, such as the outstands from customer receivables are regularly monitored. As at March 31, 2018 the Company has Nil numbers of customers having outstanding of Rs. 1 crore or more.

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

Market Risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rate. The Company's exposure to the risk of changes in market interest rates related primarily to the Companies long term debt obligation with floating interest rate. As on March 31, 2017 the Company does not have any bank borrowing at floating interest rate.

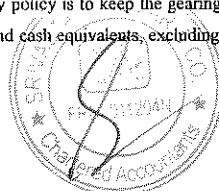
29 Capital Management

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

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

Particulars	Mar-18	Mar-17
Borrowings	916,087,914	910,842,914
Trade payables	59,533,296	58,237,851
Other Payables	1,555,511,724	1,419,959,482
Less:		
Cash and cash equivalents	(2,838,301)	(3,149,173)
Net Debts	2,528,294,634	2,385,891,074
Equity	(1,456,876,815)	(1,258,598,706)
Capital & net debts	1,071,417,818	1,127,292,368
Gearing Ratio	236%	212%

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



- 30 The company has defaulted in repayment of principal and interest amounting to Rs.54.30 crores (previous year Rs. 54.04 crores) and Rs.12.79 crores (Previous year Rs. 9.86 crores) respectively, as on March 31, 2018
- 31 In view of there not being any reasonable certainty, at the balance sheet date, of the realisation of unadjusted losses under the Income Tax Act 1961 against sufficient future taxable income, the deferred tax assets has not been recognized in the book of account.
- 32 As at March 31, 2018, though the Company's liabilities are in excess of its assets by Rs. 145.69 crores (previous year Rs. 125.86 crores) and also the net worth is eroded, but based on the future projections and fair valuation of the assets of the company, as carried out by an external agency, the management is confident of favourable turnaround of the current temporary phase and consequent recoupment of accumulated losses resulting in strengthened financial position of the Company.
- 33 **Related party disclosures**

Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not

Holding company Punj Lloyd Limited

Related parties with whom transactions have taken place during the year

Holding company Punj Lloyd Limited
Fellow subsidiaries PLN Construction Limited
Spectra Punj Lloyd Limited
Punj Lloyd Industries Limited

Key Managerial Personnel

Vikram Walia Director
Gurdeep Singh Director
Mohan Giri Goswami CFO

Independent Directors

Sandeep Kumar Director
Rahul Vashishtha Director

Related party transactions

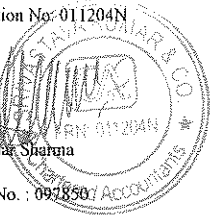

Particulars	Holding Company		Fellow Subsidiaries		Total	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
EXPENSES						
Rent						
Punj Lloyd Limited	-	-	-	-	-	-
Corporate Bank Guarantee Commission						
Punj Lloyd Limited	-	-	-	-	-	-
Branding Fees						
Punj Lloyd Limited	-	-	-	-	-	-
Interest						
Punj Lloyd Limited	20,149,200	20,162,316	-	-	20,149,200	20,162,316
PLN Construction Limited	-	-	33,935,791	33,916,935	33,935,791	33,916,935
Spectra Punj Lloyd Limited	-	-	47,982,293	47,479,034	47,982,293	47,479,034
Punj Lloyd Industries Limited	-	-	616,000	699,359	616,000	699,359
Balance outstanding as at end of the year						
Receivable/(payable)						
Punj Lloyd Limited	(436,453,803)	(414,878,774)	-	-	(436,453,803)	(414,878,774)
PLN Construction Limited	-	-	(556,808,232)	(526,266,020)	(556,808,232)	(526,266,020)
Spectra Punj Lloyd Limited	-	-	(690,550,341)	(642,121,277)	(690,550,341)	(642,121,277)
Punj Lloyd Industries Limited	-	-	(6,783,823)	(6,229,423)	(6,783,823)	(6,229,423)
Corporate Guarantees given by Holding Company	543,083,311	540,416,645	-	-	543,083,311	540,416,645



34 The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 outstanding as at March 31, 2018.

As per our report of even date.

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

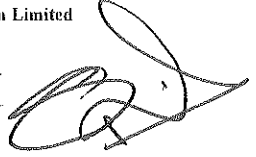




per Anil Kumar Sharma
Partner
Membership No. : 0928507



Chief Financial
Officer

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



Company
Secretary

Director
DIN - 01417609

Director
DIN - 07738410

Place: Gurgaon
Date: April 28, 2018