

SRIVASTAVA KUMAR & CO.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Punj Lloyd Limited

We have been approached by the management of Punj Lloyd Limited ("the Parent Company") to perform audit of the financial statements of Punj Lloyd International Limited ("the Company"), incorporated in British Virgin Islands and wholly owned subsidiary of Punj Lloyd Limited, solely to enable the Parent Company to prepare its consolidated financial statements, as per the generally accepted accounting principles in India.

Report on the Financial Statements

We have audited the accompanying financial statements of Punj Lloyd International Limited, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements in accordance with accounting policies of the Parent Company and the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under Section 133 of the Indian Companies Act, 2013 ("the Act"), read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Act.

The Company's Board of Directors is responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

The financial statements and our report thereon is intended solely for internal management purposes and to assist in the audit of the consolidated financial statements of the Parent Company as at and for the year ended March 31, 2018. Accordingly, these should not be used by or distributed to any other parties.

for Srivastava Kumar & Co.

Chartered Accountants

Firm Registration No: 011204N



per Anil Kumar Sharma
Partner

Membership No. 097850



Place: Gurugram

Date: April 24, 2018

Punj Lloyd International Limited
Standalone balance sheet as at March 31, 2018
(All amounts in US\$, unless otherwise stated)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Current assets			
Financial assets			
Other advances	3	1,307,877	1,687,431
		<u>1,307,877</u>	<u>1,687,431</u>
		<u>1,307,877</u>	<u>1,687,431</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	100,000	100,000
Other equity		(422,403)	(40,390)
		<u>(322,403)</u>	<u>59,610</u>
Current liabilities			
Financial liabilities			
Other liabilities	5	1,630,280	1,627,821
		<u>1,630,280</u>	<u>1,627,821</u>
		<u>1,307,877</u>	<u>1,687,431</u>
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 number: 011204N



per **Anil Kumar Sharma**

Partner

Membership Number. : 097850



For and on behalf of the Board of Directors of

Punj Lloyd International Limited


Atul Punj
Director

Place: Gurugram

Date: April 24, 2018

Punj Lloyd International Limited**Standalone statement of profit and loss for the year ended March 31, 2018**

(All amounts in US\$, unless otherwise stated)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Expenses			
Other expenses	6	381,962	2,324
		<u>381,962</u>	<u>2,324</u>
Earning before interest (finance costs), tax, depreciation and amortization (EBITDA)		(381,962)	(2,324)
Finance costs	7	51	84,028
Loss for the year		(382,013)	(86,352)
Total comprehensive loss for the year		(382,013)	(86,352)
Earnings per equity share [nominal value per share US\$ 1 each (Previous year US\$ 1)]	8		
Basic and Diluted (in US\$)		(3.82)	(0.86)
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 number: 011204N


per **Anil Kumar Sharma**

Partner

Membership Number. : 097850



For and on behalf of the Board of Directors of

Punj Lloyd International Limited

Atul Punj
Director

Place: Gurugram

Date: April 24, 2018

Punj Lloyd International Limited

Cash flow statement for the year ended March 31, 2018

(All amounts in US\$, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Loss before tax	(382,013)	(86,352)
Operating loss before working capital changes	(382,013)	(86,352)
Changes in working capital:		
Increase in other liabilities	382,013	86,352
Cash used in operations	-	-
Direct taxes paid (net of refunds)	-	-
Net cash flow used in operating activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year (also refer note 3)	-	-

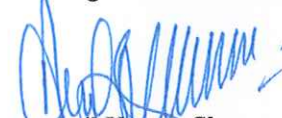
The accompanying notes form an integral part of the financial statements

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

For **Srivastava Kumar & Co.**

Chartered Accountants

Firm registration number: 011204N


per **Anil Kumar Sharma**
Partner

Membership Number. : 097850



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


Atul Punj
Director

Place: Gurugram

Date: April 24, 2018

Statement of changes in equity for the year ended March 31, 2018

Description	Equity Share Capital	Other Equity	Total Equity
		Reserves and Surplus	
		Retained earnings	
As at March 31, 2016	100,000	45,962	145,962
Loss for the year	-	(86,352)	(86,352)
As at March 31, 2017	100,000	(40,390)	59,610
Loss for the year	-	(382,013)	(382,013)
As at March 31, 2018	100,000	(422,403)	(322,403)



1. Corporate Information

Punj Lloyd International Limited (the Company) is a public limited company domiciled and incorporated in British Virgin Islands. The Company is engaged in the business of investing in companies involved in the pipe equipment and services in the oil industry. The company is a subsidiary of Punj Lloyd Limited, a company incorporated and listed in India.

These financial statements are approved for issue by the Company's Board of Directors on April 24, 2018.

2. Basis of preparation

These financial statements of the Company have been prepared to facilitate the holding company, Punj Lloyd Limited, to include these in latter's consolidated financial statements in accordance with generally accepted accounting principles in India for the financial year ended March 31, 2018.

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

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

The financial statements have been prepared on a accrual basis and under historical cost convention, except for the assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of 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.

Fair value measurements and valuation process

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



b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

c. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All regular way purchases or sale of financial assets are recognised and derecognised on trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in marketplace.

1. Financial instruments: Initial Reorganization

All the financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial assets. Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date, i.e., the date that the company commits to purchase or sell the assets.

2. Financial instruments: Subsequent measurement

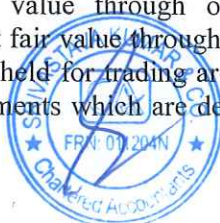
For the purpose of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost: Debt instrument is measured at amortised cost when, the assets is held within a business model whose objectives is to hold assets for collecting contractual cash flows and, contractual terms of the asset give raise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using effective interest rate method (EIR).

ii. Debt instruments at fair value through other comprehensive income (FVOCI): Debt instrument is classified at FVTOCI when, the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and, the assets contractual cash flow represent solely payment of principal and interest. Initially these are measured at fair value and subsequently at each reporting date the movement of fair value is recognized at the other comprehensive income (OCI). On derecognition of these assets, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned during the holding period of these instruments is reported as interest income using the EIR method.

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL): Any instrument which does not meet the criteria for categorization as at amortized cost or as FVTOCI are classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI): All investments are measured at fair value through other comprehensive income (FVOCI), except for investments which are held for trading are classified as at FVTPL. All subsequent fair value changes on the investments which are designated (FVOCI), excluding dividends, are recognized in the OCI.



3. Financial instruments: Derecognition

A financial asset is derecognised when the control or right to receive cash flows from the asset is expired / transferred.

4. Impairment of financial assets

i. Trade receivables and advances (other than from Group Companies):

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables and advances (other than from Group Companies).

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses separate provision matrices to determine impairment loss allowance on portfolio of its trade receivables and advances (other than Group Companies).

Provision matrix for trade receivables (other than Group Companies):

The Company estimates the ECL on contractually due trade receivables for completed projects, based on following provision matrix, on a cumulative basis. The company does not evaluate trade receivables for impairment on its on-going projects.

Past due period	Rate of provision
Upto 3 years	0%
Upto 4 years	10%
Upto 5 years	35%
Upto 6 years	65%
Beyond 6 years	100%

The above matrix is based on historically observed default rates over their expected life and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed and incorporated.

Other Criteria

(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses.

(ii) The trade receivables against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.

Provision matrix for (non-trade) advances (other than Group Companies):

Past due period	Rate of provision
Upto 5 years	0%
Upto 6 years	20%
Upto 7 years	50%
Beyond 7 years	100%

The above matrix is based on historically observed default rates and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated.



Other Criteria

(i) Wherever the matter and realization thereof is under dispute/ litigation/ arbitration, the same is evaluated separately and ECL is estimated as the matter progresses.

(ii) The advances against which an ECL provision is triggered as per above matrix, are also assessed for other developments, if any.

ii. Trade receivables and advances (from Group Companies):

Trade receivables and advance from group companies are assessed in conjunction with fair valuation of Company's investment therein. Where, futuristic intent or fair valuation cast a doubt on recoverability of the amounts receivables, the same are provided for in the statement of profit and loss.

iii. Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company first determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Accounting and presentation of ECL:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

i. Financial liabilities measured at fair value through profit or loss: All financial liabilities which are held for trading are measured at fair value through profit and loss. All derivative financial instruments entered into by the Company that are not designated as hedge instrument are also measured at fair value through profit or loss.

ii. Loans and borrowings: All interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.



iii. Financial Guarantee contracts: All financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment and the amount recognised less cumulative amortisation.

All financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires.

d. Income taxes

The Company is an international business company registered in the British Virgin Islands. It is required to pay only a flat license fee per annum, which is included in other expenses.

e. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocable to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

f. Earnings per Share

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

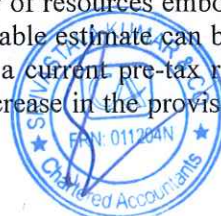
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

g. 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.

h. Provisions

Provision 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. Provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounted the increase in the provision due to the passage of time is recognized as finance cost.



i. Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) present obligation, where a reliable estimate cannot be made.

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

j. Functional Currency

The financial statements are presented in US\$, which is also the functional currency of the Company.



Punj Lloyd International Limited**Notes to standalone financial statements for the year ended March 31, 2018**

(All amounts in US\$, unless otherwise stated)

3. Other advances

	As at March 31, 2018	As at March 31, 2017
Loans and advances to related parties	1,307,877	1,687,431
	1,307,877	1,687,431

4. Equity share capital

	As at March 31, 2018	As at March 31, 2017
Authorized shares		
250,000 (Previous year: 250,000) equity shares of US\$ 1 each	250,000	250,000
Issued, subscribed and fully paid-up shares		
100,000 (Previous year: 100,000) equity shares of US\$ 1 each	100,000	100,000
	100,000	100,000

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

	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	100,000	100,000	100,000	100,000
Outstanding at the end of the year	100,000	100,000	100,000	100,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of US\$ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in US\$. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

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

	As at March 31, 2018	As at March 31, 2017
Punj Lloyd Limited, the holding company	100,000	100,000
100,000 (Previous year: 100,000) equity shares of US\$ 1 each		

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

	As at March 31, 2018		As at March 31, 2017	
	Nos.	% holding in the class	Nos.	% holding in the class
Punj Lloyd Limited	100,000	100%	100,000	100%

Punj Lloyd International Limited**Notes to standalone financial statements for the year ended March 31, 2018**

(All amounts in US\$, unless otherwise stated)

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

5. Other liabilities

	As at March 31, 2018	As at March 31, 2017
Dues to related parties	1,630,280	1,627,821
	<u>1,630,280</u>	<u>1,627,821</u>

6. Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Consultancy and professional	2,407	2,324
Bad and doubtful debts	379,554	
	<u>381,962</u>	<u>2,324</u>

7. Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest charges		84,000
Bank charges	51	28
	<u>51</u>	<u>84,028</u>



Punj Lloyd International Limited

Notes to standalone financial statements for the year ended March 31, 2018

(All amounts in US\$, unless otherwise stated)

8. Earnings per share (EPS)

Particulars	March 31, 2018	March 31, 2017
Net loss after tax	(382,013)	(86,352))
Weighted average number of equity shares for Basic and Diluted EPS	100,000	100,000
Earnings per share - Basic and Diluted	(3.82)	(0.86)
Nominal value per equity shares	10	10

9. Segment Information**Business Segment:**

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

Geographical Segment:

The Company operates only within British Virgin Islands; hence there are no reportable geographical segments.

10. Related Parties

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Holding Company

Punj Lloyd Limited
Punj Lloyd Limited, Abu Dhabi branch

Fellow Subsidiaries

PT Punj Lloyd Indonesia
PL Engineering Limited
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.
Punj Lloyd Pte Limited
Punj Lloyd Infrastructure Pte Limited

Joint Venture of Holding Company

Punj Lloyd Group JV – Thailand

Key Managerial Personnel

Mr. Atul Punj - Director



Punj Lloyd International Limited

Notes to standalone financial statements for the year ended March 31, 2018

(All amounts in US\$, unless otherwise stated)

Related party transactions

The following table provides the total amount of transactions that have been entered with related parties for the relevant financial year.

	March 31, 2018	March 31, 2017
EXPENSES		
Interest expense		
Punj Lloyd Limited		84,000
Balances outstanding as at the end of the year		
Receivable/ (payable)		
Punj Lloyd Limited	(1,144,634)	(1,144,634)
Punj Lloyd Limited – Abu Dhabi branch	557,877	557,877
PT Punj Lloyd Indonesia	-	379,554
PL Engineering Limited	250,000	250,000
Punj Lloyd Group JV – Thailand	250,000	250,000
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	250,000	250,000
Punj Lloyd Pte Limited	(478,752)	(478,752)
Punj Lloyd Infrastructure Pte Limited	(6,895)	(4,435)

11. Fair Value

The management assessed that cash and cash equivalents and trade payables approximate to 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.

12. 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 not exposed to credit risk as the commercial operation has not been commenced.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, 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.



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.

13. 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 maximize 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.

	Mar 31, 2018	Mar 31, 2017
Other Payables	1,630,280	1,627,821
Less:		
Loans and advances	(1,307,877)	(1,687,431)
Net Debts	(322,403)	(59,610)
Equity attributable to the owners	(322,403)	59,610
Capital & net debts	-	-
Gearing Ratio	N. M.	N.M.

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 gearing ratio of the Company is not measurable.



Punj Lloyd International Limited

Notes to standalone financial statements for the year ended March 31, 2018

(All amounts in US\$, unless otherwise stated)

14. There are no contingent liabilities and capital commitments as at March 31, 2018.
15. There are no employees on the rolls of the company, hence no provision, for employees benefit in terms of Ind AS 19, is required to be made.
16. Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For Srivastava Kumar & Co.

Chartered Accountants

Firm registration number: 011204N


per **Anil Kumar Sharma**
Partner

Membership Number. : 097850

Place: Gurgaon

Date: April 24, 2018

For and on behalf of the Board of Directors of

Punj Lloyd International Limited


Atul Punj
Director