

Singhal Prusty & Associates

Chartered Accountants

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Independent Auditor's Report To the Members of Punj Lloyd Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

- 1) We have audited the accompanying Consolidated Financial Statements of Punj Lloyd Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising the consolidation balance sheet as at 31 March 2019, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date and notes to Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")
- 2) 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 and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("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 associates and joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date

Basis of Opinion

- 3) We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.
- 4) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements



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Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

- 5) The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Consolidated Financial Statements

- 6) The Holding Company's Board of Directors is responsible for the preparation and preparation of these Consolidated Financial Statements in terms of the requirements of 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 associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 7) The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.
- 8) In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 9) Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.



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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

- 10) Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements
- 11) As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated



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financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

- 12) We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 13) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143 (3) of the Act, we report that:

- (a) We / the other auditors whose report we have relied upon, 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 of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

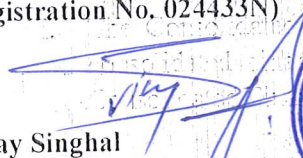
(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, associates and joint ventures, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



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- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate Report in "Annexure A" to this report:
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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, as amended, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
- The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its Consolidated Financial Statements;
 - Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended March 31, 2019

For Singhal Prusty & Associates
Chartered Accountants
(Registration No. 024433N)


Vinay Singhal
Partner
Membership No: 517499



Place: New Delhi
Date:

Singhal Prusty & Associates *Chartered Accountants*

“Annexure A” to the Independent Auditor’s Report of even Date on the Consolidated Financial Statements of Punj Lloyd Industries Limited

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

1. In conjunction with our audit of the consolidated financial statements of **Punj Lloyd Industries Limited** as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Punj Lloyd Industries Limited** (hereinafter referred to as the “Holding Company”) and its subsidiaries, its associates and joint ventures, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries, its associates and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note 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 the respective 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

3. Our responsibility is to express an opinion on the Holding Company, its subsidiaries, its associates and joint ventures, which are companies incorporated in India, internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls



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over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Control over Financial Reporting

6. A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

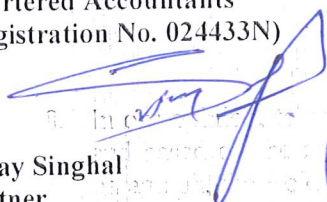
Opinion



Singhal Prusty & Associates *Chartered Accountants*

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiaries, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”.

For Singhal Prusty & Associates
Chartered Accountants
(Registration No. 024433N)


Vinay Singhal
Partner
Membership No.517499



Place: New Delhi
Date:

Punj Lloyd Industries Limited
Consolidated Balance Sheet as at March 31, 2019
(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non current assets			
Property, Plant and Equipment	3	6,23,50,502	5,65,88,517
Property, Plant and Equipment under development		-	20,93,636
Financial Assets			
Non current investments	4	-	4,74,32,000
Loans	8	1,00,000	1,00,000
Others	4		
Other assets		2,10,000	-
		6,26,60,502	10,62,14,153
Current assets			
Inventories		66,85,098	88,22,998
Other assets	5	3,11,68,931	81,26,970
Current tax assets (net)		9,14,769	7,58,865
Financial Assets			
Trade receivable	6	2,09,87,226	1,15,17,933
Cash and bank balances	7	4,44,02,455	2,07,35,996
Loans	8	5,000	8,45,000
Other financial assets	9	1,38,221	2,28,338
		-	-
		10,43,01,700	5,10,36,100
Total Assets		16,69,62,202	15,72,50,253
Equity and liabilities			
Equity			
Equity Share capital	10	11,50,02,000	11,50,02,000
Other Equity	11	(12,03,15,281)	(6,63,91,818)
Equity attributable to equity holders of the parent		(53,13,280)	4,86,10,182
Non-controlling interests		6,06,35,220	4,21,11,543
Total Equity		5,53,21,939	9,07,21,725
Financial Liabilities			
Short term borrowings	12	6,00,00,000	5,00,00,000
Trade payables		-	-
a) total outstanding dues of micro and small enterprises			
b) total outstanding dues other than (a) above		3,71,03,635	68,08,342
Other payables	12	1,30,43,397	88,89,761
Other current liabilities	13	8,96,620	6,56,193
Provisions	14	5,96,611	1,74,232
		11,16,40,263	6,65,28,528
Total Equity and Liabilities		16,69,62,202	15,72,50,253

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 Singhal Prushty & Associates
Chartered Accountants
Firm registration number : 024433N

Vinay Singhal
Partner
Membership number : 517499
Place : Gurgaon
Dated : 28-Jun-2019



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

Rahul Maheshwari

Rahul Maheshwari
Director
DIN : 07345645

Kavita Prasad
Comapany Secretary
M.No.A49498

D.K. Raghuvanshi
Director
DIN : 08355621

Anand Singh Sikarwar
Chief Financial Officer

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Punj Lloyd Industries Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations		21,64,58,485	1,17,74,140.13
Other income	15	30,60,354	17,47,111
Increase / (Decrease) in Stock - Wrok in progress		70,367	52,59,379.39
Total income		21,95,89,206	1,87,80,631
Expenses			
Material consumed and cost of goods sold		16,33,58,081	41,25,675.00
Employee benefit expenses	16	1,12,07,619	52,03,484
Other expenses	17	3,09,45,965	1,44,82,326
Depreciation and amortization expenses	3	50,39,830	54,97,197
Finance cost	18	64,14,859	41,67,904
Total expenses		21,69,66,354	3,34,76,586
Loss before tax		26,22,852	(1,46,95,955)
Share of profit / (Loss) of associates / joint ventures (net)		-	-
Loss before tax		26,22,852	(1,46,95,955)
Tax expense:			
Current tax		31,53,577	-
Earlier Year		-	-
Total tax expense		31,53,577	-
Profit for the Year		(5,30,725)	(1,46,95,955)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Net (Loss)/gain on FVTOCI Investments	18	(4,74,32,000)	(5,63,50,000)
Income tax effect		-	-
Total Other comprehensive income not to be reclassified to profit or loss in subsequent years		(4,74,32,000)	(5,63,50,000)
Total comprehensive income for the year		(4,79,62,725)	(7,10,45,955)
Profit for the year			
Attributable to:			
Equity holders of the parent		(64,91,462)	(1,02,39,309)
Non-Controlling interests		59,60,737	(44,56,645)
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		(5,39,23,462)	(6,65,89,309)
Non-Controlling interests		59,60,737	(44,56,645)
Earnings per equity share [nominal value per share Rs.10 (Previous year Rs.10)]	19		
Basic and diluted (in Rs.)		(0.05)	(1.28)
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of the financial statements	1-28		
This is the statement of profit and loss referred to in our report of even date.			

For Singhal Prushty & Associates
Chartered Accountants
Firm registration number : 024433N

Vinay Singhal
Partner
Membership number : 517499
Place : Gurgaon
Dated : 28-Jun-2019



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

Rahul Maheshwari

Rahul Maheshwari
Director
DIN : 07345645

Kavita Prasad
Comapany Secretary
M.No.A49498

D.K. Raghuvanshi
Director
DIN : 08355621

Anand Singh Sikarwar
Chief Financial Officer

Punj Lloyd Industries Limited

Consolidated Cash flow statement for the year ended March 31, 2019

(All amounts in INR, unless otherwise stated)

PARTICULARS	Notes	Year ended March 31, 2019	Year ended 31, 2018	March
A Cash flow from/ (used in) operating activities				
Profit before tax		26,22,852		(1,46,95,954)
Adjustment for:				
Provision for Expected credit loss		69,13,956		7,15,778
Depreciation		50,39,830		54,97,197
Interest expenses		54,38,356		41,02,740
Interest income		(5,37,704)		(17,47,111)
Operating profit before working capital changes		1,94,77,290		(61,27,350)
Movement in working capital:				
(Decrease)/ increase in trade payables		3,02,95,293		68,08,342
(Decrease)/ increase in other current liabilities		2,40,427		5,76,741
(Decrease)/ increase in other financial liabilities		(7,40,885)		43,33,848
(Increase) / decrease in Trade receivables		(94,69,292)		(1,15,17,933)
(Increase) / decrease in Current assets		(2,32,51,961)		2,98,66,185
(Increase) / decrease in Inventories		21,37,900		(88,22,998)
(Increase) / decrease in Other assets / Loans		(60,73,956)		(1,00,000)
(Increase) / decrease in Other financial assets		90,118		(4,007)
Cash generated from/ (used in) operations		1,27,04,933		1,50,12,827
Direct taxes paid (net of refunds)		(30,44,187)		(4,45,126)
Net cash flow from/ (used in) operating activities (A)		96,60,747		1,45,67,702
B Cash flow used in investing activities				
Purchase of property, plant & equipments (Including CIP and capital advances)		(87,08,178)		(5,82,99,652)
Interest received		6,94,786		10,27,326
Investments in bank deposits (having original maturity of more than three months)		(30,85,510)		41,90,000
Net cash flow from/ (used in) investing activities (B)		(1,10,98,902)		(5,30,82,324)
C Cash flow from financing activities				
Proceeds / (Repayment) from short term borrowings (net)		1,00,00,000		2,50,00,000
Equity contribution by minority partner		1,25,62,940		1,27,57,830
Interest paid		(5,43,835)		
		2,20,19,105		3,77,57,830
Net increase/decrease in cash and cash equivalents (A+B)		2,05,80,949		(7,56,794)
Cash and cash equivalents at the beginning of year		85,25,996		92,82,792
Cash and Cash equivalents at the end of year		2,91,06,945		85,25,996
Components of cash and cash equivalents				
Balances with banks:				
On current accounts		2,91,06,945		85,25,996
Total cash and cash equivalents (also refer note 7)		2,91,06,945		85,25,996

Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

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For Singhal Prushty & Associates

Chartered Accountants

Firm Registration number: 024433N

FRN 024433N

Vinay Singhal

Partner

Membership number: 517499

Place : Gurgaon

Dated : 28-Jun-2019

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

Rahul Maheshwari

Rahul Maheshwari

Director

DIN : 07345645

Kavita

Kavita Prasad

Company Secretary

M.No.A49498

D.K. Raghuvanshi

Director

DIN - 08355621

Anand Singh Sikarwar

Chief Financial Officer

Punj Lloyd Industries Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

Statement of change in equity

	Numbers	Amount
Authorized Share Capital		
At 31, March 2017	1,40,10,000	14,01,00,000
At 31, March 2018	1,40,10,000	14,01,00,000
a. Issued equity capital		
At 31, March 2017	1,15,00,200	11,50,02,000
At 31, March 2018	1,15,00,200	11,50,02,000

b. Other Equity

For the year ended March 31, 2018

Description	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained earning	Fair value through OCI for Non Trade Equity Investments	
As at April 01, 2017	10,500	(5,94,967)	7,81,960	1,97,492
Profit for the year		(1,02,39,309)		(1,02,39,309)
Fair value through OCI- Investments			(5,63,50,000)	(5,63,50,000)
Total	10,500	(1,08,34,278)	(5,55,68,040)	(6,63,91,818)
As at March 31, 2018	10,500	(1,08,34,278)	(5,55,68,040)	(6,63,91,818)

For the year ended March 31, 2019

Description	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained earning	Fair value through OCI for Non Trade Equity Investments	
As at March 31, 2018	10,500	(1,08,34,278)	(5,55,68,040)	(6,63,91,817)
Profit for the year		(64,91,463)		(64,91,463)
Fair value through OCI- Investments			(4,74,32,000)	(4,74,32,000)
Total	10,500	(1,73,25,741)	(10,30,00,040)	(12,03,15,280)
As at March 31, 2019	10,500	(1,73,25,741)	(10,30,00,040)	(12,03,15,280)

As per our report of even date.
For Singhal Prushty & Associates
Chartered Accountants
Firm registration number : 024433N
Vinay Singhal
Partner
Membership number : 517499
Place : Gurgaon
Dated : 28-Jun-2019

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

Rahul Maheshwari

Rahul Maheshwari
Director
DIN : 07345645

Kavita

Kavita Prasad
Company Secretary
M.No.A49498

D.K. Raghuvanshi
Director
DIN : 08355621

Anand Singh Sikarwar

Anand Singh Sikarwar
Chief Financial Officer

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

1. Corporate Information

The consolidated financial statements comprise financial statement of Punj Lloyd Industries Limited (the Company) and its subsidiary (collectively, the Group) for the year ended March 31, 2018. The Company is a public limited company domiciled in India and incorporated under the provision of the Companies Act applicable in India. The Company is a subsidiary of Punj Lloyd Limited and is primarily engaged in the business of Investments in Infrastructure Projects & activity of Engineering Construction.

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 07, 2018

2. Basis of preparation

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

The consolidated financial statements up to the year ended March 31, 2018 were prepared in accordance with the accounting standards notified under section 133 of the Act, read together with Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act, then applicable.

The consolidated financial statements have been prepared on a historical cost basis, except for the some of financial assets and financial liabilities which have been measured at fair value (Refer note "23" below.)

2.1 Summary of significant accounting policies

a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Punj Lloyd Industries 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 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.



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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 :

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 cumulative 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.

Business Combination and goodwill

Business Combination 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 amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expenses as incurred.

A. Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.



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The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Group has determine the appropriate valuation techniques an inputs for fair value measurements. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available, wherever market observable data is not available, the Group engages third party qualified valuers to perform the valuation.

B. Property, plant and equipments

Property, plant and equipment (PPE) includes PPE under development are stated at costs less accumulated depreciation and impairment losses, if any.

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

Depreciation

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

Asset Classification	Useful lives
Plant and machinate	3 - 20 years
Furniture fixtures and tools	3 - 20 years
Vehicles	2-20 years

An item of PPE 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 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 adjusted prospectively.

C. 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.



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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.

D. Inventories

Inventories are valued at lower of cost and net realizable value. Cost includes cost of purchase and other cost incurred in bringing the materials to their present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished Goods and work in progress:** cost includes cost of direct materials and labour and proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- 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.

E. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (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 assets or to the amortized cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses. Interest income is included in the finance income in the statement of profit and loss.

F. 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.

Financial instruments : Initial Recognition and measurements

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.



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1. Financial assets :

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.

- 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.

- De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

2. Financial liabilities

- Subsequent measurement

There are two measurement categories into which the Group classifies its financial liabilities.

Amortised cost: After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at FVTPL: Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires

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.

G. Fair value measurement

The fair value of a financial asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.



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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 financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Where fair value is based on quoted prices from active market.

Level 2 – Where fair value is based on significant direct or indirect observable market inputs.

Level 3 – Where fair value is based on one or more significant input that is not based on observable market data.

For financial assets and liabilities that are recognized in the financial statements on a recurring basis, the 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.

H. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in Shareholders' funds is recognised in Shareholders' funds and not in the statement of profit and loss.

Deferred tax is provided using the liability method on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is provable that taxable profit will be available against which the deduction temporary differences and the carry forward of unused tax credits and unused tax loss can be utilized.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It reduced to the extent that it is no longer probable that sufficient taxable profit will be available to all or part of deferred tax assets 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 assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

I. Employee Benefits

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 obligation in the balance sheet.

Other long-term employee benefit obligations



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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 services are accounted on actual basis.

Gratuity obligations : Liabilities for gratuity are provided for based on number of years of services that each of employees are completed on the end of each reporting period.

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.

J. 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.

K. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

L. Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) 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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

M. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

N. Contingent assets / 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 within 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.
- d) contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

O. Functional Currency

The consolidated financial statements are presented in Indian Rupee, which is also the functional currency of the Group.



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Punj Lloyd Industries Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2019
(All amounts in INR, unless otherwise stated)

3 Property, plant and equipments

	Plant & Machinery	Furniture and fixture	Tools	Total
Gross Block				
As at March 31, 2018	4,18,76,083	11,77,108	1,90,32,524	6,20,85,715
Addition during the year	94,75,676	8,57,033	4,69,105	1,08,01,814
As at March 31, 2019	5,13,51,759	20,34,141	1,95,01,629	7,28,87,529
Depreciation				
As at March 31, 2018	16,15,397	1,11,724	37,70,076	54,97,197
Charge for the period	34,29,383	2,09,960	14,00,487	50,39,830
As at March 31, 2019	50,44,780	3,21,684	51,70,563	1,05,37,027
Net Block				
As at March 31, 2019	4,63,06,979	17,12,457	1,43,31,066	6,23,50,502
As at March 31, 2018	4,02,60,686	10,65,384	1,52,62,448	5,65,88,518

4 Financial Assets : Non Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment at Fair value through OCI		
Unquoted equity instruments		
Punj Lloyd Aviation Limited (Fellow Subsidiary)	-	4,74,32,000
98,00,000 (Previous year 98,00,000) equity shares of Rs.10 each fully paid up		
Punj Lloyd Raksha Systems Private Limited (Subsidiary)	-	-
35,06,150 (Previous year 8,62,500) equity shares of Rs.10 each fully paid up		
Investment in others		
Kaefer Private Limited		
13,680 (Previous year 13,680) equity shares Of Rs.100 each fully paid up	-	-
(At cost less provision for other than temporary diminution in value		
Rs.5,000,040 (Previous year Rs.5,000,040)		
	-	4,74,32,000
a) Aggregate cost of Unquoted Investments	9,81,00,000	9,81,00,000

5 Others assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Long term	Short term	Long term	Short term
Security deposit	-	-	-	-
Prepaid Expenses		-		-
Advances to suppliers		1,86,06,062		17,27,434
Prepaid Expenses		-		-
Employee advances		1,41,855		-
MODVAT		1,16,11,014		28,96,322
GST Recoverable		8,10,000		35,03,214
	-	3,11,68,931	-	81,26,970



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6 Financial Assets : Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	2,09,87,226	1,15,17,933
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
	<u>2,09,87,226</u>	<u>1,15,17,933</u>

7 Financial Assets : Cash and bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
a. Cash and cash equivalents		
Balances with bank :		
On Current Account	2,91,06,945	85,25,996
	<u>2,91,06,945</u>	<u>85,25,996</u>
b. Other bank balances		
Deposits with original maturity of less than three months	-	-
Deposits with original maturity for more than 3 months but less than 12 months	1,52,95,510	1,22,10,000
	<u>1,52,95,510</u>	<u>1,22,10,000</u>
	<u>4,44,02,455</u>	<u>2,07,35,996</u>

8 Financial Assets : Loans

Particulars	Long term		Short term	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018
Security Deposits	1,00,000	1,00,000	5,000	5,000
Unsecured, considered good				
	<u>1,00,000</u>	<u>1,00,000</u>	<u>5,000</u>	<u>5,000</u>
Loans & advances to Related Parties	-	-	1,17,40,921	56,00,000
Unsecured, considered good				
Less ECL provision			(1,17,40,921)	(47,60,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,40,000</u>
	<u>1,00,000</u>	<u>1,00,000</u>	<u>5,000</u>	<u>8,45,000</u>

9 Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Interest receivable	13,22,044	14,79,126
Less ECL provision	11,83,823	12,50,788
	<u>1,38,221</u>	<u>2,28,338</u>



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10 Share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised shares		
14,010,000 (Mar-17 - 14,010,000) equity shares of Rs. 10 each	14,01,00,000	14,01,00,000
	<u>14,01,00,000</u>	<u>14,01,00,000</u>
Issued, subscribed and fully paid up shares		
11,500,200 (Mar-17 - 11,500,200) equity shares of Rs. 10 each	11,50,02,000	11,50,02,000
Share application money received	-	-
	<u>11,50,02,000</u>	<u>11,50,02,000</u>

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,15,00,200	11,50,02,000	1,15,00,200	11,50,02,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,15,00,200	11,50,02,000	1,15,00,200	11,50,02,000

(b) Terms and rights attached to equity shares

The parent 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 its holding company

Out of equity shares issued by the Company, shares held by its holding company and its nominees are as below:

	As at March 31, 2019	As at March 31, 2018
Punj Lloyd Limited, the holding company		
11,500,195 (Mar-16 - 11,500,195 and Mar-15 -11,500,200)		
equity shares of Rs. 10 each	11,50,02,000	11,50,02,000

(d) Detail of shareholders holding more than 5% of the equity share capital of the Company

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of holding	Nos.	% of holding
Punj Lloyd Limited	1,15,00,195	99.99%	1,15,00,195	99.99%

(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.

11 Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve	<u>10,500</u>	<u>10,500</u>
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statement	(1,08,34,278)	(5,94,967)
Adjustment for stake dilution in subsidiary	-	-
Profit for the year	(64,91,463)	(1,02,39,310)
	<u>(1,73,25,741)</u>	<u>(1,08,34,278)</u>
Other Comprehensive Income	<u>(10,30,00,040)</u>	<u>(5,55,68,041)</u>
Total	<u>(12,03,15,281)</u>	<u>(6,63,91,818)</u>



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12 Financial Liability : Other payables

Particulars	As at March 31, 2019	As at March 31, 2018
Short term borrowings from Related Parties	6,00,00,000	5,00,00,000
Payable to ultimate holding company	35,75,136	37,57,007
Salary and PF payables	1,66,205	7,25,219
Interest Payable	93,02,056	44,07,535
	<u>1,30,43,397</u>	<u>88,89,761</u>

13 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Tax deducted at source payable	8,96,620	6,56,193
	<u>8,96,620</u>	<u>6,56,193</u>

14 Provisions

Particulars	Non current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for retirement benefits			1,75,156	74,066
Provision for compensated benefits			4,21,455	1,00,166
Provision for current Tax (net of advance tax)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,96,611</u>	<u>1,74,232</u>

15 Other income

Particulars	As at March 31, 2019	As at March 31, 2018
Interest income on :		
- Bank deposits	5,37,704	11,31,111
- Others	-	6,16,000
Export duty drawback received	20,04,579	
Sale of Scrap	5,18,071	
	<u>30,60,354</u>	<u>17,47,111</u>

16 Employee benefit expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	1,02,84,682	47,88,467
Contribution to provident and other funds	3,62,839	2,35,474
Retirement benefits	1,01,090	74,066
Staff welfare expense	4,59,008	1,05,477
	<u>1,12,07,619</u>	<u>52,03,484</u>



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17 Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent Expenses	71,50,272	63,77,255
Factory & Site Expense	93,89,855	14,90,687
Freight and Forwarding expenses	12,98,178	3,85,445
Hire Charges	9,81,778	1,81,362
Repair and maintenance		
Building	-	39,500
Plant and equipments	-	3,000
Others	18,500	3,616
Business promotion	17,41,676	19,10,633
Payment to auditors	1,74,718	1,31,200
Consultancy and professional charges	6,40,467	85,369
Fees and Taxes	11,17,886	22,75,472
Office expenses	2,83,055	2,41,438
Provision for expected credit loss	69,13,956	7,15,778
Travelling and Conveyance expenses	12,35,625	6,41,570
	<u>3,09,45,965</u>	<u>1,44,82,326</u>

18 Finance cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest	54,36,356	41,02,740
Bank Charges	9,76,503	65,164
	<u>64,14,859</u>	<u>41,67,904</u>

19 Components of Other Comprehensive Income (OCI)

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

	Year ended March 31, 2019	Year ended March 31, 2018
Net (Loss)/gain on FVTOCI Equity Investments	(4,74,32,000)	(5,63,50,000)
Total	<u>(4,74,32,000)</u>	<u>(5,63,50,000)</u>

20 Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic and diluted earnings		
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the beginning of the year	1,15,00,200	1,15,00,200
Equity shares at the end of the year	1,15,00,200	1,15,00,200
Weighted average number of equity shares outstanding during the year	1,15,00,200	1,15,00,200
b) Net profit/(loss) after tax available for equity share holders (Rs.)	(5,30,725)	(1,46,95,954)
c) Basic and diluted earnings per share	-0.05	-1.28
d) Nominal value of share (Rs.)	10	10



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21 Segment Reporting

Business Segment:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company has identified the business segment as one reportable segment, i.e. manufacturing of small arms and its components.

The Company's is generating all of its revenues from one country i.e. Israel. hence further breakup of revenues from different countries is not required.

22 In accordance with the requirement of Ind AS 24 on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

A) List of related parties

Holding Company	Punj Lloyd Limited
Subsidiary Company	Punj Lloyd Raksha Systems Private Limited
Fellow Subsidiary Companies	Punj Lloyd Aviation Limited Punj Lloyd Upstream Limited Punj Lloyd Infrastructure Limited
Relatives of Key Managerial Personnel/ Enterprise over which Relative of Key Managerial Personnel have significant influence.	: Punj Business Centre

B) Transactions with the Related Parties

Particulars	Holding Company	Subsidiary/ Fellow Subsidiary/ Associates	Enterprise over which Relative of Key Managerial Personnel have significant
TRANSACTIONS DURING THE YEAR :			
INCOME			
Interest Earned (Gross)	-	-	-
Punj Lloyd Upstream Limited	(-)	(6,16,000)	(-)
EXPENSES			
Interest Paid(Gross)	-	54,38,356	-
Punj Lloyd Infrastructure Limited	(-)	(41,02,740)	(-)
YEAR END BALANCES			
LOANS & ADVANCES			
Punj Lloyd Upstream Limited			
Opening balance as on 01-04-2018	-	8,40,000	-
Add : Paid during the year	-	-	-
Less : ECL provision during the year	-	(8,40,000)	-
Less : Received back during the year	-	-	-
Closing balance as on 31-03-2019	-	-	-
SHORT TERM BORROWINGS			
Punj Lloyd Infrastructure Limited			
Opening balance as on 01-04-2018	-	2,50,00,000	-
Add : Received during the year	-	2,50,00,000	-
Less : Repaid during the year	-	-	-
Closing balance as on 31-03-2019	-	5,00,00,000	-



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SHORT TERM BORROWINGS			
Indtech Global System Pvt Limited			
Opening balance as on 01-04-2018			
Add : Received during the year	-	1,00,00,000	-
Less : Repaid during the year	-	-	-
Closing balance as on 31-03-2019	-	1,00,00,000	-
Payable to Punj Lloyd Limited			
	35,75,136	-	-
	(37,57,007)	(-)	(-)
INVESTMENTS AT COST			
Punj Lloyd Aviation Limited			
	-	9,80,00,000	-
	(-)	(9,80,00,000)	(-)
SECURITY DEPOSITS			
Punj Business Centre			
	-	-	5,000
	(-)	(-)	(5,000)
INTEREST RECEIVABLE			
Punj Lloyd Upstream limited			
	-	-	-
	(-)	(2,28,338)	(-)

* Previous Year figures are indicated in (Brackets)



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23 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-19	Mar-18	Mar-19	Mar-18
Financial Assets				
Fair value through OCI Financial Investments	-	4,74,32,000		4,74,32,000
Total	-	4,74,32,000	-	4,74,32,000

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 are 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.

The fair value of unquoted equity shares in have been estimated using book value model.

24 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, 2019

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, 2019				
Non Current Investments - Unquoted	-			-
As at March 31, 2018				
Non Current Investments - Unquoted	4,74,32,000			4,74,32,000

25 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 or 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 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 Company, 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.

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 non current investments.

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, 2018 the Company does not have any bank borrowing at floating interest rate.



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26 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.

	Mar-19	Mar-18
Borrowings	6,00,00,000	5,00,00,000
Trade payables	-	-
Other Payables	8,96,620	6,56,193
Less:		
Cash and cash equivalents	(4,44,02,455)	(2,07,35,996)
Net Debts	1,64,94,165	2,99,20,197
Equity	(53,13,280)	4,86,10,182
Capital & net debts	1,11,80,885	7,85,30,379
Gearing Ratio	148%	0%

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 20% and 40%. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

27 Custom duty saved on import of total Capital goods under EPCG Scheme is Rs.Nil (previous year Rs 11,154,179). Total export obligation outstanding under the EPCG Scheme was Rs.Nil (previous year Rs.55,634,407/-)

28 Pursuant to an order dated March 08, 2019 of the National Company Law Tribunal (NCLT), Principal Bench, New Delhi, India, Corporate Insolvency Resolution Process (CIRP) has been initiated for Punj Lloyd Limited (The Holding Company) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). An Interim Resolution Professional (IRP) has been appointed for carrying out the CIRP of Punj Lloyd Limited. Upon initiation of CIRP, the powers of the Board of Directors of Punj Lloyd Limited has been suspended and shall be exercised by the IRP.

29 Recent accounting standards (Ind AS)

A) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

b) Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.



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- c) Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

- d) Ind AS 116 - : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
 - Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.
- Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

As per our report of even date.

For Singhal Prushty & Associates
Chartered Accountants
Firm registration number : 024433N
FRN
024433N
Vinay Singhal
Partner
Membership number : 517499
Place : Gurgaon
Dated : 25-Jun-2019

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

Rahul Maheshwari

Rahul Maheshwari
Director
DIN : 07345645

Kavita

Kavita Prasad
Company Secretary
M.No.A49498

D.K. Raghuwanshi
Director
DIN : 08355621

Anand Singh Sikarwar

Anand Singh Sikarwar
Chief Financial Officer