Punj Lloyd

Annual Report 2011 2012

PUNJ LLOYD'S PIPELAY BARGE, KUBER AT WORK ON THE OFFSHORE PLATFORM PROJECT FOR PERTAMINA, INDONESIA


Punj Lloyd Limited

Chairman's Message

From the third quarter of FY2012, we started to get back to profitability. Thanks to strong performance in the second half of the year, Punj Lloyd has posted better consolidated and standalone results for the year.

Dear Shareholder,

You would recollect, last year was a very difficult one for your Company. Income from operations was down; so too were operational earnings before interest, taxes, depreciation and amortization (EBITDA); and profits after tax were in red.

Given the difficult economic situation in India and most global markets, many analysts felt that your Company would continue doing badly in 2011-12 (FY2012). I believed differently. You may recall that I wrote in my letter to you last year:

"Today, seeing the growth in key orders, I am convinced that your Company has turned the corner. To be sure, the journey may be difficult over the next couple of years… I have full faith in our business model and your Company's team to deliver the promise."

I am proud to say that your Company's dedicated team has proven me right. From the third quarter of FY2012, we started to get back to profitability. Thanks to strong performance in the second half of the year, Punj Lloyd has posted better consolidated and standalone results for the year.

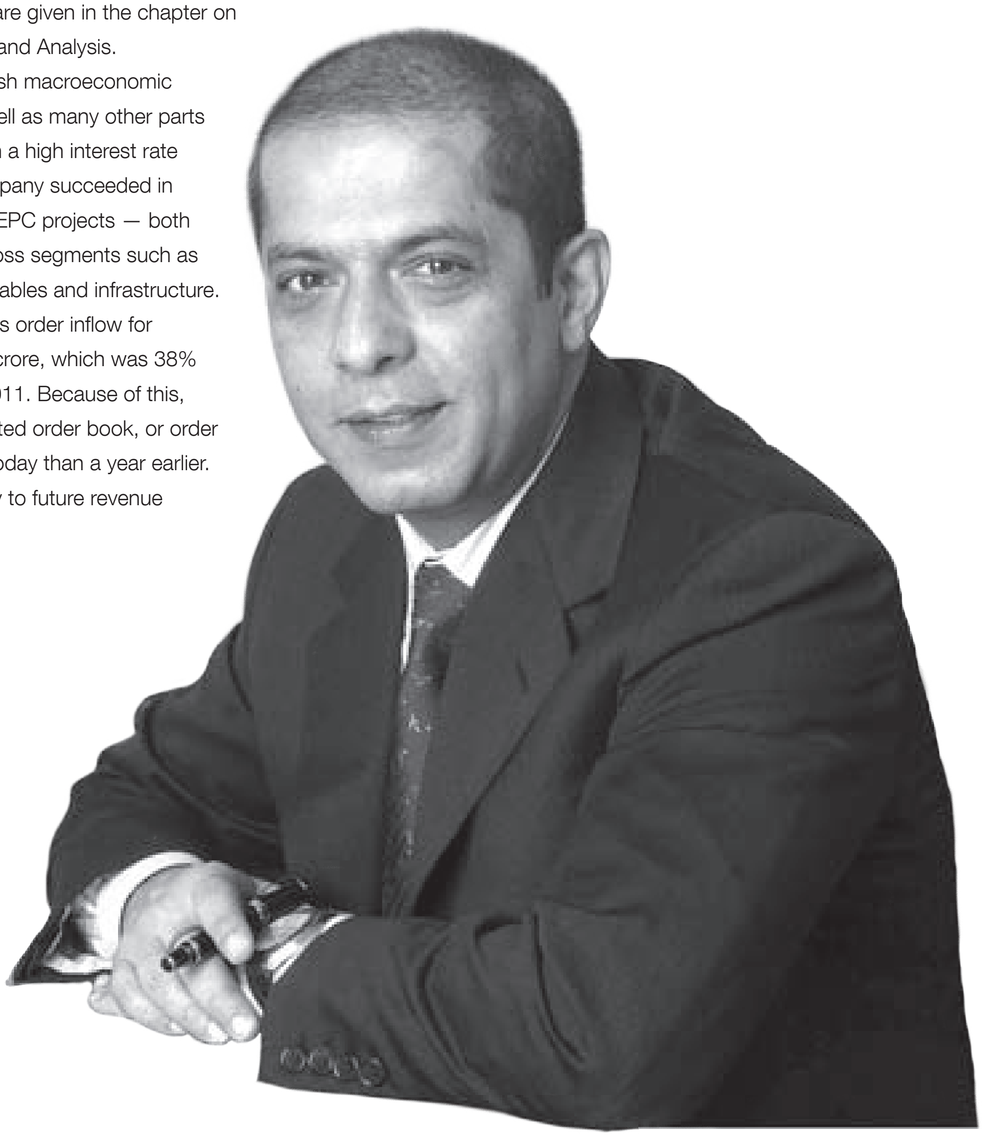
VILLAS AT THE RESORTS WORLD SENTOSA, SINGAPORE

Here are some key figures:

- Consolidated operating income in FY2012 stands at Rs. 10,557 crore — up 30% from Rs. 8,139 crore in the previous year.
- EBIDTA for FY2012 is Rs. 1,124 crore — a 50% jump over Rs. 749 crore a year ago.
- Profit before tax (PBT) is Rs. 193 crore, versus Rs. 16 crore in FY2011.
- Profit after tax (PAT) is at Rs. 92 crore, compared to loss of Rs. 60 crore a year earlier.
- Basic earning per share (EPS) for FY2012 is at Rs. 2.77 — a far cry from (-) Rs. 1.79 a year ago.

How have we turned around? Let me touch upon a few points. The details are given in the chapter on Management Discussion and Analysis.

First, despite a sluggish macroeconomic environment in India as well as many other parts of the world, coupled with a high interest rate regime in India, your Company succeeded in winning some high value EPC projects — both in India and overseas across segments such as oil and gas, power, renewables and infrastructure. Consequently, Punj Lloyd's order inflow for FY2012 was Rs. 13,817 crore, which was 38% higher than it was in FY2011. Because of this, your Company's unexecuted order book, or order backlog, is much better today than a year earlier. That gives greater stability to future revenue flows and operations.



Here are illustrative examples of key orders we won during FY2012.

GLOBAL

- **Qatar** - Won the EPC of manufacturing high-purity solar grade poly-silicon from Qatar Solar Technologies for Phase 1 of the country's first poly-silicon plant.
- **Abu Dhabi** - Won a contract worth Rs. 997 crore from the Abu Dhabi Company for Onshore Oil Operations (ADCO).
- **Dubai** - Won a contract from the Emirates National Oil Company (ENOC) worth Rs. 623 crore to set up the Falcon jet-fuel pipeline and bulk terminal facilities.
- **Kenya** - Bagged a road contract worth Rs. 285 crore in Kenya, in a joint venture with Intex Construction Limited.

HYDERABAD VIJAYAWADA ROAD PROJECT, INDIA

INDIA

- **Thermal power** - Won a project worth Rs. 1,195 crore from Haldia Energy Limited, a wholly-owned subsidiary of Calcutta Electric Supply Company to boost the power supply in Kolkata and its suburbs.
- **Thermal power** - Won a civil contract valued at Rs. 210 crore from NTPC Ltd.
- **Nuclear power** - Won a contract worth Rs. 678 crore from the Nuclear Power Corporation of India Ltd.
- **Oil and gas** - Secured a submarine pipeline project worth Rs. 825 crore from the Gujarat State Petroleum Corporation in an exploration block on the eastern coast of India.
- **Oil and gas** - Won an offshore contract worth Rs. 469 crore from ONGC for Bombay High.
- **Oil and gas** - Won a contract worth Rs. 330 crore awarded by the Indian Strategic Petroleum Reserves Limited to build process facilities for a crude oil storage cavern. This is the first cavern project of your Company.
- **Transportation–highways** - Bagged a contract from GMR worth Rs. 1,050 crore for the design, engineering, procurement and construction of the six-lane Chittorgarh-Udaipur bypass in Rajasthan, over a length of 124 km.
- **Transportation–railways** - In a first for your Company, we won a railway siding contract worth Rs. 114 crore, in Sonebhadra, UP.
- **Housing** - Won a contract for Rs. 1,300 crore from Delhi Police for developing its Police Residential Complex and Commercial infratructure.
- **Housing** - Won a tender from Kolkata West International City to construct 194 villas in a satellite township in West Bengal.

Here, I need to emphasise the growing role of Punj Lloyd Infrastructure Limited (PLIL) in your Company's growth. PLIL was incorporated as a project development company for energy and infrastructure projects including those based on Public Private Partnership (PPP) in India and abroad. It creates value for the Group by leveraging its expertise in constructing energy and infrastructure projects.


DELAYED COKER UNIT AT IOC'S VADODARA REFINERY, INDIA

PLIL bagged its first project to develop 5 MW solar PV plant in Rajasthan in 2010 at Rs. 75 crore. Subsequently, it has expanded its portfolio by winning a road project in Bihar on PPP (annuity) basis whose project cost is estimated at Rs. 735 crore; and the prestigious social infrastructure project for Delhi Police mentioned earlier at Rs. 1,300 crore.

Second, we have been very focused on controlling personnel costs and improving operational efficiencies across all our activities. The markets have become very competitive across all infrastructure sectors, with many players – some without the necessary technical prowess – bidding very low just to get the contracts. In such an environment, one has to be extremely efficient with men, material, capital deployment, project execution and claims settlement to generate a reasonable profit margin.

Your Company's ratio of EBITDA to consolidated income of 10.4% in FY2012, which represents an increase of 120 basis points over the previous year, has much to do with these initiatives. Having said so, we need to perform even better in 'tightening our middle'.

Third, we are seeing new geographies opening up. Although it is too early to make definitive claims about your Company's successes in new global markets and their benefits on corporate top-line and profits, it is a fact that new opportunities have begun to show themselves.

Mentioned earlier was Punj Lloyd's winning the road contract in Kenya. This is a first in sub-Saharan Africa – a region that has many infrastructure opportunities. I am hopeful that we will participate in many more such projects in the near future, not just in new countries in Africa, but also in South East Asia.

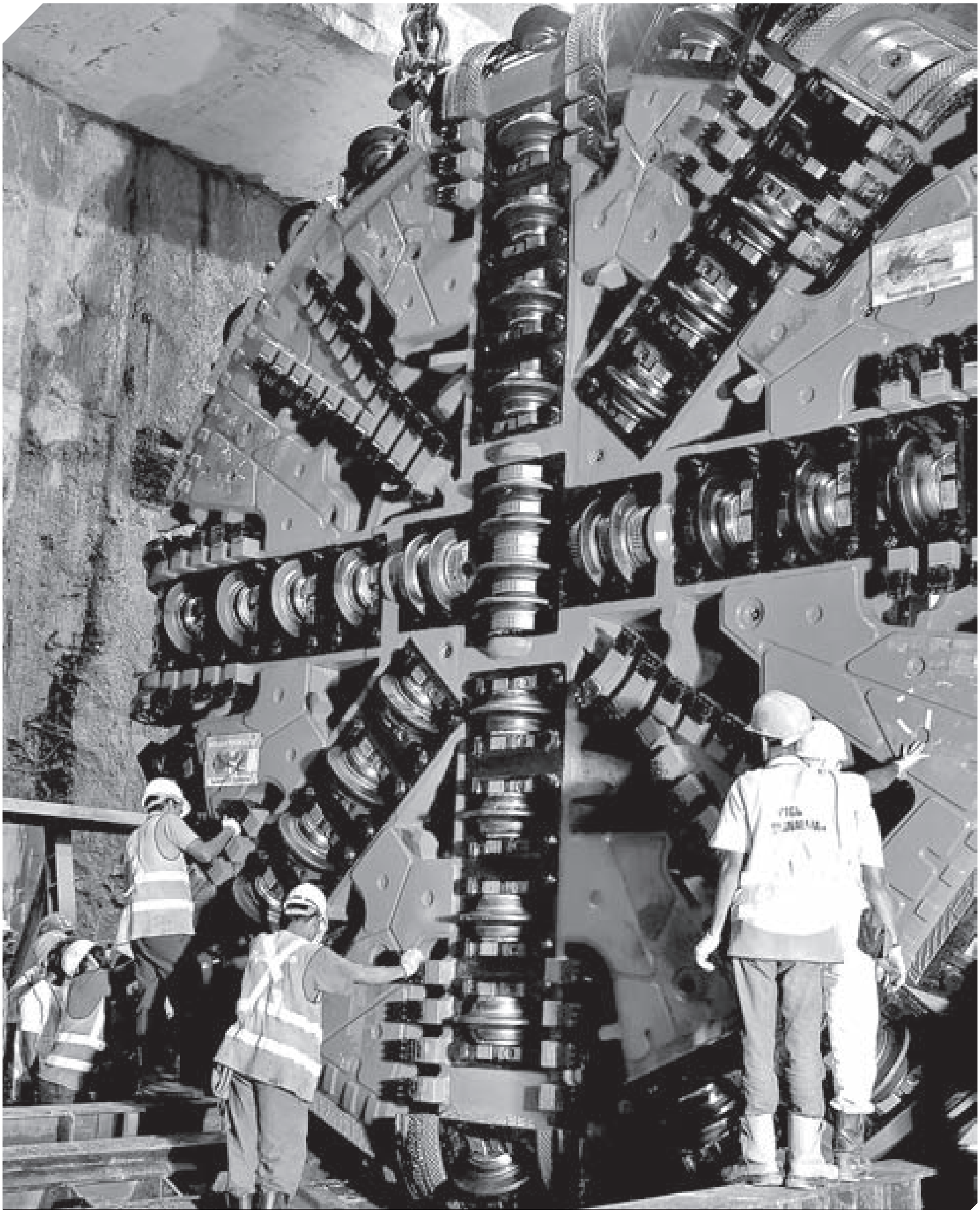
Fourth, we have achieved success in social infrastructure and renewable opportunities in India. Your Company has successfully completed several solar projects across India — specifically, it has developed a 5MW solar power project in Rajasthan, which is satisfactorily producing electricity, the solar powered water treatment projects across Bihar and some prestigious solar power contracts awarded by the Punjab Energy Development Agency. Going forward, I expect your Company to have a significantly greater footprint in these areas.

So, we have turned the corner and are back to profits. However, these are difficult times, and your Company will have to strive even harder to do well in FY2013 and the year after. I am confident of Punj Lloyd's capabilities, and the dedication as well as technical strengths of its employees across all its businesses. I am, therefore, optimistic of the future, but cautiously so.

My thanks to all our employees, sub-contractors and other stakeholders for their support throughout the year. And to you for yours as a shareholder.

Best regards

Atul Punj
Chairman



GIGANTIC TUNNEL BORING MACHINE AT THE CONSTRUCTION OF STATIONS FOR DOWNTOWN LINE 2, SINGAPORE

HEAVY LIFTING OF COKE DRUM AT MANGALORE REFINERY, INDIA

Corporate Information

S N P Punj	Chairman (Emeritus)

BOARD OF DIRECTORS

Atul Punj	Chairman
Naresh Kumar Trehan	Director
Sanjay Bhatnagar	Director
Niten Malhan	Director
Phiroz Vandrevala	Director
Ekaterina Sharashidze	Director
Luv Chhabra	Director (Corporate Affairs)
P K Gupta	Whole Time Director

AUDIT COMMITTEE

Naresh Kumar Trehan	Independent Director (Chairman of the Committee)
Sanjay Bhatnagar	Independent Director
Niten Malhan	Non Executive Director
Phiroz Vandrevala	Independent Director

INVESTORS' GRIEVANCE COMMITTEE

Naresh Kumar Trehan	Independent Director
Atul Punj	Executive Director
Luv Chhabra	Executive Director

REMUNERATION COMMITTEE

Naresh Kumar Trehan	Independent Director
Sanjay Bhatnagar	Independent Director
Niten Malhan	Non Executive Director
Phiroz Vandrevala	Independent Director

GROUP PRESIDENT- LEGAL & COMPANY SECRETARY

Dinesh Thairani

AUDITORS

S R Batliboi & Co.	Chartered Accountants

REGISTRAR

Karvy Computershare Pvt Ltd
Plot No 17 – 24, Vittalrao Nagar, Madhapur,
Hyderabad- 500 081
T + 91 040-4465-5000
F + 91 040-2342-0814

BANKERS

- AXIS Bank
- Arab Bank plc, Bahrain
- Andhra Bank
- Bank of Baroda
- Bank Muscat saog, Oman
- Bank of India
- Barwa Bank
- BNP Paribas, Abu Dhabi
- Canara Bank
- Central Bank of India
- DBS Bank Limited
- Doha Bank, Qatar
- Export - Import Bank of India
- Federal Bank
- First Gulf Bank, Abu Dhabi
- HDFC Bank Ltd.
- ICICI Bank Limited
- IDBI Bank Limited
- Indian Bank
- International Finance Corporation, Washington DC
- Indian Overseas Bank
- IndusInd Bank
- Jammu & Kashmir Bank Limited
- Karur Vysya Bank
- Life Insurance Corporation of India
- Mashreq Bank psc, Dubai
- Oriental Bank of Commerce
- Standard Chartered Bank
- State Bank of India
- State Bank of Bikaner and Jaipur
- State Bank of Hyderabad
- State Bank of Patiala
- UCO Bank
- Union National Bank, Abu Dhabi
- United Bank of India
- Yes Bank Limited

Highlights

A QUICK GLIMPSE OF OUR EXECUTED PROJECTS

BUILDING INFRASTRUCTURE FOR THE WORLD

The pride of working on national infrastructure projects and facilitating mass transport is phenomenal. Punj Lloyd was the first contractor to complete two main stations under Reach 1 of the Bangalore Metro Rail project and hand over the same to the client. The first stretch of metro was launched in October 2011, providing the busy city commuters rapid connectivity, convenience, affordability, frequency, reliability and safety. Simultaneously, on its work in Reach 3, Punj Lloyd has received the Safety Award for 3 million manhours without loss time acccident.

One of the highlights for Sembawang Engineers and Constructors this financial year was the completion of Contract 856, the fifth stage of the Circle Line (CCL), a mass rapid transit line in Singapore. The project comprised the construction of MRT stations Haw Par Villa, Pasir Panjang, Labrador Park and Telok Blangah Stations, and HarbourFront Station fit-out work, 3.7 km twin bored tunnels, six cross passages and three overhead bridges.

The Circle Line is a significant part of Singapore's growing rail system. Fully underground, it forms an orbital line that links all radial lines to the city, enhancing connectivity and providing essential connections. As all the lines cross through some of the busiest roads in Singapore, its stations are located underground, freeing up land for other developments.

Highways - Punj Lloyd was the first among all contractors to complete AS 16, the 24.03 km spread from Lanka to Daboka of NH 54 and Daboka Bypass in Assam, while working on the East West Corridor for National Highways Authority of India.

PUNJ LLOYD COMPLETES REACH 1
FOR BANGALORE METRO RAIL CORPORATION (BMRC)

OIL AND GAS

SPEEDING UP THE PROCESS

Punj Lloyd recently commissioned the Motor Spirit Quality Upgradation Unit at Indian Oil's Barauni Refinery, designed to produce gasoline with Bharat Stage III specifications. This is the second MSQ project delivered by Punj Lloyd for Indian Oil, the first being the EPC project at Haldia Refinery.

Punj Lloyd completed the commissioning of the Sulphur Block at Bina Refinery in Madhya Pradesh. The Block constitutes four process units – Amine Recovery, Sour Water, Sulphur

GRADE SEPARATOR BEING CONSTRUCTED ON HYDERABAD VIJAYAWADA HIGHWAY PROJECT, INDIA

AUTOMATIC WELDING MACHINES DEPLOYED AT THE DABHOL BANGALORE PIPELINE, INDIA

Recovery and the Tail Gas Treating unit, apart from Sulphur Handling Yard and dedicated Sub-Station. The project team also received the prize for Best Housekeeping by client BORL.

In Abu Dhabi, Punj Lloyd executed the EPCC of NGI, Mixed Case project in the live gas plant of GASCO for Abu Dhabi Gas Industries Ltd., in Habshan. The project was completed ahead of schedule with the client presenting the company a bonus for its speedy delivery.

RENEWABLES

The Group has successfully commissioned a 5 MW solar power plant Baap, Rajasthan in January 2012 under the prestigious Jawaharlal Nehru National Solar Mission. Punj Lloyd Solar Power Limited has entered into a 25 year PPA with NTPC Vidyut Vyapar Nigam Limited for supplying power from this plant into the Rajasthan Grid. This is among the few solar power projects to be financed by US EXIM and was executed in a record time of 100 days.

In the Off Grid Rooftop Solar solutions, Punj Lloyd Delta Renewables commissioned a numbers of plants for the Punjab Energy Development Authority (PEDA) at the Golden Temple and Durgaini Mandir, Amritsar (Punjab).

Punj Lloyd Delta Renewables also completed its first international project for providing a solar system for powering an unmanned offshore gas platform in Indonesia.

TOWARDS MAKING INDIA 'DESIGN ENABLED'

As a diversified global construction group with a strong focus on design and engineering, Punj Lloyd took a significant step to promote cross cultural design in India. Punj Lloyd's support to the India Design Forum will play a key role in design driven planned development, economic and industrial growth of the nation.

EXPANDING HORIZONS

Fortifying its global presence were three new establishments of the Group in Kenya in Africa, Colombia in Latin America and Australia. These new offices will be instrumental in driving business in these regions.

WELL EQUIPPED

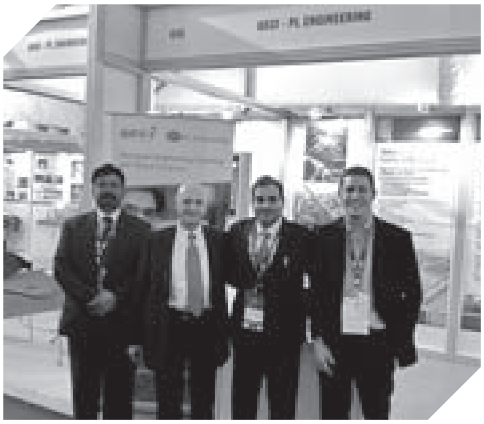
Punj Lloyd's state of the art Manufacturing and Systems Integration Division (MSID) in Malanpur, Madhya Pradesh has in a short span of time received ISO 9001, 14001, OHSAS 18001 certifications, reflecting its adherence to best industry practices and systems.

The facility has the capability to undertake fabrication, precision machining, welding & heat treatment and final testing of components and assemblies. It will address the needs of the global defence and aerospace industry and will become a hub for artillery and air defence systems, armoured vehicles, upgrades and modifications for Indian Defence requirements.

The Group has a multi pronged defence strategy and is keen to become a supplier of choice to the Indian armed forces and to work in partnership with global primes to meet offset requirements as per the Indian Defence Procurement Procedure.


DEFENCE MANUFACTURING FACILITY AT MADHYA PRADESH, INDIA

A PANORAMIC VIEW OF THE MOTOR SPIRIT UPGRADATION UNIT, BARAUNI REFINERY, INDIA



SEALING THE PACT

2011-12 was also a year when the Group's design wing, PL Engineering, made news with its strategic partnerships. It entered into joint venture with TCI, a leading Brazilian business process outsourcing organisation. The joint venture, PLE TCI Engineering, offers engineering services to the Energy and Infrastructure sectors. With its location at Sao Paulo, Brazil, the JV is ideally placed to undertake engineering consultancy in the region, while gaining a thorough understanding of the local market. Another significant alliance was with GECI International of France to form Aero Euro. A manufacturer of twin turboprop aircraft, GECI is one of the top 20 engineering service providers to Airbus. AeroEuro offers a panoptic set of engineering solutions to the aerospace industry by drawing on the collective strength of PL Engineering and GECI, while simultaneously benefitting from a greater sales competence. The JV is focused to provide engineering services to the growing Indian aerospace sector and the global aerospace market.

FOR A BETTER TOMORROW

Increasingly climate change is being recognised as the major, overriding environmental issue of our time, and the single greatest challenge facing the entire globe. There is alarming evidence of it. In India, the melting of the glaciers is staring us in the face. Awareness about climate change is a must, as each individual and the collective strength of societies can play a key role in mitigating it. Punj Lloyd teamed with Robert Swan, the first person to have walked both the North and the South Pole, to lead the Ganges Expedition from Gangotri to the Goumukh Glacier. This expedition focused on clean water, sanitation and renewable energy in schools, homes and the workplace as well as the importance of water in Indian tiger reserves.

ACCOLADES

GLOBAL RANKING

Punj Lloyd has been ranked the fourth time in the 'Top 225 International Contractors' and 'Top 225 Global Contractors' by Engineering News Record (ENR).

While it emerged 82nd in the International Contractors category and 127th in the Global Contractors, what made the ENR ranking 2011 far more prestigious than ever was the first time listing of Punj Lloyd at 118th position in the 'Top 200 Design Firms'.

This was a remarkable moment for the Group whose subsidiary, PL Engineering is a full spectrum design and engineering company providing services in Energy, Product and Infrastructure sectors.

YARDSTICK FOR PRODUCTIVITY

Sembawang continues to maintain its outstanding record for productivity as it has once again won awards for Best Value Added Productivity (VAP) Builder and Best VAP Improvement Builder from the Building and Construction Authority, an agency under the Ministry of National Development, championing the development of infrastructure in Singapore.

At the same forum, Sembawang's contribution to building firms that adopt social and environmentally-friendly practices to minimise the effects and inconvenience caused by construction activities, won it the award for 'Excellence in Green & Gracious Builder Award'.

ACCOLADES FOR PROJECTS EXECUTED

Punj Lloyd's INDMAX–Paradip project bagged the first prize in HSE Audit conducted among several contractors of Indian Oil as per OHSAS 18001:2007 & ISO 14001:2004.

The team also won the "Best Housekeeping" title for the third consecutive time.

The Punj Lloyd KMPCL- Project Chhattisgarh was awarded the 'Yearly Safety Trophy-2011' by the client SEPCO. The Best Safety officer was also chosen out of the project team.

A DISPLAY OF COMPETENCE

EXHIBITING EXPERTISE IN CIVIL INFRASTRUCTURE - INTERTRAFFIC EXHIBITION

PUNJ LLOYD AT THE DEF EXPO 2012

CSR LIVE WEEK

Management Discussion and Analysis

OVERVIEW

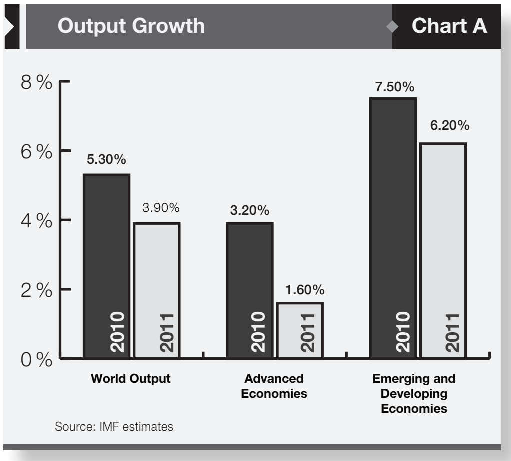
Punj Lloyd Limited ('Punj Lloyd', 'PLL' or 'the Company') is a global engineering, procurement and construction (EPC) conglomerate that provides services in energy, infrastructure and defence. With international offices in 21 countries, Punj Lloyd is focusing on catering to emerging markets across the globe including India and South Asia, South East Asia, the Caspian region in Central Asia, Middle East and Africa (MEA) and in some parts of UK and Europe. The Company has a marquee client base amongst leading major global oil and gas companies, government institutions and developers. The Company has always focused on investing in state of the art equipment and adopted global best practices for environment management, quality, health and safety. Today, it has an equipment base worth over US$ 439 million and a multicultural workforce that spans across 37 nationalities. With the organisational base firmly in place, the challenge today is to build a large order book with robust profitability in a difficult business environment.

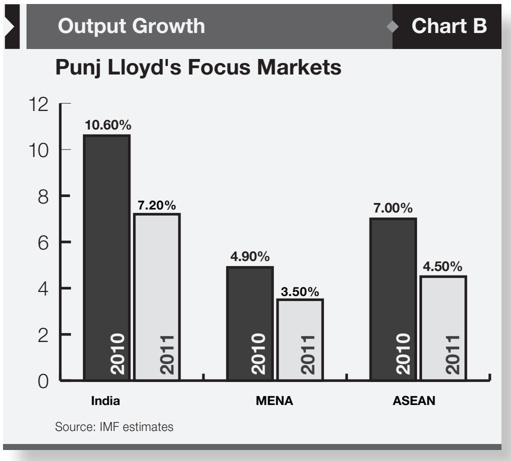
BUSINESS PERFORMANCE

Macro-economic signals were not very positive in calendar year (CY) 2011. World output growth reduced to 3.9% against 5.6% in CY2010. While advanced economies witnessed a reduction from 3.2% in CY2010 to 1.6% in CY2011, even emerging and developing economies witnesses some slowdown – growth reduced from 7.5% in CY2010 to 6.2% in CY2011 (see chart A).

Specifically, as chart B shows, there was slowdown across Punj Lloyd's key markets. Output growth in India reduced from 10.6% in CY2010 to 7.2% in CY2011, in the Middle East and North Africa (MENA) it reduced from 4.9% in CY2010 to 3.5% in CY2011, while amongst the ASEAN countries it fell from 7.5% in CY 2010 to 6.2% in CY2011. This contributed to lowering of business confidence and affected investments across sectors.

In India, there have been several obstacles in implementation arising out of issues like land acquisition, environmental clearances, policy ambiguity and administrative delays by sector specific nodal agencies. Faced by adverse





market conditions and non-availability of appropriate long term finance, many of the large infrastructure project developers are facing cash flow pressures. This has spiralled across all levels of the entire infrastructure value chain of which Punj Lloyd is an integral part. Operation pressures from the cash flow squeeze was further aggravated on the cost front by high interest rates. In India, the reverse repo rate, which is the benchmark, increased from around 5.5% at the beginning of April 2011 to 7.5% by the end of March 2012.

Given the pricing mechanism, there are under-recoveries in the oil and gas sector. Typically, the public sector companies – public sector oil companies and oil marketing companies - share the under-recoveries proportionately along with the government based on proportions determined by the government. However, the absence of a fixed annual sharing-mechanism for under-recoveries and the uncertain timing of cash pay-outs from the government adversely affect the profitability and working capital management of the OMCs and subsequently on all the companies down the value chain. Estimates suggest that the under-recoveries of oil marketing companies or OMCs are likely to almost double to about Rs. 1.4 trillion in 2011-12 from Rs 780 billion in 2010-11, largely on account of high crude oil prices and a weak rupee in terms of the US dollar. This has resulted in a reduction in investment cycle of the upstream companies, affecting order books of Companies, like Punj Lloyd that provide engineering and construction services to the sector. Also, the consequent cash crunch across the oil and gas value chain is putting pressure on working capital management and increasing leverage of all downstream companies.

In the global environment, there has been an overall reduction in opportunities for large scale construction players. As a result, the intensity of competition has increased significantly in geographies where there are new projects. This has increased the emphasis on effective prospecting for securing new contracts and laid even more importance on streamlining operations to deliver projects at the lowest possible costs. Punj Lloyd has already established its presence in key emerging markets and built strong relationships with leading customers. This market presence and positioning provides the Company with a competitive edge in identifying and leveraging emerging opportunities.

BUSINESS PERFORMANCE

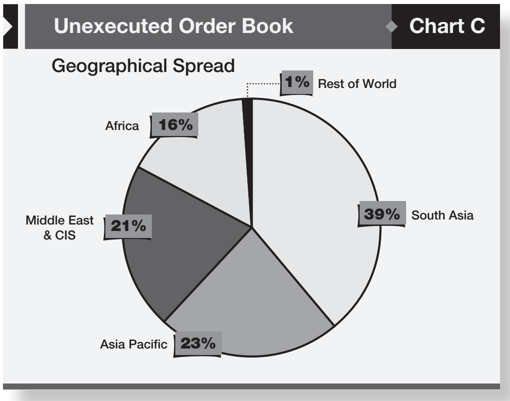
Punj Lloyd is well on its way to recovery since the global economic slowdown of 2008. While the process of regaining the pre-crisis growth path has been gradual, the Company has moved in the right direction in terms of revenue and order book growth. During this phase, the mettle of the Company has been severely tested by several extraneous factors other than market slowdown. The political turmoil in Libya, for example, has led to a standstill on order execution, affecting the Company's revenue flows.

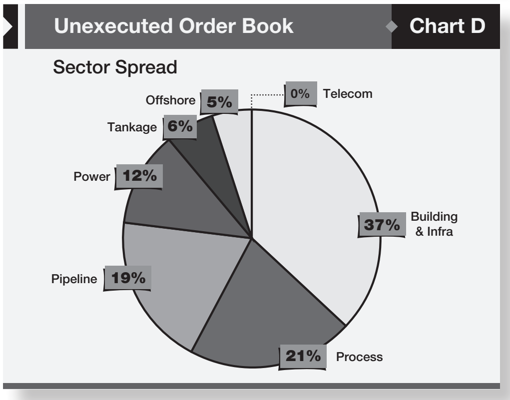
In 2011-12, the Company has done well in this highly competitive business environment. Punj Lloyd has been successful in growing its order book. By March 2012, the unexecuted order book was 2.6 times the revenues of 2011-12. And, there has been a positive swing in terms of revenue growth and profitability. The highlights of the Company's financial performance on a consolidated basis are:

- Total income increased by 32% from Rs. 8,160 crore in 2010-11 to Rs.10,784 crore in 2011-12
- EBIDTA increased by 50% from Rs. 749 crore in 2010-11 to Rs. 1,124 crore in 2011-12
- PBT increased to Rs. 193 crore in 2011-12; against Rs. 16 crore in 2010-11
- PAT turned around from a loss of Rs. 60 crore in 2010-11 to profit of Rs. 92 crore in 2011-12
- Basic EPS was Rs. 2.77

The total order inflow was Rs. 13,817 crore in 2011-12 taking the total order back log by the end of 2011-12 to Rs. 27,276 crore. In line with its market diversification strategy, Chart C shows the geographic spread of the Company's unexecuted order book as on 31 March 2012, while Chart D gives its distribution across the different sectors.

Across sectors and geographies, Punj Lloyd is also very selectively focusing on complete development of projects, where it makes equity investments and actually owns the underlying assets. Not only does





that include constructing projects, but also working on financial closure and post operational maintenance. The goal is to create value across all phases of the life-cycle of a project by remaining invested in them for a long term. In a short span of time, Punj Lloyd Infrastructure Limited (PLIL), the subsidiary that is focused on the development business has built an asset portfolio worth around Rs. 2,100 crore.

Broadly speaking, Punj Lloyd's business is divided into four global verticals – energy, civil and infrastructure, engineering and 'other businesses'. The sections that follow detail developments in the different businesses and key support functions.

ENERGY

The energy vertical comprises businesses related to oil and gas, petchem and power. It is the largest vertical in Punj Lloyd's portfolio, with a share of 65% in revenues and 63% in unexecuted order book. **Table 1** lists the details of revenues and order backlog for the different components of the energy vertical in 2011-12.

In terms of geography, the entire energy vertical is spread across three primary clusters – South Asia, South East Asia and Middle East and Africa (MEA). Given the market conditions, there were divergence in performances across geographies.

- **South Asia**: While revenues increased at a healthy rate with the execution of the existing order book, there was a slowdown in awarding of new contracts. Consequently, there has been some pressure on the order book
- **South East Asia:** The Company has successfully leveraged opportunities in this market and both revenues and the order book has shown healthy growth
- **MEA**: In a very competitive market, the Company has shown healthy growth in order book.

OIL AND GAS

Punj Lloyd's oil and gas business focuses on onshore field development projects, pipelines including offshore pipelines, process plants, and tanks and terminals. Within the process plants business, the Company also caters to the chemicals and petrochemical industry. **Table 2** gives the value of revenues and the order backlog across pipelines, tanks & terminals and process plants across all geographies in the oil and gas sector.

South Asia

During 2011-12, new projects secured in the South Asia Operations include:

- Strategic storage for crude oil, which is in the process plants segment for Indian Strategic Petroleum Reserves Limited (ISPRL) located at Mangalore, Karnataka. This project is valued at Rs. 333 crore

- Hazira-Dahej pipeline for ONGC in Gujarat valued at Rs. 113 crore
- Kochi-Kootanand pipeline for GAIL in Kerala valued at Rs. 77 crore.

South East Asia

Punj Lloyd continued to grow its business in this region. Not only has the execution of projects secured in the last couple of years been on track, resulting in a healthy revenue growth, but the Company

1 ◆ Financial Details of the Energy Vertical (Rs. crore)

	Oil and Gas	Offshore	Power	Total
Revenue	5,113	639	1,260	7,012
% of total	48%	6%	11%	65%
Order Backlog	12,619	1,296	3,272	17,187
% of total	46%	5%	12%	63%

2 ◆ Order Backlog of the Oil and Gas Sector (Rs. crore)

	Pipelines	Tanks & Terminals	Process plants	Total
Revenue	2,565	933	1,615	5,113
% of total	24%	9%	15%	48%
Order Backlog	5,068	1,705	5,846	12,619
% of total	19%	6%	21%	46%

3 ◆ List of New Orders in Oil and Gas in SE Asia				(Rs. crore)
Name of Project	**Name of Client**	**Country**	**Type of Project**	**Value**
Sumpal Expansion Programme	ConocoPhilips	Indonesia	Pipeline	308
SMP works (Jurong Aromatics Complex)	SK E&C	Singapore	Process	161

continued to grow its order book. Punj Lloyd's footprints have enlarged with entry into Thailand and adjacent countries.

In particular, Punj Lloyd made its maiden foray into Myanmar, securing the Myanmar-China oil and gas pipeline project comprising 183 kms of oil pipeline and 205 kms of gas pipeline. The project will be implemented from 2012-13. The list of new projects won in SE Asia is given in **Table 3**.

Middle East and Africa

While there are pockets of development and opportunities for EPC players in this region, competition is acute. The economic meltdown in Europe has prompted several large EPC and construction players to focus on this region to build their order book. This has added further fillip to the competition posed by Chinese and Korean companies who are determined to gain market share. Punj Lloyd is leveraging the fact that they have been present here over a period of time with strong client relations and a very credible track record and even in this highly competitive environment, Punj Lloyd has succeeded in getting new orders (**Table 4**).

Punj Lloyd has actively worked on diversifying its business in this region. In terms of service line, it became the first company to have received an award for a solar grade polysilicon manufacturing plant in the region. Polysilicon is a critical raw material for solar panels that go into the generation of solar power. There is high potential for further investments in solar power development especially in Qatar and Saudi Arabia. In terms of geography, the Company is intensifying its foray in Africa to relatively more stable countries in East Africa and West Africa.

OFFSHORE

The focus of the offshore business is on Engineering, Procurement, Installation and Commissioning (EPIC) contracts for offshore wellhead or process platforms, submarine pipelines, underwater cables and Single Buoy Mooring Systems.

Given the relatively low order book at the beginning of the year, revenues continued to be out of line with the high capital investments in this business. However, the aggressive efforts in securing new orders done in the last couple of years has started bearing fruit and now there is good visibility of revenues in the next few years.

By the end of 2011-12, the Company's offshore order book is very robust. There were successes in securing new orders both in India and the South East and Asia Region. In 2011-12, around Rs. 14,000 crore of new orders were added.

Some of the major orders secured in India were:

- Gujarat State Petroleum Corporation

4 ◆ List of New Orders in Energy in MEA			(Rs. crore)
Description of Project	**Client**	**Country**	**Value**
EPC Contract for Solar Grade Polysilicon plant	Qatar Solar Technologies (QSTec)	Qatar	2,034
Falcon jet fuel pipeline and bulk terminal facilities	Horizon Jabel Ali Terminals Ltd. (Dubai)	UAE	673
Field Development including wellheads and flow-lines	Abu Dhabi Company for Onshore Oil Operations (ADCO)	UAE	997

Limited awarded a contract for submarine pipeline on lump-sum turnkey (LSTK) contract basis. The scope of work includes 20” OD pipeline (Approx. 24.5 km), 10” OD pipeline (Approx. 15 km), optic fibre cable and onshore works valued at around Rs. 825 crore.

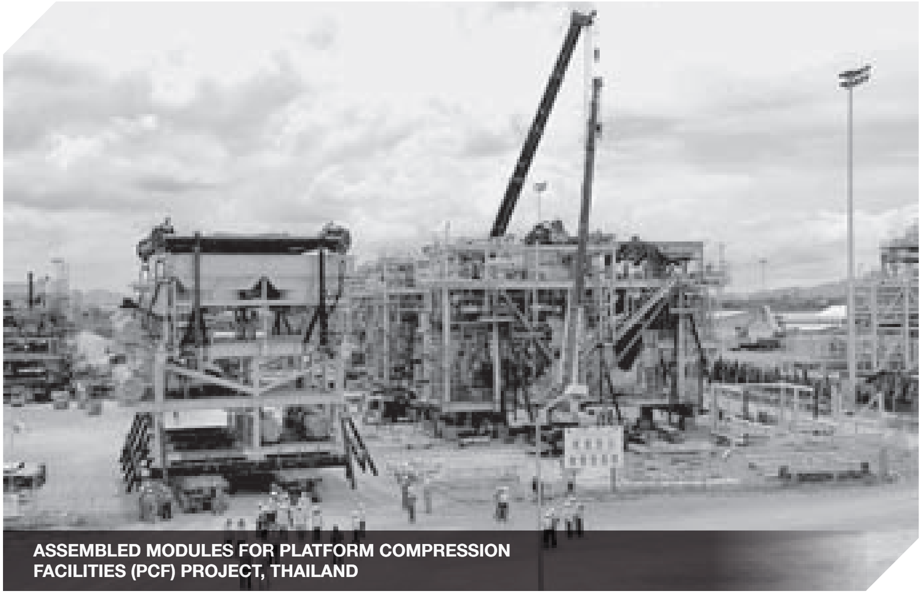
- Secured an offshore project - ‘WO-16 Cluster & SB-14 Pipeline Project’ - in Bombay High, from ONGC. The scope includes laying of 122 km of submarine pipeline, risers and I/J tubes, modifications of existing facilities, hook-up, and testing. The project is worth Rs. 488 crore and is scheduled for commissioning in the first half of 2013.

In SE Asia, it secured the following contract:

- Provision of KE-40 platform deck removal for Pertamina in Indonesia.

The update on the orders under execution is given below.

- EPCI contract for MM compressor reconfiguration of APN E/F new field development project in Indonesia for Pertamina Hulu Energi ONWJ: All installation work is completed. Pre-commissioning is under progress and commissioning and performance will be completed within the first quarter of 2012-13.
- EPCI contract for 3 NUI platforms and pipeline of APN E/F new field development project for Pertamina Hulu Energi ONWJ: Punj Lloyd has completed all installation work and one out of three platforms is under commercial production. The balance two platforms are expected to go in production by end of April 2012. Due to a new rule imposed by the local Govt. restricting deployment of foreign flag marine vessels after the award of contract the initial start of installation activities got delayed.
- Composite work for laying of pipeline (onshore and offshore) for the project of LPG pipeline from BPCR/HPCR to Uran over 30 km for Bharat Petroleum Limited: Some of the statutory approvals from environment and forest authorities were not taken by the client which led to delays due to non-availability of work front to PLL. PLL shall complete the works as per project execution time schedule once all statutory approvals are in place by the client.
- Installation of three compressor units for the platform compressor station on the PTT Riser Offshore Platform in Thailand: This project has faced technical issues on account of additional testing and engineering recheck of existing piping facilities by Client. This led to delays in the scope. Consequently, Punj Lloyd has rescheduled its planned progress, for which extension has been granted. Now, the expected completion of this project is by end of 2012.



ASSEMBLED MODULES FOR PLATFORM COMPRESSION FACILITIES (PCF) PROJECT, THAILAND

With the global economic slowdown, the market remains very competitive and margins are under pressure. Given the high capital intensity of this business, high interest rates have also affected profitability. With the new order booking, Punj Lloyd is now well positioned to utilise its existing equipment base in this business.

Each segment of offshore (Pipeline and Well Head & Process Platforms) is distinct by virtue of life cycle, technology, assets required and expertise. Hence, Punj Lloyd is setting up a focused engineering arm for offshore engineering work and also establishing a marine base in India for marine operations.

POWER

While the power sector has great scope in a power deficit country like India, many of the new power projects in thermal power have been affected due to issue related to coal linkages, environment clearances and tariff related issues. Consequently, one is not witnessing the kind of growth that one envisaged for this sector. As a result, even as power remains an important vertical in Punj Lloyd’s business, there has been a reduction in the Company's activities in this sector. However, in the nuclear power segment, the Company has been fairly aggressive.

THERMAL POWER

In the thermal power generation space, Punj Lloyd has been active on civil work with a focus on providing services for Balance of Plant (BOP) projects.

During the 2011-12, the Company secured the following new orders:

- EPC project for BOP work on 2x300 MW thermal power project for CESC (Haldia Energy Limited) located in Haldia, India. The order value of the project is Rs. 1,195 crore.
- 3x18 MW coal fired power plant at Sangatta, Indonesia for CKP. The project is valued at Rs. 350 crore.

Due to a multitude of issues, many of which are external to the company, there have been delays in execution of projects in thermal power. Punj Lloyd has worked on mitigating the issues and most of the projects are back on track in terms of a revised delivery schedule. The major projects under active implementation include:

- Design, EPC and testing of Balance of Plant for 2x270 MW Goindwal Sahib Power Project, Taran Taran, Punjab. Punj Lloyd's contract for this project, promoted by GVK Power, is valued at Rs. 1,005 crore . The company has completely re-organised its team on this project and undertaken another round of large mobilisation.
- Execution of civil area and structural work for all units of WPCL-CG for the 6x600 MW KSK power project at Champa, Chhattisgarh. The contract value is Rs. 177 crore. The re-mobilisation and execution is progressing well as per revised schedule.

NUCLEAR POWER

The nuclear power sector is going through a phase of confidence re-building in the wake of the Fukushima incident in Japan. In line with this, progress in new nuclear projects in India has slowed down considerably. The Department of Atomic Energy (DAE) has revised the targets of nuclear power generation capacity to 10,080 MWe by the year 2017 and 14,580 MWe by 2020-21.

Punj Lloyd continued to make most of the opportunities the market offered. In 2011-12, it was awarded the EPC project for Primary Piping Package for 2x700 MWe Kakrapara Atomic Power Project's (KAPP) Unit 3&4 in Gujarat and 2x700 MWe Rajasthan Atomic Power Project's (RAPP) Unit 7&8 in Rajasthan for Nuclear Power Corporation of India Limited (NPCIL). The order value of the project is Rs. 678 crore. The company has already started engineering, procurement and site infrastructure work for the project. The project is expected to be completed by December 2015.

In addition to the above, Punj Lloyd Group is executing the following projects in Nuclear Power space:

- PL Engineering is executing the Engineering Design and Analysis project for Rajasthan Atomic Power Plant 7 and 8 of Nuclear Power Corporation of India Limited
- Engineering Services Consultancy work of Department of Atomic Energy (DAE).
- Engineering Consultancy Services for Conversion of AutoCAD Flow Sheets Into Smart Plant Intelligent Process and Instrumentation Diagrams (SPPID) for Kudankulam Nuclear Power Project of Nuclear Power Corporation of India Limited.

The price bid submitted for Main Plant Air Conditioning and Ventilation Package for 2x700 MWe Kakrapara Atomic Power Project's (KAPP) Unit 3 and 4, and 2x700 MWe Rajasthan Atomic Power Project's (RAPP) Unit 7 and 8 of Nuclear Power Corporation of India Limited (NPCIL) was opened in March, 2012 and Punj Lloyd is the lowest bidder for this package. The bid value of the project is around Rs. 180 crore. The purchase order for this package is expected to be received by June, 2012.

On the business development front, the company is currently bidding for Balance of Turbine Island Package of

2 X 250 MW CHHABRA THERMAL POWER PROJECT, RAJASTHAN

2x700 MWe Rajasthan Atomic Power Project's (RAPP) Unit 7 and 8 of Nuclear Power Corporation of India Limited (NPCIL).

In the near term, there will be further opportunities. The Government has given approval in principle for setting up indigenous PHWR reactors of 700 MWe at Haryana, Madhya Pradesh and Kaiga. For setting up of imported Light Water Reactors (LWRs) ranging between 1,000 MWe and 1,650 MWe, the government has in principle, given a nod for Greenfield sites at Andhra Pradesh, Gujarat and Jaitapur, Maharashtra. Kudankulam Nuclear Power Project unit 1 and 2, which are 1000 MWe each, are in the advanced stages of commissioning and expected to be commissioned in next few months. Two more units-Kudankulam Nuclear Power Project unit 3 and 4-are planned on the same site. NPCIL is carrying out pre-project activities for units 3 and 4 and likely to announce the tender for Balance of Plant packages in 2012-13.

Pre-project activities are in progress at Haryana Unit 1 and 2 and Kaiga Atomic Power Project's Unit 5 and 6 for PHWR type and Jaitapur, Gujarat and Andhra Pradesh sites for imported LWRs. Nuclear Power Corporation of India Limited (NPCIL) will be announcing the EPC Packages for these projects in due course of time.Punj Lloyd will be actively bidding for major packages for these projects.

CIVIL AND INFRASTRUCTURE

The civil and infrastructure business is carried out primarily by Punj Lloyd Limited based out of India and its Singapore based subsidiary Sembawang Engineers and Constructors Pte Limited ('Sembawang'). While Punj Lloyd Limited focuses on the Indian market as well as Middle East, and Africa, Sembawang's thrust is in Singapore and the South East Asian region.

Punj Lloyd Limited's infrastructure business generated Rs. 4,270 crore of revenues and completed the year with an unexecuted order backlog of Rs. 12,098 crore. **Table 5** gives the details of revenue and order backlog of Punj Lloyd Limited's civil and infrastructure business across the different regions.

INDIA

HIGHWAY PROJECTS

Historically, the Company's core strength was in the highway sector. While there has been some improvement in new road projects floated by NHAI, the sector is witnessing rapid margin erosion due to intense competition. There are also several issues at the implementation stage primarily to do with problems of land acquisition.

In this competitive environment, Punj Lloyd succeeded in securing a highway project from GMR Projects Private Limited for undertaking design, engineering, procurement and construction of 124 km of six lane of Chittorgarh bypass to Udaipur, in the state of Rajasthan worth Rs. 1,050 crore. The project is scheduled for commissioning in 36 months and has been awarded to Punj Lloyd on a turnkey

5 ◆ Financial Performance of the Civil and Infrastructure Sector across Different Regions

	India	MENA	Asia Pacific	Total
Revenue	1,492	1	2,279	3,772
% of total	14%	-	21%	35%
Order Back Log	4,579	4,002	1,508	10,089
% of total	17%	15%	5%	37%


ASSEMBLED MODULE FOR LOAD-OUT ONTO BARGE, PCF PROJECT, THAILAND

fixed EPC price basis.

On the execution front,

- One of the six packages in Assam for NHAI has been completed, while the others are in different stages of completion
- The Hyderabad-Vijayawada four to six-laning project is progressing well and one expects it to be completed in the first half of 2012
- The Khagaria-Purnea (Bihar) project is in its early stage of work.

BUILDING PROJECTS

In the last couple of years, the Company has laid considerable emphasis on pursuing building projects. While these projects do not have massive margins, they are also less capital intensive and have faster churning of capital if executed well. In this line of business, Punj Lloyd is currently focussing on projects, which includes hospitals, education institutions, IT parks, residential building and commercial centres.

During 2011-12, the Company secured the following projects:

- Construction of 194 villas at Kolkata West International City (KWIC), a satellite township in West Bengal, India. The project worth Rs. 99 crore is scheduled to be completed in 15 months
- Received Letter of Award (LOA) from Delhi Police for the development of Police Residential Complex at Dheerpur, Delhi, on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The project, with an estimated cost of approx. Rs. 1,300 crore, primarily entails development, operation and maintenance of the residential zone of over 5,000 units (approx. 40 lakh sq ft.), along with utility facilities such as sewerage and water treatment. It also includes development and commercial operations of the non-residential infrastructure such as schools, healthcare, convenience shopping, as per the norms laid down in the Delhi Master Plan 2021. This project has been secured by Punj Lloyd Infrastructure and Punj Lloyd Limited will execute the construction work.
- Secured a Rs. 81 crore construction project for ASF IT park project Insignia at Gurgaon.

Punj Lloyd is actively pursuing the completion of building projects:

- Construction of the college and hostels complex of AIIMS, Raipur.
- Civil, structural, waterproofing works, including site development, for the Rajiv Gandhi Institute of Petroleum Technology at Jais, in the district of Rae Bareli (UP).
- Civil, structural, architectural and MEP Works including ancillary structures for Ascendas International Tech Park Pune.

Construction work is continuing satisfactorily at the other projects secured in the previous financial year including the hospitals in West Bengal, Commercial building construction at the Hiranandani Place Gardens (Panvel) and the civil work for housing project, La Montana (Phase I).

METRO PROJECTS

As of now, Punj Lloyd is executing projects in the Bangalore Metro Project across different lines and phases. In total PLL is constructing eight stations in three Reaches. It has already completed two stations, i.e. M.G. Road and Trinity Circle Terminals in Reach-1. The successful completion ahead of time has helped secure some additional work on the plaza adjacent to the stations. In addition there are three elevated metro stations, namely Mysore Road Terminal, Deepanjali Nagar and Magadi Road Stations in Reach-2; and three elevated metro stations, i.e. Rajajinagar, Kuvempu and Malleshwaram in Reach-3.

RAILWAY PROJECTS

Punj Lloyd had gained entry into the Railways sector, by winning a contract for

ELEVATED METRO STATION AT M G ROAD, BANGALORE, INDIA railway siding work at Anpara, UP. This contract is worth Rs. 114 crore.

AIRPORT PROJECTS

Punj Lloyd is also executing work worth Rs. 264 crore for building a new airport at Pakyong, Sikkim. This includes earthwork in cutting and filling, geo-grid reinforced retaining wall, drainage system including box culvert and aerodrome pavements. Approx. 60% of the project work has been completed.

INDUSTRIAL PROJECTS

Punj Lloyd had gained entry into the Industrial sector by winning a contract for Balance offloaded works of main plant, CW & offsite civil works package for Thermal Power Plant (3x250 MW), at Bongaigon, Assam. This contract is worth Rs. 210 crore.

OVERSEAS

The Company's efforts at tapping international markets especially in Middle East, Africa and SE Asia for infrastructure projects bore fruit. It has entered Kenya with the Loruk-Barpelo Road Project. Punj Lloyd has entered into a joint venture agreement with Intex Construction Limited, a local construction company in Kenya, for execution of the project of Kenya Highways Authority. The contract value of this project is Rs. 285 crore. The project entails construction of 62 km road and is located 300 km north of Nairobi. The duration of the project is 30 months.

SEMBAWANG ENGINEERS AND CONSTRUCTORS PTE LIMITED

Sembawang (including its subsidiaries) is one of the leading Engineering, Procurement and Construction companies of Singapore in the civil construction sector. Sembawang specialises in handling a diverse spectrum of technologically complex projects in the specialised areas of mega infrastructures, such as tunnels, rail, cavern systems, highways and high-rise buildings, and utility works, such as power and water plants. Sembawang has world-class competency across a full range of engineering disciplines and is an established leading turnkey contractor capable of providing technology-based solutions and quality products and services. It is also able to undertake projects under the Build, Own and Operate (BOO) and Build, Own, Operate and Transfer (BOOT) delivery systems.

Sembawang has an extensive world presence with its head office in Singapore and offices in Malaysia, Indonesia, Hong Kong SAR, the People's Republic of China, the United Arab Emirates, Bahrain and Australia. It is actively prospecting and expanding its footprint. Those efforts are expected to translate into projects in the near future.

Sembawang's revenues increased by 34.5% from S$ 428.6 million in 2010-11 to S$ 576.3 million in 2011-12, registering record profits before tax of S$ 57.9 million in 2011-12, an increase of 21.1%. Those numbers were achieved through the efficient execution of the existing order book. Sembawang's core business is in the urban infrastructure, building and environmental sectors.

TELOK BLANGAH MRT STATION ON THE CIRCLE LINE, SINGAPORE

CIVIL INFRASTRUCTURE AND BUILDING

This construction sector involves civil infrastructure such as tunnels, bridges, roads, subway stations, airports, docks and jetties, and residential, commercial, healthcare and hospitality buildings.

During 2011-12, Sembawang completed and successfully handed over one project to its client in this sector:

- Mass Rapid Transit (MRT) Circle Line Project C856, Singapore for Land Transport Authority of Singapore.

Valued at S$ 336 million, this project entailed construction of five MRT stations and 3.7 km of twin bored tunnel complete with architectural and electrical and mechanical works.

Details of projects under execution during 2010-11 in the civil infrastructure and building sector are given in **table 6**.

ENVIRONMENTAL WORK

This sector includes water- and waste-treatment plants, reservoirs, underground tunnels and cavern systems for sewage and storage, as well as multi-utility facilities.

Details of projects executed and under execution during 2010-11 in the environmental works sector are given in **Table 7**.

6 ◆ Sembawang's Civil Infrastructure & Building Projects Executed or Under Execution in 2011-12

Description of Project	Client	Approximate Contract Value
• Mass Rapid Transit (MRT) Downtown Line 1 Project C906, Singapore Construction and completion of Bayfront Station and associated tunnel works.	Land Transport Authority of Singapore	S$463 million
• Mass Rapid Transit (MRT) Downtown Line 2 Project C919, Singapore Construction and completion of Botanic Gardens Station and Stevens Station and associated tunnel works.	Land Transport Authority of Singapore	S$378 million
• Resorts World Sentosa Integrated Resort Development Contract MC06, Singapore Construction and completion of Equarius Hotel, ESPA, beach villas, an oceanarium and a water theme park.	Resorts World Sentosa Pte Ltd	S$419 million

7 ◆ Sembawang's Environment Works Projects Executed or Under Execution in 2011-12

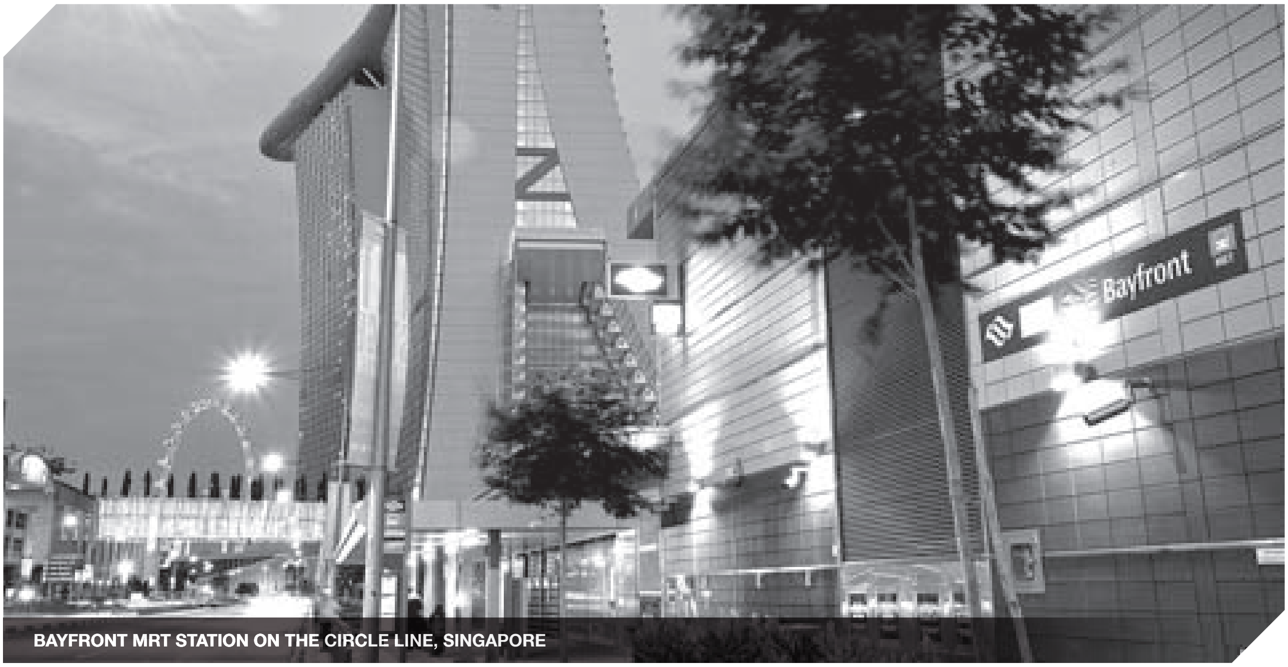
Description of Project	Client	Approximate Contract Value
• Lower Seletar Water Works Project, Singapore Construction of a new 60 Million Imperial Gallons of Water (MiGD) waterworks at Lower Seletar	Public Utilities Board	S$181 million

BUSINESS EXPANSION

In addition, as part of efforts to diversify its business and to create recurrent income, Sembawang infused equity capital in April 2011. Its subsidiary, Sembawang Development Pte. Ltd., acquired a 50% stake in a thermal coal mine company in Central Kalimantan, Indonesia. The mining company, which holds a coal IUP (Izin Usaha Pertambangan – mining license), is located in the district of Barito Utara District, Central Kalimantan, Indonesia.

The concession, has currently estimated resources of 134 million tonnes, and the potential of known reserves is calculated at 60 million tonnes.

This acquisition has allowed Sembawang to evolve from being a project delivery underwriter, in which a company takes the risk of delivering an underlying project to a client on time and within specified quality parameters, to a project development underwriter, in which a company holds a stake in an underlying project. This evolution provides Sembawang with a competitive edge



BAYFRONT MRT STATION ON THE CIRCLE LINE, SINGAPORE in the intensely competitive market in Singapore and neighbouring countries.

In 2011-12, Sembawang laid the foundations to drive this new business direction. About 30% of the mine infrastructure work has been completed and specialists have been taken on board to manage the commodities trading desk, primarily to book orders for the coal.

Sembawang expects production of coal by the fourth quarter of 2013.

ENGINEERING

In the process of its evolution into a global EPC major, Punj Lloyd has developed considerable engineering expertise while developing and executing its own projects. With the Company entering more diverse and complex projects, the engineering function became even more important. To create cutting edge engineering competencies, Punj Lloyd has developed its own subsidiary – PL Engineering, which is a focused engineering company. Not only does this Company service Punj Lloyd, whenever needed but is a full-fledged financially independent entity that services external clients.

PL ENGINEERING LIMITED

The Company had gone into 2011-12 with a suboptimal order book and market conditions remained difficult through the year. In this milieu, much of the year for PL Engineering (PLE) was about focusing on internal efficiencies and aggressively pitching for new projects.

On the internal efficiency front, there has been focus on enhancing manpower utilisation. Given the problems with the power sector in India, the Company decided to close the power sector focused office in Hyderabad. There has also been a rationalisation in overall manpower and emphasis has been laid on developing a network of partners to whom various segments of a project can be outsourced, while keeping the core competencies and qualifications in-house.

3D ENGINEERING MODEL OF AN EPC REFINERY PROJECT, INDIA

The business development efforts bore some fruit particularly in the latter half of 2011-12. The Company backed several orders (**Table 8**) and closed the year with an order book of Rs. 190 crore.

In another development, which is targeted at creating a more diversified and focused engineering entity within the group, PL Engineering acquired all the assets and intellectual properties of Simon Carves UK and combined the two into a strong engineering set up. The order book relating to engineering work was also purchased. The credentials obtained through this strategic buy will provide PLE a strong foothold in the Chemical, Petrochemical and Bio-fuels market.

Other key developments during the year include:

- **Launch of Aero Euro JV:** JV with GECI that will focus on providing engineering services to the growing Indian aerospace sector, supporting activities in Europe and the global aerospace market.
- **QST Polysilicon:** PLE was awarded detail engineering contract for QST's 3600 TPA polysilicon plant in Qatar.
- **Opening up of new office in Abu Dhabi:** PL Engineering Pte. Ltd established its newest engineering centre in Abu Dhabi that will help PLE expand its reach in Middle East while simultaneously assessing opportunities in the upcoming African regions.
- **JV with TCI:** Another step taken for increasing the market penetration and exploring new geographies was the setting up of PLE TCI Engineering in Sao Paulo, Brazil. With a large number of projects slated to come up in the region it was an apt time to set up a base in Brazil.

8 ◆ New orders secured by PL Engineering in 2011-12 (Rs crore)

Project Description	Client	Sector	Region	Engineering Value
Ras Issa Oil Storage Terminal Project	Safer Exploration & Production Operations Co	O&G	Yemen	17.4
Annuity Business	PUSB	O&G	SE Asia	4.0
Multiple Projects in India (Lurgi, TGE, GR Engineering, GS Engineering)	Multiple	O&G	India	1.5
Multiple Projects from Middle East (Weatherford, Al-Khafji Joint Operations, Qcon, Litiwn, Nargan, Safer Exploration & Production Operations Company & Al Kout Industrial Projects)	Multiple	O&G	Middle East	1.1
Smart Plant Piping & Instrumentation Design Project for KKNPP 3 & 4 Unit	Nuclear Power Corporation of India Ltd.	Power	India	0.9
18" x 50 km Gas Pipeline	Safer Exploration & Production Operations Co.	O&G	Yemen	0.6
18" x 47 km Gas Pipeline	Safer Exploration & Production Operations Co.	O&G	Yemen	0.6
Repeat Orders from Stantec for Project Control Consultancy	Stantec	Other	Canada	0.6
Repeat Orders from Saipem for Middle East Field Development projects	Saipem	O&G	Middle East	0.3
Detail engineering of an LDPE plant	DOW Chemicals	Petrochemical	USA	70
Development of Multi Purpose Power Backup	Ultralife	Embedded Systems	USA	1.0
			Total	98

- **MoU with Dassault Systemes:** MoU signed with Dassault for joint promotion of software solutions to Oil and Gas companies globally.

The Company was also successful in penetrating markets in new geographies. First, it has entered Brunei. An ODC for PUSB commenced PLE's association with Brunei which has some of the largest gas reserves in the world. Second, it has entered into Yemen with a very large tankage project.

Apart from the new orders, PLE continues to execute its existing orders. The details of these are given in **table 9**.

While maintaining a lean cost structure, PLE continues to focus on growth both organic and inorganic.

Organic

- Focus on winning more annuity business
- Increase market penetration by:
  - Striving to win projects in new areas like Natural Gas Liquids etc.
  - Exploring new geographies like Brazil, Iran, Russia, Algeria, Nigeria, Ghana and Tanzania.
  - Further explore countries in Middle East like Yemen and Kuwait
- Getting PLE empanelled and registered with companies in target geographies
- Target Petrochemical and Chemical projects in India, Middle East and Africa and Americas.
- Focus on repeat business from key clients.

Inorganic

- Focus on JVs & Acquisitions in areas/ geographies where barriers to entry are high. eg Offshore in Brazil /SE Asia.
- Tie ups with the foreign companies to develop PMC / Construction supervision expertise.

9 ◆				
Project Description	**Client**	**Sector**	**Region**	**Engineering Value**
Engineering Services Consultancy for Third Stage Nuclear Development Program	Confidential	Power	India	37.88
Installation of FG & GO Pipeline and Pumping Station	Petrofac International	O&G	Middle East	18.7
Nuclear RAPP 7-8, NPCIL	Nuclear Power Corporation of India Ltd	Power	India	12.87
CGGS & OTP & FGS at Madhuban, Chabua	Kalpataru Power and Transmission Pvt Ltd	O&G	India	5.61
IOCL South Jetty Pipeline & Composite Works	Fernas Construction	O&G	India	2.05
			Total	77.00

OTHER BUSINESSES

In keeping with the Company's entrepreneurial drive, Punj Lloyd continues to explore new opportunities and invest in businesses where it has competitive advantage in terms of financial strength, business linkages, internal skills or key relationships. Some of these activities have evolved sustainable business models, while some are still in a developmental and incubation stage. Together, these have been classified as 'other businesses', and include infrastructure, defence, renewable energy and upstream operations.

PUNJ LLOYD INFRASTRUCTURE LIMITED

Punj Lloyd Infrastructure Limited (PLIL) was incorporated as a project development company for energy and infrastructure projects including projects on Public Private Partnership (PPP) basis in India and abroad. PLIL endeavours to create value for the Group by leveraging its expertise in constructing large Energy and Infrastructure projects. PLIL bagged its first project to develop 5 MW solar PV plant in Rajasthan in 2010. Subsequently, the Company has expanded its portfolio by winning a road project in Bihar on PPP (annuity) basis and a prestigious social infrastructure project for Delhi Police. PLIL is also focusing its business development efforts on projects in Transportation, Energy, Renewables, Urban Infrastructure and other related sectors. As a strategy, the Company intends to target sectors and geographies with lower competitive intensity and acceptable risk reward structures.

PLIL's portfolio currently comprises the following projects with a cumulative asset size upon completion of about Rs. 2,100 crores.

PROJECT PORTFOLIO PLIL

Solar Power Project in Rajasthan – Developed a 5 MW solar power plant under the Jawaharlal Nehru Solar National Mission, having a PPA of 25 years with NTPC Vidyut Vyapar Nigam Limited (NVVN). The total cost for the project is approximately Rs.75 crores. The project has been financed by US Exim and has been operational since January 2012.

NHAI Road Project in Bihar –Two-laning with paved shoulder of Khagaria-Purnea Section of NH-31 from Km 270 to Km 410 in the State of Bihar to be executed as BOT (Annuity) project on DBFOT basis under NHDP Phase III. The project is under execution and is scheduled for completion in April 2014. The total project cost is estimated to be around Rs.735 crores. The financial closure for this project was achieved in October 2011 and it was financed by a syndicate of banks with SBI as the lead bank for rupee term loan and ICICI bank being the lead bank for the ECB. The total debt for this project was Rs. 616 crores.

Ministry of Home Affairs Housing Project for Delhi Police in Dheerpur, Delhi – Signed the concession agreement for development of housing project for Delhi police personnel comprising residential zone (5200 units), non-residential zone (retail space, schools, healthcare facility and banquet halls) in Public Private Partnership with Ministry of Home Affairs on DBFOT (Annuity) basis on April 9, 2012. The total cost of the project is estimated to be around Rs. 1310 crores.

DEFENCE

The Punj Lloyd Group forayed into the defence sector business with the objective to emerge as a credible indigenous player for manufacturing of defence equipment, with focus on adoption of state-of-the-art technology. The opportunity in the defence


DEFENCE MANUFACTURING FACILITY, MADHYA PRADESH, INDIA

sector stems from the fact that there is a capacity constraint amongst Government entities and increasingly there is a trend to promote private players who have indigenously developed capability and infrastructure to meet the needs of the armed forces.

To support its foray into the defence production space, Punj Lloyd has set up a state-of-the-art manufacturing and assembly facility for defence systems in Malanpur (near Gwalior, Madhya Pradesh).

The manufacturing facility is set up on 65 acres of land, which is capable of:

- Machining, welding and fabrication of land system components.
- Assembly, integration and testing of weapons. Maintenance and repair facility for existing weapons of the Indian army.
- Production of aerostructure and components for the aerospace industry.

The facility has been commissioned in Quarter 1 – 2012. It has a workforce of around 70 people in place and has received necessary certification for it to conduct operations. It has already started executing development orders for non-defence industries like power and heavy engineering.

Most of the emphasis in the business is on the market development front. While defence is a sector with huge potential, projects do have long gestation periods and constant efforts are required to convert the potential into business on the ground. Today, Punj Lloyd is committed to its efforts in building the long term relationships essential for success in this business.

The Company has been registered with the Ordnance Factory Board and is executing development programmes along with them. The Company is in the process of registering with the Defence Research Development Organisation (DRDO) for carrying out defence related Research and Development work.

RENEWABLES AND WATER

With a mission to be a global technology and solution provider for water and renewables, Punj Lloyd's subsidiary, Punj Lloyd Delta Renewables has forayed into these sectors. The Company is continuously developing capabilities and credentials to provide integrated turnkey solutions for sustainable development, with special emphasis on designing, developing appropriate and sustainable technology solutions which will create a lasting impact on communities in the developing world.

Initially the primary focus has been on India. Punj Lloyd Delta Renewables is currently targeting opportunities in two sectors - solar and water. The strategy for solar is primarily driven by the vision and goals set out by the India National Solar Mission.

The strategy for water is to provide technological solutions for waste water management and also for providing safe, clean drinking water in the rural


SOLAR ROOFTOP PANELS

and municipal regions of the developing countries. This burning need is an essential step for human health and development.

As part of the 20,000 MW of new solar power generation base prescribed in the Jawaharlal Nehru National Solar Mission (JNNSM), a total capacity of 150 MW was contracted out in the first phase. Each prospective developer was allowed a maximum allocation of 5 MW. Punj Lloyd Infrastructure Ltd was one of the 30 developers to secure a PPA, which was executed by Punj Lloyd Delta Renewables. Punj Lloyd Delta Renewables has successfully implemented this project on a turnkey basis and was one of the few companies to have successfully commissioned this plant ahead of schedule during 2011-12. In addition to this, the Company had received contracts for a number of rooftop projects that have all been successfully commissioned during 2011-12. One of the projects was for the very prestigious site at the Golden Temple, Amritsar, India.

In addition, the company has also forayed into the Oil and Gas sector, providing solar application specific solutions for the stations that are placed at intervals along the Oil and Gas Pipelines. The company also secured its first international contract for providing solar power to unmanned offshore platforms in Indonesia.

With millions of people in India not having access to clean drinking water, Punj Lloyd Delta Renewables had identified that one of the barriers to providing water treatment plants in the rural areas was the lack of electricity supply. With its strong innovative culture, the Company developed an integrated solution where a treatment facility was designed that removed the contaminants in the local ground water and energy was provided completely from solar.

Subsequently, the Company is currently executing the world's largest project for 850 solar powered water treatment plants across the state of Bihar, India. A significant number of the plants have been completed and are operational and already hundreds of lives have been positively changed by being able to drink safe water.

Another project that is currently in implementation is the 6.22 MLD water treatment and distribution plant also in Bihar. This larger scale centralised treatment plant will provide the Company with the opportunity to be able to implement similar projects across many parts of the country and abroad and positively impact millions of lives.

Clearly, 2011-12 was a year focused on execution for the Company. The successful completion of projects translated into revenues growing to Rs.155.1 crore. The early success on the execution front has helped build credibility for the company and given it greater confidence to further grow the business across these two sectors. The company will continue to strive to lead in invention and development of technology advancements in water and renewable energy to relentlessly deliver integrated solution platforms that will become essential for changing lives amongst communities across the world.

UPSTREAM OPERATIONS

Punj Lloyd Upstream is the group's drilling and oilfield services business. In 2009, Punj Lloyd Upstream secured its first contract from the Waha Oil Company in the Sirte basin, Libya. The contract requires drilling of both exploratory and development wells, including horizontal and extended reach development wells.

The company has drilled 12 wells with a cumulative drilling depth of 125,000 feet in complex geological structures

PUNJ LLOYD RIG FOR ONSHORE DRILLING

with an excellent safety record (zero lost time incidents), and has had two major oil discoveries for the client. However, the political turmoil in Libya in 2011 resulted in the stoppage of operations at the Company's rigs in Libya. Evaluation of the rigs after the civil strife suggests that they are in intact condition, however, the camps set up for the manpower needed to operate these have been damaged and certain items have been stolen. Punj Lloyd Upstream has mobilised initial repair and assessment crew at the camps and is working to re-start operations in the first half of 2012-13. While initial talks with the oil company post restoration of some civil order in Libya has been positive, there is still need to wait and see how the socio-political scenario evolves after which the rigs will get back to full operations.

The Company has also been developing business in other geographies and has active bids in Kurdistan, Gabon, and India.

OPERATIONS: SUPPORT SERVICES

The Company's business operations are backed by corporate support services. Some of these are outlined below.

PROCUREMENT

Procurement services with integrity and professionalism is essential for a diverse organisation like Punj Lloyd to achieve its growth and market share.

During FY 2011-12, the company successfully centralised procurement of many of its core items like steel, cement, consumables and equipment. This initiative helped to improve controls and to achieve commercial benefit. Today, the company has an optimal system of centralised purchase of core items, while services and subcontracts are managed at the project site including day to day procurement.

2011-12 was a challenging year for the construction industry due to the global economic downturn. Payments / cash flow from the clients were severely affected and the industry had to operate with sub-optimal cash reserves. Working with limited cash flow, procurement contributed a significant role for managing the suppliers with continuity of business at competitive pricing.

Lots of emphasis has been put on sourcing from low cost countries like China as part of the procurement strategy during the year. Procurement successfully developed suppliers in Europe and South East Asia for project material and equipment.

Procurement strategy also resulted in long term contracts with key suppliers for steel and cement. Commercial terms were also improved to minimise the impact of cash flow.

Rationalisation of procurement activities for centralised and decentralised purchases has also helped in maintaining the data integration.

INFORMATION TECHNOLOGY (IT)

Punj Lloyd has always invested and leveraged information technology tools to enhance its business competitiveness. Over the years, with the rapid spread of its business, the IT back-bone supporting it has undergone several transformations. Today, the entire system is getting revamped and reorganised to transform it into an effective business enabler that has direct impact on the Company's bottom-line. The technology adoption roadmap is aimed at "Business Anywhere and Everywhere" and in making technology one of the key differentiators for competitive advantage.

This transformation journey is through three major stages – consolidation, success and significance - with careful adoption of Cloud and Mobility and other contemporary technologies in a series of initiatives. While 2011 was largely dedicated to the consolidation activities, there were few milestones that were achieved. These include –

- Implementation of Oracle HRMS (MIDAS) on hosting service mode,
- Rollout of Enterprise Content Manage System (Documentum) in MEA countries and in Indian projects,
- Migration of the enterprise Messaging System (Lotus Notes) to a cloud-based messaging system - Google Applications,
- Implementation of Talent Management and Performance Management Services,
- Implementation of Hiring Management services, using state-of-the art application "Hirecraft",
- Cloud computing environment by server Virtualization is under process
- Implementation of comprehensive web-security system (Websense),
- Implementation of Electronic Fund Transfer (EFT) with Bankers using third party EDIs.
- Creation of BC and DR site using third party hosting services.

The following technology roadmap has been drawn for 2012-13 and the near term future:

- Processes are being mapped for efficiency to become SOPs and aligning technology with business with user configurable approach (web 2.0 technology), enabling end-users to drive their needs for configuration and customisation
- Bringing standardisation for enterprise-wise IT adoption
- Building robust and secure network connecting all for Punj Lloyd entities,
- Various training and skill up-gradation initiatives to the existing team to build internal capabilities,
- Empowering peers by unambiguously

defining roles and responsibilities and ascertaining accountability,

- Deploying multi-layer security policy on an unified communication framework to enable safe and secured transaction,
- Virtualisation of Desktops, Servers and also designing intelligent thin client environment,
- Building up Corporate Information Vault (CIV) with multi-layered security through LDAP, Antivirus/anti-spam, IRM and firewall,
- Making Scalable, Secured and Robust IT infrastructure to support enterprise wise technology adoption
- Creating Enterprise Program Management Office (PMO) using various Project and Portfolio management tool and techniques, etc.

The journey of consolidation-success-significance is expected to take 2-3 years when its tangible benefits can be identified and measured.

HUMAN RESOURCE (HR)

Human resources play a critical role in organisational success. At Punj Lloyd all HR policies and practices are totally aligned with the overall organisational strategy.

In order to gain competitive edge in the industry, all HR initiatives are aimed at developing human capital to address critical business challenges and identify areas of opportunity and risk. The key initiatives include:

Capability Building: HR plays a critical role in identifying and bridging the gaps in the skills and knowledge base of its people to meet the business needs. For this, it has well rounded capability development programmes that stress on training as well as talent development. The training initiatives were undertaken at all levels. This included management staff as well as skilled workers. During 2011-12, across the group around 19,200 man days of training was provided. This covered a whole range of subjects like procurement, finance, project management, planning, contract, presentation skills, business writing skills, team building and welding.

At the beginning of 2011-12, newly hired management trainees and graduate engineer trainees were inducted into Punj Lloyd. They were taken through a month long induction at Executive Development Center, Banmore which intended to transition them from a college to corporate culture by exposing them to site-related realities during the program.

In keeping with the culture of knowledge sharing, a two day Procurement Meet was organised by Energy-SA team. The meet involving all the team members both from HO and Site focused on enhancing negotiation skills, knowledge of indirect taxes and engaging the team to develop consistency in the procurement processes.

An important initiative in 2011-12 was the NexGen Managers programme. This programme was designed to equip middle and aspiring managers to face new challenges in the changing business environment. It also facilitated on the job learning and provided a unique opportunity to learn something beyond the assigned day to day responsibility.

One of the flagship programs organised this year was the Advance skills of Project Management Practices (PMP certification). This programme provided a detailed understanding of project planning, analysis and control. It prepared Project Management professionals for PMP certification.

While most of the capability building programs are classroom-based, this year also saw a plethora of HSE trainings at site like fire-fighting and prevention, heat stress, insulation work, working at height, OHSAS Awareness, safety in scaffolding. These were a mix of class-room and hands-on learning.

One of the key initiatives during the year was the launch of “Performance Dialogue for Orchestrating Winning Performance (PD-OWP)”. This intervention is aimed at helping Punj Lloyd leadership enhance the impact of performance dialogues, impacting performance of individuals, teams, business, and the Punj Lloyd Group.

Employee Engagement: A number of platforms were used to enhance employee engagement which included quiz, rewards and recognition program and newsletters. Innovi’z was a series of individual and team quizzing, intended

to celebrate and encourage “Espirit de corps” at Punj Lloyd Group. This event was an attempt to bring together different entities of Punj Lloyd, providing them a platform to work together. Through a series of quiz and team assignments the idea was to encourage team building and camaraderie among employees. Innovi’z saw 148 entries in its initial phase – Personage, which was narrowed down to 6 teams in the Grand Finale – The Hot Seat. The four phases of Innovi’z saw huge response from participants as well as audience. The quarterly learning & development newsletter – Evolve was launched which gave employees a glimpse of the capability building initiatives at Punj Lloyd and recognised our internal trainers. In addition to the “high reach” reward and recognition programs conducted during the year, this year also saw a number Employee Voice Meetings wherein each department was given a chance to interact one-on-one with HR.

Talent Development: In its bid to build a leadership pipeline, the company revamped its commercial leadership programme for incorporation and development of young talent from premier business schools into PLL. Development Centers were conducted to provide a detailed feedback to high potential employees and creation of individual development plans. One of the key leadership development initiatives for senior management undertaken in-tie-up with IIM Bangalore was the Advanced Leadership Program. The objective of this program was to develop and sensitise senior team on issues pertaining to creating high performance organisation, strategy formulation and execution, and leadership skills. This programme also catered to enhancing the appreciation for risk management, business finance, advanced cost control, performance metrics, and macro-economic impact on infrastructure sector.

The performance management system was made more robust with the inclusion of parameters like employees potential, values, extraordinary skills and qualifications for promotions getting captured in addition to performance. Decisions on career development henceforth will be taken by mapping the above mentioned parameters on a metrics and dividing the employees into A, B, C players. Basis this overall rating, a career track will be designed wherein A players will be accelerated to get them ready for higher roles in the organisation.

ORGANISATION DEVELOPMENT

In an initiative to make the organisation leaner and more effective, a global study on broad-banding was conducted. The objective was to understand the business strategy and imperatives and the current organisation structure and roles. Based on this study, Punj Lloyd in time will look at introducing the right set of hierarchy levels which will support decision making and also feed into other HR systems and policies.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

As a leading EPC organisation that caters to global customers, Punj Lloyd lays a lot of emphasis on its health, safety and environment standards. The Company’s endeavours to protect people’s health, ensure zero injuries and avoid or minimise

any environmental impact that can occur due to its operations. The HSE objectives form an integral part of the overall corporate strategy.

Punj Lloyd is certified for three management systems including OHSAS 18001:2007 - Occupational Health & Safety Management System, ISO 14001:2004 - Environment Management System and ISO: 9001-2008 - Quality Management System. The effectiveness of these standards is assured by periodic audits at projects conducted from corporate level and half yearly by third party agency Det Norske Veritas (DNV). During 2011-12, OHSAS recertification audit was conducted, which included the audit of 14 project sites and corporate office and PLL was successfully recertified. Each project site is audited at least once by DNV in the certification cycle.

Corporate support plays a significant role in implementing HSE standards at site and to maintain a safe working environment. To monitor performance, HSE Monthly Project Performance Report (MPPR) was developed. All project sites are required to send the HSE MPPR to the corporate office. This primarily covers 10 areas including monthly safety statistics, training records, near miss incidents, subcontractor HSE evaluations, HSE awards report and environment monitoring report. The HSE MPPR assists in creating a link between the project sites and central corporate office. This in turn helps in analysing and improving HSE performance. The trends and analysis are presented to top management in the monthly review meeting. The management provides direction and support for driving initiatives at various levels.

One of the key aspects in the HSE MPPR is the near miss incidents analysis, where the near miss incidents reported from project sites are analysed in a statistical manner and cause analysis is categorised into factors like equipment non-compliance, electrical non-compliance, improper access, and fall protection. Based on the results of the analysis, campaigns and training programmes were organised. One such initiative was the development of e-learning programmes that included the audio visual fall protection module in both Hindi and English uploaded on PLL intranet for use at all project sites. A renowned external agency was hired for conducting a “three day scaffolder certification programme” at various project sites to improve scaffolding standards. Electrical safety week campaign was organised at various sites in which the workers were involved and trained with the help of quiz competitions, drawing competitions, and pictorial descriptions of hazards.

In order to reinforce positive behavior towards safety, celebrations and incentive programmes are regularly organised for motivating the workers as well as the staff for their active participation in implementing HSE standards. Events such as National Safety Day and World Environment Day are celebrated at both project sites and the corporate office with the involvement of top management including the Chairman. The celebrations extend for a week with programmes such as quiz competitions, slogan competitions and training programmes by expert faculties. Free medical check-up camps are also set up in regular intervals both at site as well as corporate level.

A summary of recognitions on EHS is listed below:

- Paradip Indmax project was awarded first prize under group B category during the HSE audit conducted by IOCL & their PMC and also retained best housekeeping trophy for the 3rd consecutive time.
- KSK Power Project won the “Yearly Safety Trophy” from SEPCO
- Bhogat Tankage project was awarded the Best Contractor for Housekeeping by Cairn Energy amongst other sub-contractors.
- Many projects achieved more than 1 million LTI free man-hours. Projects such as GVK Power achieved 11 million and both KSK Power and NOCL Cuddalore achieved 5 million LTI free man hours.

CONSOLIDATED FINANCIAL STATEMENT

Revenues increased by 29.7% from Rs. 8,139 crore in 2010-11 to Rs.10,557 crore in 2011-12. Foreign exchange gains worth Rs.190 crore contributed to other income worth Rs. 227 crore. Consequently total income increased by 32% from Rs.8,160 crore in 2010-11 to Rs.10,784 crore in 2011-12. EBIDTA margins improved from 9.2% in 2010-11 to 10.4% in 2011-12. As a result, EBIDTA increased by 50% from

Rs.749 crore in 2010-11 to Rs.1,124 crore in 2011-12. PBT increased from Rs.16 crore in 2010-11 to Rs.193 crore in 2011-12, and PAT turned around from a loss of Rs. 60 crore in 2010-11 to profit of Rs. 92 crore in 2011-12.

The performance translated into ROCE increasing from 6.25% in 2010-11 to 9.35% in 2011-12. And, RONW turned from – 1.7% in 2010-11 to 3.06% in 2011-12. Cash EPS increased from Rs. 6.31 in 2010-11 to Rs.11.76 in 2011-12 and basic EPS was Rs. 2.77 in 2011-12.

RISK

A structured risk management system is critical to the Company as it pursues a highly diversified business model, both in terms of geographies and industry segments. Consequently, Punj Lloyd has adopted a robust risk management system that is integrated to its operations. This system ensures a balance between people, process and technology to develop a business risk portfolio that can maximise revenues and profits over a sustainable period of time.

The senior management of the Company has clearly defined roles in terms of timely identification, mitigation and optimisation of risks. Across the organisation, there are risk management teams who are responsible for managing and reporting of risks to senior management. The Company's risk management process extends across three stages of project lifecycle: sales decision process, bidding and estimation processes, and the project execution process. Operational risks are managed through a risk register and the risk manual.

At a macro level, some of the major external risks affecting the Company are:

MARKET RISKS

The global economic slowdown especially in the developed world has resulted in a market scenario where infrastructure development is happening in a large way only in emerging markets. These are geographies, which are several notches backward in terms of their economic development and infrastructure. These countries have major need for improved infrastructure.

This kind of market dynamics has led to risks at two levels.

First, in the emerging markets like South Asia, MENA and South East Asia, where Punj Lloyd has a strong presence, there is high level of market concentration amongst infrastructure development companies across the globe. Global players in the infrastructure development and construction business are all competing for a smaller market pie world-wide. As a result there is high intensity of competition in these geographies and bids are being increasingly made at very low margins. Often there is aggression at securing new orders with less emphasis on prudency in cost estimations.

Second, many of the new opportunities are in under-development markets like Africa where there are often very unstable political, social or economic conditions. Implementing long term projects in such an environment of uncertainty is fairly risky for the project executors. While Punj Lloyd ventures into these markets it is aware of the high risks but realises that these risks are associated with high reward.

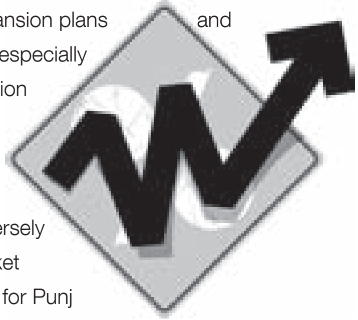
GEO POLITICAL ISSUES

The MEA region, which is an important market for Punj Lloyd, has witnessed a spate of political disturbances since the beginning of 2011. There were successful revolutions in Tunisia and Egypt. Syria continues to be under internal turmoil while Libya is reeling under post-civil war crisis. Having said so, in a positive development for some of the projects in Libya that were being executed by Punj Lloyd, the agencies concerned in Libya have asked for revised execution plans and are dealing with contractual issues related to the effects of the political turmoil.

INTEREST RATES

While Punj Lloyd is a global company, it is largely funded by domestic Indian capital. In the last couple of years, the Reserve Bank of India (RBI) has adopted a strict monetary policy in the wake of inflationary economic environment. A case in point is that the reverse report rate – benchmark interest rate – increased from 5.5% at the beginning of 2011-12 to 7.5% by March end 2012. This increase in interest rates has significantly increased the cost of capital. Punj Lloyd is actively tightening its cash management to release as much capital as possible and is also exploring options of global sources of capital.

The high interest environment in a slowing market has halted several capacity expansion plans and investments, especially in long gestation projects like infrastructure development. This has adversely affected market opportunities for Punj Lloyd.



INFLATION

India remains a country with supply side condition trailing demand generation. Consequently, there has been a sharp rise in prices across the board but primarily in basic commodities. Inflation directly affects the Company in terms of higher input costs, which may not be directly passed on to the client. This includes mainly steel, fuel and cement. Also, an inflationary environment warrants an increase in salaries and wage rates to sustain the existing human resource. The Company has taken several initiatives in procurement and effective human resource management to overcome this risk.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls commensurate with its size and business operations to ensure the following:

- Timely and accurate financial reporting in accordance with applicable accounting standards;
- Optimum utilisation and safety of assets;
- Compliance with applicable laws, regulations, listing agreements and management policies;
- An effective management information system and reviews of other systems.

The Company has well defined and documented procedures, policies and authority guidelines for each business unit. The Company's Oracle based ERP ensures uniformity of systems and processes, and thereby internal controls, for all functions.

Oracle encumbrance accounting has been adopted for online budgetary controls. 'Documentum', a Document Management system has been implemented that is capable of data storage, versioning, metadata, security, indexing and retrieval capabilities and is a step towards greater automation of knowledge management.

During 2011-12, the Company outsourced the internal audit to BDO Consulting, which is one of the leading global audit and accounting firms. This will bring even greater independence in executing and reporting of internal control review results to the Audit Committee of the Board.

CORPORATE SOCIAL RESPONSIBILITY

The concept of sustainability is engrained in Punj Lloyd's business ethos. On the economic and financial front, this is promoted through the long term business strategy that continuously focuses on industry and market diversification to maintain revenue growth and market share. The execution of these goals is governed by a strong Board of Directors who oversees a robust set of systems and processes, which ensure world class corporate governance practices. Finally, Punj Lloyd's sustainable business model is completed by the commitment towards its community and society at large. This commitment to the highest standards of corporate citizenry is reflected in the activities that are a part of the Company's Corporate Social Responsibility (CSR) initiatives.

Punj Lloyd's CSR initiatives can be categorised in terms of environmental, labour welfare, community development, social welfare and industry thought leadership. Many of the initiatives have

already been institutionalised and the reach of the programmes keep spreading every year. Some these major activities are:

- On the labour welfare front, 'Life Enrichment', a programme launched by Punj Lloyd in 2007, is a pioneering initiative by the private sector in combating HIV/AIDS in India amongst the migrant worker community, which is the mainstay of the construction industry. The project is now in its third phase and the reach is being spread from its initial interventions in north India to different parts of the country. During 2010-11, it was extended across Punj Lloyd's project sites at Cuddalore Refinery in Tamil Nadu, Mangalore Refinery in Karnataka and Dahej in Gujarat
- In community development, Punj Lloyd's initiatives are aimed at contributing to the society around the project sites where it operates. The interventions include:
  - Skill development through training
  - Provision of high quality education
  - Medical services including free health check-ups
  - Employment generating activities
  - Building infrastructural support
  - Promoting cross cultural ties
  - Preserving the local flora and fauna

  These have been undertaken across the global sites with some marquee successful contributions in Malaysia, Indonesia, Oman and Qatar.
- Amongst the several social welfare initiatives the largest and most socially encompassing is that of the holistic development of Sitamarhi in Bhadohi district of Uttar Pradesh, India. Punj Lloyd launched an integrated initiative that covered all needs of the region. The Company has almost exclusively adopted three villages Baripur, Narepar and Bankat. Apart from regular programmes for social and community development, there is specific focus on education and healthcare in the village.

During 2011-12, to keep students updated, the Dayawanti Punj Model School at Sitamarhi introduced Educomp classes in the school. Educomp is a leader in digital content solutions for the K12 segment. EducompSmartClass is a teacher-led educational content solution that dramatically improves learning outcomes. Recently launched new, improved version of EducompSmartClass

has raised the barriers to entry for competition even higher. With the aid of the Digital Board installed with the software carrying the CBSE syllabus, the teachers can now share the most recent of developments with the school students.

Apart from these institutionalised programmes, the Company undertook certain new initiatives during 2011-12.

Punj Lloyd supported the annual eye and dental camp at Barsana in Mathura, Uttar Pradesh. Organised by Bhaktivedanta hospital, a Non-Governmental Organisation owned by Sri Chaitanya Seva Trust, the annual camp attracts patients from nearby cities and neighbouring states of Delhi, Madhya Pradesh and Rajasthan. 10 Ophthalmic surgeons, 50 para-medical staff and 200 volunteers work at the camp. Villagers are screened for eye and dental ailments and over 1000 cataract surgeries are performed. The camp also provides food and shelter to the poor for three days. Dark glasses and medicines are provided free to the newly operated patients.

To promote environmental awareness, the Company launched a major paper recycling initiative across its three corporate offices. In order to create awareness amongst employees and the society at large on environmental issues, the Company organised a session with the renowned environmentalist and polar explorer Sir Robert Swan.

2011-12 also witnessed the strength of Punj Lloyd's corporate support to promote talent within the Company. Employed with the Company as a driver since 2008, Sunil Kumar displayed prowess in athletics but had resource constraints. Punj Lloyd supported him for his complete training including providing sports gear and special diet. He won a Gold medal at the National Veterans Athletic Championship 2011 at Puducherry, the Annual Delhi State Masters Athletics Championship 2011-2012 and the Corporate Games held at Siri Fort, New Delhi.

Being in the engineering and construction industry, design forms a significant part of the Company's work. With a belief that design should be a part of everyday life in India, Punj Lloyd supported the first India Design Forum at New Delhi - a platform to promote cross cultural dialogue and exchange of design philosophy and ideas at both academic and industry level.

FUTURE OUTLOOK

Economic conditions are expected to remain uncertain in India and across the globe for the next 2 to 3 years. The global EPC market will remain highly competitive. Punj Lloyd has succeeded in building a good order book in 2011-12. Revenue growth in 2012-13 and 2013-14 will be driven by the successful execution of this order book. The challenge will be to keep replenishing and growing the order book to take the Company to the next level of growth. The Company has already identified new geographies like East Africa and is focusing its energies to develop business. Going forward, it will be imperative to tune the business to different risk-return profile. The foray into the development business has been a step in aligning to the new requirements. Also, developing businesses in underdeveloped economies in Africa and Asia will have its share of challenges.

Each vertical has specific opportunities and the Company is working on best methods of prospecting for these and turning them into long term revenues for the Company. In addition, there are continuous efforts at improving efficiencies and delivering excellence in project execution. The ability to grow the order book in a difficult environment in 2011-12 gives Punj Lloyd the confidence to believe that its recovery is back on track and the Company remain cautiously optimistic about its prospects in 2012-13.

CAUTIONARY STATEMENT

The management of Punj Lloyd has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, include amounts based on informed judgments and estimates. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. These have been based on current expectations and projections about future events. Wherever possible, the management has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. Such statements, however, involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially. The management cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

FUEL SYSTEMS FOR NEW DOHA INTERNATIONAL AIRPORT, QATAR

Directors' Report

Your Directors are pleased to present the Twenty Fourth Annual Report and the audited accounts for the financial year ended March 31, 2012:

FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2012 is summarised below:

Financial Results for the year ended March 31, 2012		Rs. Crores
Particulars	**2011-12**	**2010-11**
Total Revenue	6180.40	4480.20
Profit Before Interest, Depreciation & Tax (PBIDT)	820.24	567.52
Less: Finance Cost	546.91	400.28
Gross Profit	**273.33**	**167.24**
Less: Depreciation	187.43	156.52
Profit Before Tax (PBT)	**85.91**	**10.72**
Less: Provision for Taxation including Deferred Tax Charge	28.25	(1.66)
Profit After Taxation (PAT)	**57.66**	**12.38**
Add: Profit Brought Forward	917.40	910.81
Surplus Available for appropriation	**975.06**	**923.19**
Appropriation		
Dividend on Equity Shares	4.98	4.98
Corporate Tax on Dividend	0.81	0.81
Amount transferred to General Reserve	-	-
Amount transferred to Debenture Redemption Reserve	15.37	-
Profit carried to Balance Sheet	953.90	917.40

DIVIDEND

Your Directors have recommended a dividend of Re.0.15 per equity share for the financial year ended March 31, 2012 amounting to Rs. 5.79 crore (inclusive of tax of Rs. 0.81crore).

OPERATIONS REVIEW

During the year, your Company gradually recovered from the global economic slowdown. Your company has been successful in growing the order book despite the highly competitive business environment. The total order inflow during the year was Rs. 13,817 crore making total order back log to Rs. 27,276 crores by the end of financial year 2011-12.

During the year total revenues of your Company increased from Rs. 4480.20 crores in FY 2010-11 to Rs. 6180.40 crores in FY 2011-12. Profit before interest, depreciation and tax (PBIDT) increased by 44.53% to Rs. 820.24 crores in FY 2011-12 in comparison to PBIDT of Rs. 567.52 crores in FY 2010-11. Profit Before Tax (PBT) of the Company increased from Rs. 10.72 cores in FY 2010-11 to Rs. 85.91 crores in FY 2011-12 and Profit After Tax (PAT) increased from Rs. 12.38 crores in FY 2010-11 to Rs. 57.66 crores in FY 2011-12.

BUSINESS REVIEW

A detailed business review is being given in the Management Discussion and Analysis section of the Annual Report.

SUBSIDIARY COMPANIES

During the year, 7 new subsidiaries/step down subsidiaries were added; these are Christos Trading Limited, Punj Lloyd Iraq Pte Ltd, Sembawang Group Pte Ltd, Sembawang Tianjin Heping Pte Ltd, Punj Lloyd Singapore Pte Ltd, Simon Carves Engineering Ltd and Indraprastha Metropolitan Development Ltd.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who is interested in obtaining the same. The Annual Accounts of the subsidiary companies are available for inspection at the Registered Office of the Company and that of respective subsidiary companies between 11.00 a.m. to 1.00 p.m. on all working days. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

A statement in respect of each of the subsidiaries, giving the details of capital, reserves, total assets and liabilities, details of investment, turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend is attached to this report.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company continued to focus on protecting people's health, safety and environmental standards. The Company's vision is to protect people's health, ensure zero injuries and avoid or minimize any environmental impact that can occur due to its operations. We are committed to making a positive contribution towards protection of environment in the areas and at all sites in which we operate. A detailed note on HSE practices and initiatives is included in Management Discussion and Analysis.

DIRECTORS

Mr. P. K. Gupta and Mr. Phiroz Vandrevala retire by rotation, and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. Necessary resolutions for re-appointment have been included in the notice convening Annual General Meeting.

Mr. P. K. Gupta was appointed as a Whole-time Director of the Company for a period of five years with effect from June 01, 2007 and his term of office ends on May 31, 2012. In view of the contribution made by Mr. P. K. Gupta in the overall progress of the Company, it is proposed to re-appoint Mr. P. K. Gupta as Whole-time Director for a period of five years with effect from June 01, 2012.

Brief resumes of the Directors being appointed/ re-appointed, as required under Clause 49 of the Listing Agreement, are provided in the explanatory statement to the Notice convening ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review.

- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

EMPLOYEE STOCK OPTION SCHEME

The details as required to be provided in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time with regards to the Employee Stock Option Plan 2005 and Employee Stock Option Plan 2006 of the Company as on March 31, 2012 are given below.

CORPORATE GOVERNANCE

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements executed with the Stock Exchanges is attached and forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

	Particulars	ESOP 2005	
		Nov. 17, 2005	May 10, 2006
1	Total No. of options granted	3,217,445	771,040
2	Pricing Formula	Exercise price being at 10% discount to IPO price i.e. Rs. 630/- per share of Rs. 10 each. After split in face value of share from Rs. 10 to Rs. 2 per share, the exercise price adjusted to Rs. 126/- per share	Rs. 235.99 (being the market price as defined in SEBI guidelines)
3	Number of options vested	3,217,445	771,040
4	Number of options exercised	1,017,108	10,132
5	Total no. of shares arising as a result of exercise of options	1,017,108	10,132
6	Number of options lapsed	1,777,982	608,753
7	Number of options forfeited	Nil	Nil
8	Variation in terms of options	None	None
9	Money realized by exercise of options (Rs. '000)	128,156	2,391
10	Total No. of options in force as on 31st March, 2012	422,355	152,155
11	Grant to Senior Management		
	- Number of options	1,850,545	352,935
	- Vesting period	4 Yrs	4 Yrs
12	Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	Mr. V. K. Kaushik*, Options granted - 200,000	Mr. Pradeep Kulshrestha, Options granted - 40,000
13	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil

* Ceased to be in employment w.e.f. 16.12.2009.
** Ceased to be in employment w.e.f 31.08.2010
*** Ceased to be in employment w.e.f 31.08.2010
**** Ceased to be in employment w.e.f 31.05.2011
*****Ceased to be in employment w.e.f 30.04.2010

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Accounting Standard (AS-21), Consolidated Financial Statements are attached and form part of the Annual Report and Accounts.

AUDITORS AND AUDITORS' REPORT

M/s S. R. Batliboi & Co, Chartered Accountants, Statutory Auditors have expressed their unwillingness to continue as statutory auditors of the Company. They shall hold office until the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. Walker Chandiok & Co., Chartered Accountants (Registration No. 001076N), as the statutory auditors of the Company for the financial year 2012-13. The Company has received letter from M/s. Walker Chandiok & Co. to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the

ESOP 2006					
Oct. 30, 2006	**Sept. 27, 2007**	**May 30, 2008**	**Mar 30, 2009**	**Jan 22, 2010**	**Aug 03, 2010**
1,491,050	30,000	40,000	30,000	30,000	30000
Rs. 154.46 (being the market price as defined in SEBI guidelines)	Rs. 299.90 (being the market price as defined in SEBI guidelines)	Rs. 310.35 (being the market price as defined in SEBI guidelines)	Rs. 90.40 (being the market price as defined in SEBI guidelines)	Rs. 198.90 (being the market price as defined in SEBI guidelines)	Rs. 132.45 (being the market price as defined in SEBI guidelines)
1,491,050	9,000	6,000	9,000	Nil	3,000
214,135	Nil	Nil	3,000	Nil	Nil
214,135	Nil	Nil	3,000	Nil	Nil
857,685	30,000	40,000	21,000	30,000	Nil
Nil	Nil	Nil	Nil	Nil	Nil
The remuneration committee had in its meeting held on March 30, 2009 revised the period of exercise of stock options from 18 months to three years.	The remuneration committee had in its meeting held on March 30, 2009 revised the period of exercise of stock options from 18 months to three years.	The remuneration committee had in its meeting held on March 30, 2009 revised the period of exercise of stock options from 18 months to three years.	None	None	None
33,075	Nil	Nil	271	Nil	Nil
419,230	Nil	Nil	6,000	Nil	30,000
1,002,800	30,000	40,000	30,000	30,000	30,000
4 Yrs	4 Yrs	4 Yrs	4 Yrs	4 Yrs	4 Yrs
Mr. V. K. Kaushik*, Options granted - 75,000	Mr. Paul Birch**, Options Granted - 30,000	Ms. Pratima Ram***, Options Granted - 20,000	Mr. Aditya Vij****, Options Granted - 30,000	Mr. Atul Pasricha*****, Options Granted - 30,000	Mr. S.S.Raju, Options Granted - 30,000
Nil	Nil	Nil	Nil	Nil	Nil

Companies Act, 1956 (the "Act") and that they are not disqualified for appointment within the meaning of Section 226 of the said Act.

The observations of the Auditors have been fully explained in Notes 7, 9, 11 and 12 in Annexure 1 to the Abridged Financial Statements and also Note 36, 41, 45 and 46 to the complete set of Financial Statements.

INTERNAL CONTROL SYSTEM

The Company has a proper and adequate system of internal controls commensurate with its size and business operations to ensure the following:

- Timely and accurate financial reporting in accordance with applicable accounting standards;
- Optimum utilization and safety of assets;
- Compliance with applicable laws, regulations, listing agreements and management policies;
- An effective management information system and reviews of other systems.

During the year, the Company outsourced the internal audit to BDO consulting, one of the leading global audit and accounting firm. This will bring greater independence in executing and reporting of internal control review results to the audit committee of the Board.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public, shareholders or employees during the year.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1957, as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

CONSUMPTION OF ENERGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given as an annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

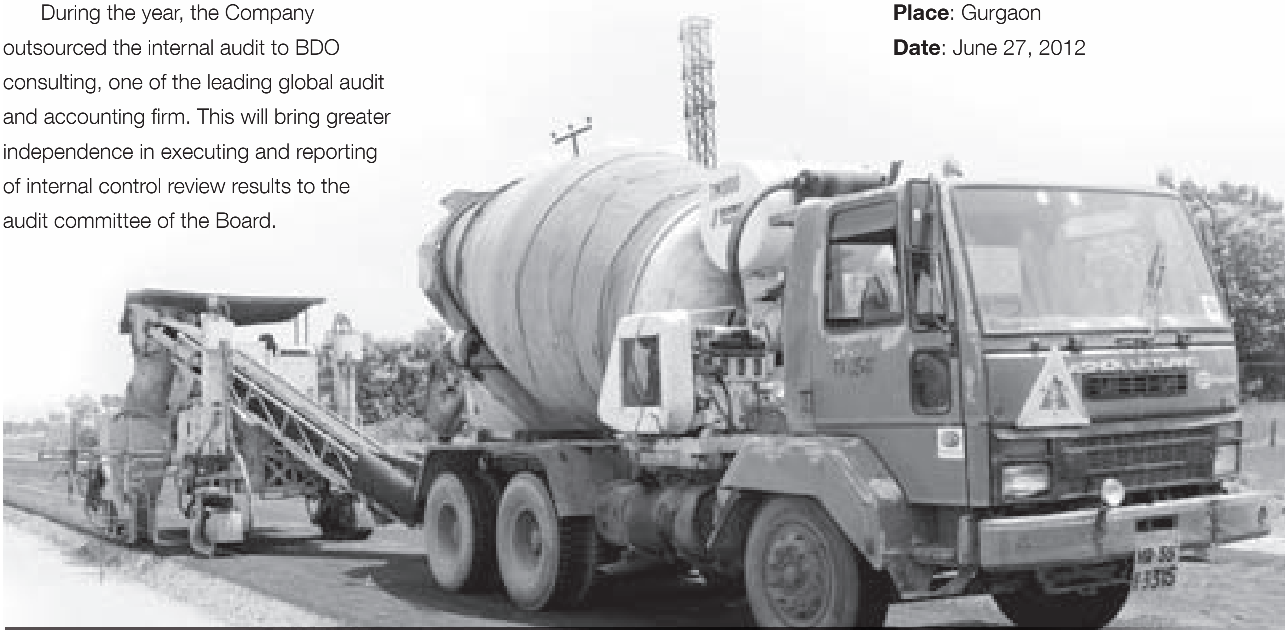
ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. Your Directors also take this opportunity to thank the customers, shareholders, business associates, banks, financial institutions, various statutory authorities and Central and State Governments for their continued support.

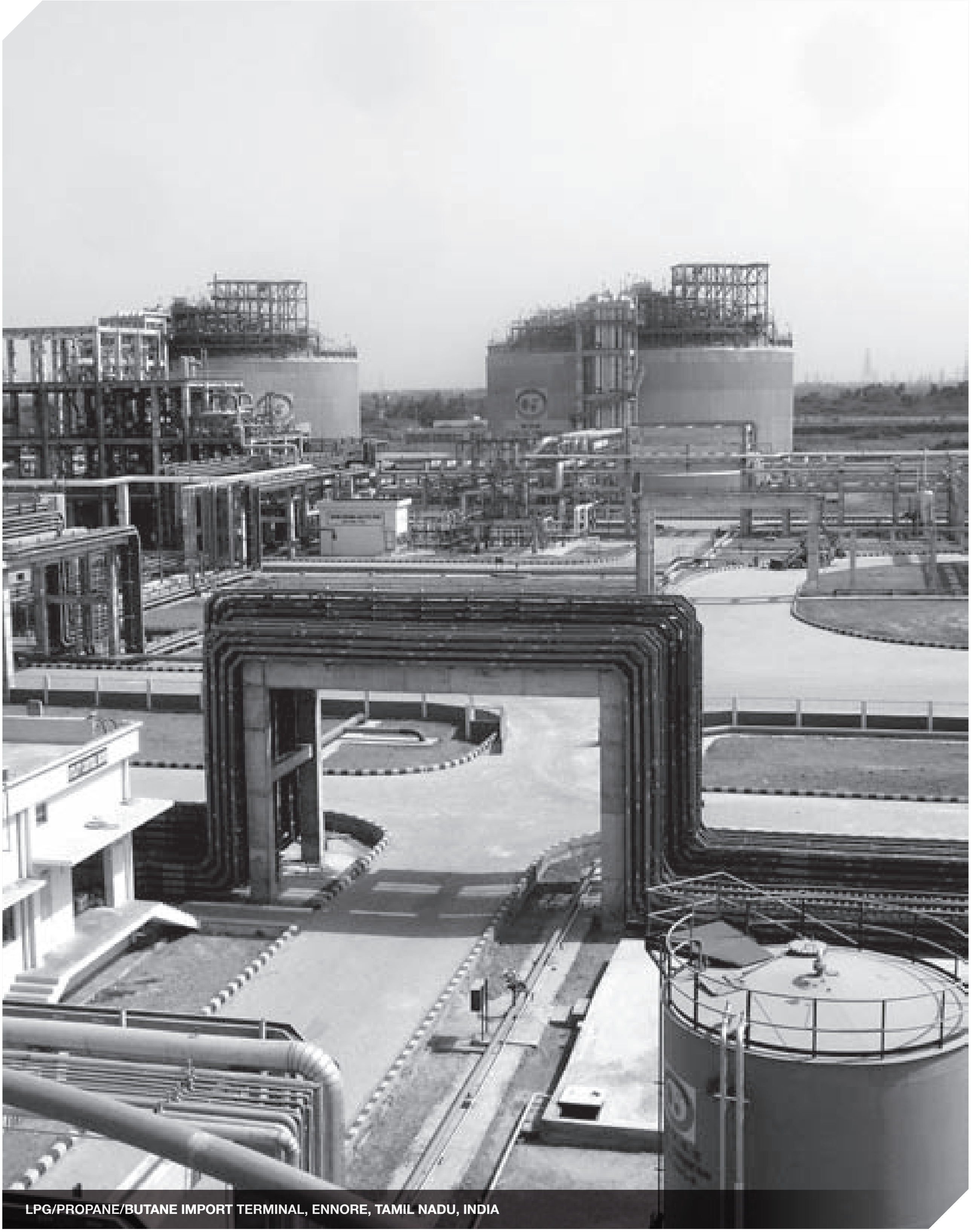
For and on Behalf of the Board

Atul Punj
Chairman

Place: Gurgaon
Date: June 27, 2012



CONCRETE PAVING UNDERWAY AT A PUNJ LLOYD ROAD PROJECT



LPG/PROPANE/BUTANE IMPORT TERMINAL, ENNORE, TAMIL NADU, INDIA

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on corporate governance is based on fair and transparent governance practices. The corporate governance philosophy is aimed at enhancing long term interests of the stakeholders by continuous adherence and enforcement of the principles of good corporate governance and upholding sound business standards in conducting its business. Your Company is committed to achieve excellence in all its activities and maximise the stakeholders wealth. The Company is compliant with the provisions of Clause 49 of the Listing Agreement as amended from time to time.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

As on March 31, 2012, the Board of Directors consisted of 8 Directors, of which 4 are Independent Directors. The Executive Chairman of the Board of Directors is a promoter Director. The composition of the Board satisfies the conditions of the Listing Agreement executed with the Stock Exchanges.

NUMBER OF BOARD MEETINGS

During the year 2011-12, the Board of the Company met 4 times on May 30, 2011, August 12, 2011, November 07, 2011 and February 13, 2012. The maximum gap between any two Board meetings was less than four months.

Table 1 details the composition and the attendance record of the Board of Directors.

BOARD INDEPENDENCE

In compliance with Clause 49 of the Listing Agreement with the stock exchanges, one-half of the Board of Directors of the Company comprises of Independent Directors. An Independent Director means a person who is not an officer or employee of the Company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of our Board of Directors, would interfere with the exercise of independent judgement in carrying out the responsibilities of a Director.

The Company does not have any pecuniary relationship with any non-executive or independent director except for payment of commission, sitting fee and reimbursement of travelling expenses for attending the Board Meetings. No sitting fee is paid for attending the meetings of any Committee of Directors.

The details of all remuneration paid or payable to the Directors are given in **Tables 2 and 3**.

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

Table 4 details the shares of the Company held by the Non-Executive Directors as on March 31, 2012.

As on March 31, 2012, none of the Non-Executive Directors held any convertible instruments of the Company.

INFORMATION SUPPLIED TO THE BOARD

Among others, information supplied to the Board includes:

- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the company and operating divisions and business

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

1 ◆ Composition of the Board of Directors as on March 31, 2012

Name of the Director	Category	No. of other Directorships[1]	No. of Board level Committee memberships / Chairmanships in other Indian public companies		Attendance Particulars		
			Member[2]	Chairman[2]	No. of Board Meetings		Attendance at last AGM
					Held	Attended	
Mr. Atul Punj	Promoter, Executive	8	4	4	4	4	Yes
Mr. Luv Chhabra	Executive	6	3	2	4	4	Yes
Mr. Pawan Kumar Gupta	Executive	6	3	2	4	3	Yes
Dr. Naresh Kumar Trehan	Independent	3	-	-	4	4	Yes
Mr. Sanjay Gopal Bhatnagar	Independent	1	-	-	4	3	No
Mr. Niten Malhan	Non-Executive	6	7	-	4	3	No
Mr. Phiroz A Vandrevala	Independent	2	-	-	4	2	No
Ms. Ekaterina A Sharashidze	Independent	-	-	-	4	2	No

Notes:
1. The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, Section 25 companies and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all public limited companies (excluding Punj Lloyd Limited) have been considered.

2 ◆ Remuneration paid or payable to Directors for the year ended March 31, 2012 (Rs. '000)

Name of the Director	Salary	Sitting Fees	Perquisites	Performance Incentive	Deferred Benefits (PF & Superannuation)	Commission	Total
Mr. Atul Punj	-	-	-	10,000	-	-	10,000
Mr. Luv Chhabra	12,000	-	16,450	10,000	1,440	-	39,890
Mr. Pawan Kumar Gupta	12,000	-	9,162	10,000	1,440	-	32,602
Dr. Naresh Kumar Trehan	-	40	-	-	-	1,750	1,790
Mr. Sanjay Gopal Bhatnagar	-	30	-	-	-	750	780
Mr. Niten Malhan	-	-	-	-	-	-	-
Mr. Phiroz A Vandrevala	-	20	-	-	-	1,750	1,770
Ms. Ekaterina A Sharashidze	-	20	-	-	-	750	770

Note: None of the Directors are related to each other.

3 ◆ Details of Stock Option to Directors as on March 31, 2012

Name of the Director	Total No. of Options	Options vested till March 31, 2012	Options Exercised	Exercise Price per share (Rs.)	Options still unvested
ESOP 2005					
Mr. Luv Chhabra	135,000	135,000	81,000	126	-
Mr. Pawan Kumar Gupta	100,000	100,000	30,000	126	-
ESOP 2006					
Mr. Luv Chhabra	60,000	60,000	18,000	154.46	-
Mr. Pawan Kumar Gupta	40,000	40,000	4,000	154.46	-

Note: Each option gives the holder a right to one equity share of the Company.

4 ◆ Details of Shares held by Non-Executive Directors as on March 31, 2012

Name of the Director	No. of Shares Held (face value of Rs. 2/-each)
Dr. Naresh Kumar Trehan	4,000
Mr. Sanjay Gopal Bhatnagar	-
Mr. Niten Malhan	-
Mr. Phiroz A Vandrevala	5,000
Ms. Ekaterina A Sharashidze	-

segments.

- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Certificate by the respective Heads of Departments/Projects regarding compliance with the statutory laws.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board of Directors is presented with detailed notes along with the agenda papers well in advance of the meeting. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on March 31, 2012, the Audit Committee consisted of Dr. Naresh Kumar Trehan (Chairman of the Committee), Mr. Sanjay Gopal Bhatnagar, Mr. Phiroz A Vandrevala and Mr. Niten Malhan. All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Committee met 4 times during the course of the year on: May 30, 2011, August 12, 2011, November 07, 2011 and February13, 2012. **Table 5** gives attendance record.

The Director in charge of Finance and representatives of the statutory auditors and internal auditors are regularly invited by the Audit Committee to its meetings. Mr. Dinesh Thairani, Company Secretary, is the secretary to the Committee.

The constitution of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956, as well as the Listing Agreement.

The functions of the Audit Committee of the Company include the following:

5 ◆ Attendance record of Audit Committee members for 2011-12

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Dr. Naresh Kumar Trehan	Chairman	Independent	4	4
Mr. Sanjay Gopal Bhatnagar	Member	Independent	4	3
Mr. Phiroz A Vandrevala	Member	Independent	4	2
Mr. Niten Malhan	Member	Non-Executive	4	3

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the company's risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.
- Whenever applicable, the uses/ applications of funds raised through public issues, rights issues, preferential issues by major category

(capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice.

In addition, the Audit Committee of the Company is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies (if any), in view of the requirements under Clause 49.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

REMUNERATION COMMITTEE

The remuneration committee determines and recommends to the Board, the compensation payable to the directors. All Board level compensation is approved by the shareholders and disclosed separately in the financial statements. The annual compensation of the executive directors is approved by the remuneration committee, within the overall ceiling fixed by the shareholders.

The Remuneration Committee determines, on behalf of the Board and Shareholders, as per agreed terms of reference, the Company's policy on specific remuneration packages for executive directors. The Remuneration Committee has the powers to determine and recommend to the Board the amount of remuneration including performance based incentive and perquisites, payable to the Executive Directors. The Committee ensures that the remuneration by way of salary and other allowances and monetary value of perquisites is within the overall limit as specified under the Companies Act, 1956.

The payment to Non-Executive Directors is made in the form of sitting fees for attending the Board Meetings and commission on profits as determined and approved by the Board, the sum of which is within the limits of 1% of net profits for the year, calculated in accordance with the provisions of the Companies Act, 1956. The performance of independent directors is reviewed by the Board on an annual basis.

The Company's Remuneration Committee consists of Dr. Naresh Kumar Trehan, Mr. Sanjay Gopal Bhatnagar, Mr. Phiroz A Vandrevala and Mr. Niten Malhan. The Committee met 2 times during the year: on May 30, 2011, and February 13, 2012. **Table 6** gives the attendance details.

6 ◆ Attendance record of Remuneration Committee members for 2011-12

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Dr. Naresh Kumar Trehan	Independent	Member	2	2
Mr. Sanjay Gopal Bhatnagar	Independent	Member	2	2
Mr. Phiroz A Vandrevala	Independent	Member	2	1
Mr. Niten Malhan	Non-Executive	Member	2	1

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer of securities. The terms of reference of the Committee are as follows.

- To approve the transfer/transmission of securities of the Company and oversee and review all matters connected with the transfer/ transmission of securities of the Company.
- To issue new certificates of securities of the Company on split up or consolidation and issue of duplicate certificates of securities of the Company against lost/torn/mutilated certificates etc.
- To issue new certificates of securities in case of change in denomination of securities of the Company.
- To decide on any matter relating to the securities of the Company whether in physical or dematerialised form.
- To formulate and implement the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations,1992 and review and monitor its compliance.
- To appoint and/or remove Compliance Officer(s) of the Company for complying with the requirements

of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing Agreement(s) entered into with various Stock Exchange(s).

- To appoint and/or remove the Registrars and Transfer Agent(s) of the Company and for that purpose to authorise any officer(s) of the Company to enter into Tripartite Agreement(s) with the Registrars and Transfer Agent(s) and Depository(s).
- To review the performance of the Registrars and Transfer agents and recommend measures for improvement in the quality of investor services.
- To look into the redressal of shareholders and investors complaints of any nature including but not limited to the following:
  - Transfer of securities
  - Non-receipt of Balance Sheet
  - Non-receipt of declared dividends
  - Change of address of the shareholders
  - Non-receipt of shares in physical or dematerialised form
  - Shareholders' complaints of other nature forwarded to the Company by Stock Exchanges/SEBI
  - Correction/change of the bank mandate on refund orders
  - Other complaints of similar nature received from the shareholders.
- Any other matters to be delegated under any applicable law or regulation or rules applicable to the Company.
- To delegate all or any of the powers mentioned above to any officer(s) of the Company and/or to the Registrar and Share Transfer Agents appointed by the Company.

7 ◆ Attendance record of Shareholders' / Investors' Grievance Committee members for 2011-12

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Dr. Naresh Kumar Trehan	Independent	Chairman	2	2
Mr. Atul Punj	Promoter, Executive	Member	2	2
Mr. Luv Chhabra	Executive	Member	2	2

The Committee comprises of Dr. Naresh Kumar Trehan (Chairman of the Committee), Mr. Atul Punj and Mr. Luv Chhabra. The Committee met 2 times during the year: on August 12, 2011 and February 13, 2012, as detailed in **Table 7**.

During the year 2011-12, the Company received a total of 57 queries/ complaints from various shareholders relating to non-receipt of dividend, annual report and share certificates. The same were attended to the satisfaction of the shareholders. At the end of the year March 31, 2012 no complaint was pending for redressal and no shares were pending for transfer/dematerialisation.

CEO/CFO CERTIFICATION

The CEO and CFO have certified, in terms of Clause 49 of the Listing Agreement, to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

CODE OF CONDUCT

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Sr. Management Personnel. The Code is applicable to Executive and Non-Executive Directors as well as senior management personnel. A copy of the code is available on Company's website www.punjlloyd.com

A declaration signed by Chairman is given below:

SUBSIDIARY COMPANIES

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The Company does not have any material non-listed Indian subsidiary

I hereby confirm that:
The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year 2011-12.

For Punj Lloyd Limited
Atul Punj
Chairman

company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

This annual report has a detailed section on Management Discussion and Analysis.

DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed the guidelines on accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

The Company has instituted a comprehensive Code of Conduct for its Directors, management and staff, laying down the guidelines and procedures to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the company can trade in the shares of the company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the code.

Mr. Dinesh Thairani, Company Secretary, is the Compliance Officer.

SHAREHOLDERS

RE-APPOINTMENT OF DIRECTORS

MR. P. K. GUPTA

Mr. P K Gupta is an engineering graduate from Thapar Institute of Engineering and Technology, Patiala. He joined Punj Lloyd in 1989 as Deputy General Manager - EPC projects. He was instrumental in taking the company across the border to set up operations in Asia-Pacific. It is under his direction as Director- Indonesia Operations that the company's first project in Indonesia, the Balongan-Jakarta Product Pipeline for Pertamina, met successful completion 3 months ahead of schedule. He also secured and successfully executed the first ever project for offshore (shallow water / swampy) pipelaying in Indonesia, for TOTAL as a client, which paved the way for the setup of a new business line for the company.

Mr. P. K. Gupta has been actively involved in the successful completion of Pipelines, LNG and Oil Storage Terminals, Gas-processing units, Petrochemical and Fertilizer projects besides complex refinery projects like the Sulphur blocks, Hydrocrackers, Offsite facilities and Utilities for several prestigious clients like Indian Oil Corporation, Reliance Industries, HPCL, Chambal Fertilizers & Chemicals, Pertamina, Petronas, PGN, Total, Technip, Shell, Qatar Petroleum, Chevron, ENOC, ADWEA, Chemoil and many more.

Mr. P. K. Gupta is also a Director on the Board of PL Engineering Ltd, PLN Construction Ltd, KAEFER Punj Lloyd Ltd, Spectra Punj Lloyd Ltd, Punj Lloyd Infrastructure Ltd and Punj Lloyd Aviation Ltd.

Mr. P. K. Gupta is a member of the Audit Committee of Punj Lloyd Ltd, Punj Lloyd Aviation Ltd, PL Engineering Ltd, Punj Lloyd Infrastructure Ltd and Sembawang Infrastructure India Pvt Ltd. He is a Chairman of the Audit Committee of Spectra Punj Lloyd Limited.

Mr. P. K. Gupta is also a member on the Board of the following companies incorporated outside India.

Sembawang Engineers and Constructors Pte. Ltd, Punj Lloyd Pte. Ltd, PT Punj Lloyd Indonesia, Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd, Punj Lloyd Engineers and Constructors Pte. Ltd, Simon Carves Singapore Pte. Ltd, Sembawang Equity Capital Pte. Ltd, Punj Lloyd Sdn. Bhd, Punj Lloyd Infrastructure Pte. Ltd, Punj Lloyd Delta Renewables Pte. Ltd, Punj Lloyd Kenya Ltd, Punj Lloyd Singapore Pte. Ltd, Punj Lloyd Iraq Pte. Ltd, Punj Lloyd (Thailand) Co. Ltd and Hammersmith Pte. Ltd.

MR. PHIROZ VANDREVALA

Mr. Phiroz Vandrevala, a certified chartered accountant, is the Vice Chairman and Managing Director of 'Diligenta', a UK based subsidiary of Tata Consultancy Services Limited (TCS), servicing Life Insurance and Pension companies and serves on the Board of Tata Consultancy Services Limited.

Prior to taking the leadership role at Diligenta, Mr. Phiroz Vandrevala was the Executive Director and Head of Global Corporate Affairs at TCS and played a prominent part in many industry initiatives as a former Chairman and Executive Council member of National Association of Software Companies (NASSCOM), India's apex IT industry body.

In the banking and financial services sector, Mr. Vandrevala has been part of numerous expert committees constituted by the Reserve Bank of India to guide the central bank in its policy-making efforts as well as IT advisory bodies in India and on the Board of several prominent Education institutions. Mr. Vandrevala was the

Co-Chair of the Indo-British Partnership (IBP) from the Indian side for the year 2009-10 and is also a Board member of Indo British Partnership Network.

Mr. Phiroz Vandrevala is also a Director of Jubilant Food Works Limited.

COMMUNICATION TO SHAREHOLDERS

The Company puts forth key information about the Company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website regularly for the benefit of the public at large.

The quarterly/half yearly and annual financial results of the Company are normally published in Business Standard/ Hindu Business Line/Financial Express in English and Rashtriya Sahara in Hindi. In addition to the above, quarterly and annual results are displayed at our website at www.punjlloyd.com for the information of all Shareholders.

INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

The Company has appointed a Registrar and Share Transfer Agent, M/s. Karvy Computershare Pvt. Ltd., which is fully equipped to carry out share transfer activities and redress investor complaints. Mr. Dinesh Thairani, Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

DETAILS OF NON-COMPLIANCE BY THE COMPANY

The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

COMPLIANCE

MANDATORY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of Clause 49.

NON- MANDATORY REQUIREMENTS

The details of compliance of the non-mandatory requirements are listed below.

Non Executive Chairman's Office

The Company has an Executive Chairman and hence, this is not applicable.

Remuneration Committee

Details of the composition and function of the Remuneration Committee are given in the section 'Committees of the Board'.

Shareholder Rights - Furnishing of Half-Yearly Results

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

Audit Qualifications

The observations of the Auditors have been fully explained in Notes 7, 9, 11 and 12 in Annexure 1 to the Abridged Financial Statements and also Notes 36, 41, 45 and 46 to the complete set of Financial Statements. The Company continues to adopt appropriate best practices in order to ensure unqualified Financial Statements.

Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy, where employees have access to the Head of Business / Head of Function. In terms of the Company's Code of Conduct, any instance of non-adherence to the Code or any observed illegal, unethical behaviour is to be brought to the attention of the immediate reporting authority; the immediate reporting authority has to bring it to the notice of the Compliance Officer. Mr. Dinesh Thairani, Company Secretary is the Compliance Officer. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

8 ◆ Details of last three Annual General Meetings

Financial year	Date	Time	Venue	No. of Special Resolutions Passed
2008-09	July 28, 2009	12 Noon.	FICCI Golden Jubilee Auditorium Federation House Tansen Marg, New Delhi 110001	2
2009-10	August 02, 2010	10.30 A.M.	Air Force Auditorium Subroto Park, New Delhi 110010	Nil
2010-11	August 12, 2011	10.30 A.M.	Air Force Auditorium Subroto Park, New Delhi 110010	2

GENERAL BODY MEETINGS

The date, time and venue of the last three annual general meetings are given in **Table 8**.

POSTAL BALLOT

During the year, special resolution for alteration of Other Objects Clause III (C) of the Memorandum of Association of the Company by way of insertion of two new sub clauses and commencement of all or any of the new businesses as detailed in those sub clauses was passed by the shareholders of the Company. The Board appointed Mr. Ashok Kumar Verma, a practicing Chartered Accountant as the Scrutiniser to conduct the postal ballot process.

The results of the postal ballot were declared on August 09, 2011. Details of the voting pattern are given in **Table 9**.

ANNUAL GENERAL MEETING 2012	
Date	Tuesday, July 31, 2012
Venue	Air Force Auditorium, Subroto Park, New Delhi 110 010
Time	10:30 a.m.
Book Closure	Wednesday, July 25, 2012 to Tuesday, July 31, 2012 (both days inclusive)

CALENDAR OF FINANCIAL YEAR ENDED MARCH 31, 2012

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended March 31, 2012 were held on the following dates:

First quarter	August 12. 2011
Second quarter	November 07, 2011
Third quarter	February 13, 2012
Fourth quarter and annual	April 30, 2012

9 ◆ Details of voting pattern

Description of Resolution	No. of Valid Postal Ballot Forms received	Total No. of Valid Votes	Votes in favour of the resolution	Votes against the resolution
Special Resolution under Section 16, 17, 149 (2A) and all other applicable provisions, if any, of the Companies Act, 1956 for alteration of the Other Object Clause under Clause III (C) of the Memorandum of Association of the Company by way of insertion of new clauses.	1260	150,749,593	150,737,841	3,557

Accordingly, the said Resolution was approved by the shareholders, with requisite and overwhelming majority.

TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING MARCH 31, 2013

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2013 are as follows:

First quarter	Second week of August 2012
Second quarter	Second week of November 2012
Third quarter	Second week of February 2013
Fourth quarter and annual	Second week of May 2013/Last week of May 2013

LISTING DETAILS

Name of Stock Exchange	Stock code
Bombay Stock Exchange Limited (BSE)	532693
National Stock Exchange of India Limited (NSE)	PUNJLLOYD
ISIN	INE701B01021

All listing and custodial fees to the Stock Exchanges and depositories have been paid to the respective institutions.

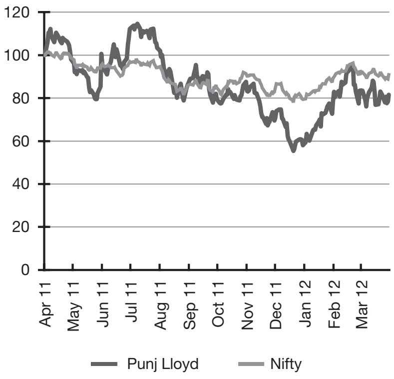
STOCK DATA

Table 10 gives the monthly high and low prices and volumes of Company's equity shares at Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year 2011-12.

STOCK PERFORMANCE

Chart 'A' plots the movement of Punj Lloyd's share performance compared to the NIFTY.

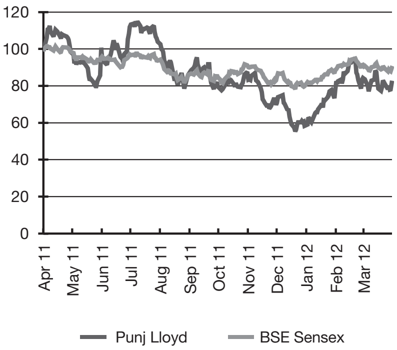
Punj Lloyd Share Prices vs NIFTY ◆ **Chart A**



Note: Punj Lloyd Share Price and Nifty indexed to 100 as on April 1, 2011

Chart 'B' plots the movement of Punj Lloyd's share performance compared to the BSE Sensex.

Punj Lloyd Share Prices vs BSE Sensex ◆ **Chart B**



Note: Punj Lloyd Share Price and Sensex indexed to 100 as on April 1, 2011

SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

The Company executes share transfers through its share transfer agents, whose details are given below.

Karvy Computershare Pvt Ltd
Karvy House
Plot No. 17-24, Vittalrao Nagar,
Madhapur, Hyderabad 500081
Tel.: +91-040-44655000
Fax: +91-40-23420814 / 57
E-mail: einward.ris@karvy.com

In compliance with the SEBI circular dated December 27, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, the Company has established connections with National Securities Depositories Limited (NSDL) and Central

10 ◆ **High and Low Prices, and Trading Volumes at the BSE and NSE**

Month	BSE (In Rs. per share)			NSE (In Rs. Per share)		
	High	Low	Volume	High	Low	Volume
APR 2011	77.50	64.50	2,13,82,265	77.60	64.45	8,27,66,191
MAY 2011	68.65	53.00	2,69,86,092	68.70	52.65	9,80,15,558
JUN 2011	76.20	60.60	5,89,83,466	76.20	60.60	21,66,58,989
JUL 2011	82.00	70.05	2,47,22,068	80.80	69.85	9,11,68,362
AUG 2011	73.30	52.50	1,84,36,587	76.15	52.60	7,68,15,038
SEP 2011	65.35	52.50	2,03,95,758	65.40	52.50	8,24,00,372
OCT 2011	60.30	52.25	1,15,74,828	60.30	52.05	4,77,73,867
NOV 2011	60.20	44.40	1,64,89,227	60.15	44.35	6,45,91,828
DEC 2011	51.90	37.05	1,74,96,821	51.95	37.00	6,94,20,166
JAN 2012	53.50	38.40	2,14,95,798	54.00	38.35	8,32,42,642
FEB 2012	65.90	52.65	2,74,40,787	65.65	52.40	9,96,02,729
MAR 2012	61.25	51.15	1,49,04,545	61.20	51.10	6,65,30,141

Source: BSE and NSE website

11 ◆ Number and nature of complaints for the year 2011-12

Particulars	Non-Receipt of Certificates	Non-receipt of dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat credit, etc.)	Total
Received during the year	6	39	12	57
Attended during the year	6	39	12	57
Pending as on March 31, 2012	Nil	Nil	Nil	Nil

Depository Services (India) Limited (CDSL), the two depositories, through its Share Transfer Agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and the Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on March 31, 2012, there were 4,49,903 shareholders holding 33,20,71,438 shares of Rs. 2/- each in electronic form. This constitutes 99.99% of the total paid up capital of the Company.

There are no legal proceedings against the Company on any share transfer matter. **Table 11** gives details about the nature of complaints and their status as on March 31, 2012.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

As per Clause 5A(1) of the Listing Agreement, 2,310 equity shares are lying in the suspense account in respect of an aggregate of 41 shareholders. None of the shareholders approached the Company for transfer of shares from suspense account during the year. The voting rights on the shares outstanding in the suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

ECS MANDATE

All the shareholders are requested to update their bank account details with their respective depositories in order to facilitate transfer of dividend directly to the bank account of the Shareholders.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing service of various documents to the members by the Companies through electronic mode.

All shareholders are requested to update their e-mail addresses to enable the Company to send the documents in electronic form.

SHAREHOLDING PATTERN

Tables 12 and **13** gives the pattern of shareholding.

PLANT LOCATIONS

The Company is engaged in providing integrated design, engineering, procurement, construction and project management services for energy and infrastructure sector. The projects are executed at the sites provided by the clients. The Company does not have any manufacturing facilities except a Central workshop situated at Banmore Industrial Area, Banmore Dist., Morena, Madhya Pradesh, 476 444 for carrying out repair and maintenance of equipment.

12 ◆ Distribution of shareholding as on March 31, 2012

Category		Total No. of shares	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
a.	Indian Promoters	46,416,555	13.98
b.	Foreign Promoters	77,121,970	23.22
	Total shareholding of Promoter & Promoter Group	**123,538,525**	**37.20**
B.	**Public Shareholding**		
1.	Institutions		
a.	Mutual Funds and UTI	20,019,635	6.02
b.	Banks/Financial Institutions	22,417,027	6.75
c.	FIIs	32,462,514	9.78
2.	Non-Institutions		
a.	Bodies Corporate	21,946,271	6.61
b.	Resident Individuals	103,633,142	31.21
3.	Others		
a.	Non Resident Indians	6,339,279	1.90
b.	Trusts	323,360	0.10
c.	Clearing Members	1,415,992	0.43
	Total Public Shareholding	**208,557,220**	**62.80**
C.	**Shares held by Custodians and against which Depository Receipts have been issued**		
a.	Promoter & Promoter Group	Nil	Nil
b.	Public	Nil	Nil
	Grand Total	**332,095,745**	**100.00**

13 ◆ Pattern of shareholding by share class as on March 31, 2012

Shareholding Class	No of shareholders	% of Shareholders	No of shares held	Shareholding %
1 - 5000	450,474	98.90%	83,058,240	25.01%
5001 - 10000	3,028	0.66%	10,897,884	3.28%
10001 - 20000	1,153	0.25%	8,366,046	2.52%
20001 - 30000	229	0.05%	2,840,243	0.86%
30001 - 40000	164	0.03%	2,889,513	0.87%
40001 - 50000	71	0.02%	1,623,898	0.49%
50001 - 100000	157	0.04%	5,627,513	1.69%
100001 & Above	216	0.05%	216,792,408	65.28%
Total	455,492	100%	332,095,745	100%

INVESTOR CORRESPONDENCE ADDRESS	
Company	Mr. Dinesh Thairani Compliance Officer Punj Lloyd Ltd. Corporate Office 1, 78, Institutional Area, Sector 32, Gurgaon 122001 Tel. No. +91-124 2620123; Fax No. +91-124-2620111 e-mail: investors@punjlloyd.com
Registrars	Mr. K. S. Reddy Assistant General Manager Karvy Computershare Pvt. Ltd. Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500 081 Tel.: +91-40-44655000; Fax: +91-40-23420814 E-mail: einward.ris@karvy.com
Depositories	National Securities Depository Limited Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai 400013 Tel.: +91-22-2499 4200; Fax: +91-22-2497 2993 E-mail: info@nsdl.co.in
	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street Mumbai 400 001 Tel.: +91-22-2272 3333; Fax: +91-22-2272 3199 E-mail: investors@cdslindia.com

For Punj Lloyd Limited

Date: June 27, 2012 **Atul Punj**

Place: Gurgaon **Chairman**

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained the following certificate from the statutory auditors regarding compliance of conditions of corporate governance, as mandated in Clause 49 of the Listing Agreement.

To,
The members of Punj Lloyd Limited

We have examined the compliance of conditions of corporate governance by Punj Lloyd Limited for the year ended on March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. R.Batliboi & Co.
Firm registration number: 301003E

Per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: June 27, 2012

CEO/CFO CERTIFICATION

The Board of Directors
Punj Lloyd Limited
Corporate Office I, 78,
Institutional Area, Sector 32,
Gurgaon 122 001

Dear Sirs,

We, the undersigned hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2012 and that to the best of our knowledge and belief:
(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by Punj Lloyd Limited during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting in Punj Lloyd Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and Audit Committee
(i) Significant changes in internal control over financial reporting during the year;
(ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
(iii) Instances of significant fraud of which we become aware of and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Atul Punj	**Raju Kaul**
Chairman	**Group - Chief Financial Officer**

Place: Gurgaon
Date: April 30, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

Financial year ended for all subsidiaries on March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

Name of the Company	Extent of Holding Company's interest in the subsidiary Company.	Number of Shares held /Amount of Capital Subscribed.	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding Company were :			
			a) Not dealt with in Holding Company's account :		b) Dealt within Holding Company's account	
			(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary
PT Punj Lloyd Indonesia	100.00% Paid-up Share Capital	7,805 Equity Shares of USD 500 each aggregating to USD 3,902,500 equivalent to Rs. 17.09 crores	(94.82)	65.61	Nil	Nil
Punj Lloyd Kazakhstan LLP	100.00% Paid-up Share Capital	Charter Capital amounting to KZT 1,107,977,200 equivalent to Rs. 36.28 crores	(39.36)	4.62	Nil	Nil
Punj Lloyd International Ltd	100.00% Paid-up Share Capital	100,000 Equity Shares of USD 1 each aggregating to USD 100,000 equivalent to Rs. 0.45 crore	(0.29)	1.81	Nil	1.43
Spectra Punj Lloyd Ltd	100.00% Paid-up Share Capital	5,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 5.05 crores	(3.12)	1.86	Nil	0.90
Punj Lloyd Industries Ltd	100.00% Paid-up Share Capital	11,500,200 Equity Shares of Rs. 10/- each aggregating to Rs. 11.50 crores	0.08	0.16	Nil	Nil
Atna Investments Ltd	100.00% Paid-up Share Capital	515,221 Equity Shares of Rs. 100/- each aggregating to Rs. 5.15 crores	0.01	(4.67)	Nil	Nil
PLN Construction Ltd	100.00% Paid-up Share Capital	2,000,000 Equity Shares of Rs. 10/- each aggregating to Rs.3.09 crores	0.09	16.38	Nil	Nil
PL Engineering Ltd	80.32% Paid-up Share Capital	5,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 5.00 crores	(18.46)	33.17	Nil	Nil
Punj Lloyd Infrastructure Ltd	100.00% Paid-up Share Capital	22,650,000 Equity Shares of Rs. 10 each fully paid up. Out of the above 7,500,000 equity shares issued at premium of Rs 10 each aggregating to Rs. 22.65 crores	2.37	(5.45)	Nil	Nil
Punj Lloyd Upstream Ltd	58.06% Paid-up Share Capital	36,397,350 Equity Shares of Rs. 10 each aggregating to Rs. 36.40 crores	(0.97)	2.97	Nil	Nil
Punj Lloyd Aviation Ltd	100.00% Paid-up Share Capital	53,998,710 Equity Shares of Rs. 10 each aggregating to Rs. 54.00 crores	(3.35)	(17.62)	Nil	Nil
Sembawang Infrastructure (India) Pvt Ltd	100.00% Paid-up Share Capital	9,575,000 Equity Shares of Rs. 10 each aggregating to Rs. 0.10 crore	(4.14)	(1.39)	Nil	Nil
Indtech Global Systems Ltd	99.99% Paid-up Share Capital	82,418 Equity Shares of Rs. 100 each aggregating to Rs. 1.70 crores	(0.87)	(1.85)	Nil	Nil
Punj Lloyd Systems Limited (formerly known as Punj Lloyd SKIL Marine Systems Ltd)	100.00% Paid-up Share Capital	102,000 Equity Shares of Rs. 10 each aggregating to Rs. 0.10 crore	(0.00)	(0.01)	Nil	Nil

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

Financial year ended for all subsidiaries on March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

Name of the Company	Extent of Holding Company's interest in the subsidiary Company.	Number of Shares held /Amount of Capital Subscribed.	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding Company were : a) Not dealt with in Holding Company's account :		b) Dealt within Holding Company's account	
			(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary
Punj Lloyd Pte Ltd	100.00% Paid-up Share Capital	573,346 Equity Shares of S$ 100 each and 1 Equity Share of S$ 1 and 450,000 redeemable convertible preference shares of SGD 100 each aggregating to S$ 102,334,601 equivalent to Rs. 299.71 crores	(1,865.95)	440.50	Nil	Nil
PLI Ventures Advisory Services Pvt Ltd	50.50% Paid-up Share Capital	5,100 Equity Shares of Rs. 10 each aggregating to Rs. 0.01 crores	(0.99)	(0.94)	Nil	Nil
Dayim Punj Lloyd Construction Contracting Company Ltd	51.00% Paid-up Share Capital	51,000 Equity Shares of SAR 20 each aggregating to SAR 1,020 thousand equivalent to Rs. 1.23 crores	12.29	(6.11)	Nil	Nil
Punj Lloyd Engineers and Constructors Pte Ltd	100.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	(12.49)	(12.07)	Nil	Nil
PT Sempec Indonesia	100.00% (Subsidiary of Punj Lloyd Pte Ltd.)	As stated above	(11.83)	(2.18)	Nil	Nil
Punj Lloyd Oil & Gas (Malaysia) Sdn Bhd	100.00% (Subsidiary of Punj Lloyd Pte Ltd.)	As stated above	31.61	119.38	Nil	Nil
Buffalo Hills Ltd	100.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	0.18	1.10	Nil	Nil
Simon Carves (Singapore) Pte Ltd	100.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	0.17	3.29	Nil	Nil
Punj Lloyd Delta Renewables Pte Ltd	51.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	(0.02)	0.64	Nil	Nil
Punj Lloyd Delta Renewables Pvt Ltd	51.00% (Subsidiary of Punj Lloyd Delta Renewables Pte Ltd)	As stated above	3.87	2.60	Nil	Nil
Delta Solar (Bangladesh) Ltd	51.00% (Subsidiary of Punj Lloyd Delta Renewables Pte Ltd)	As stated above	(0.00)	(0.01)	Nil	Nil
Sembawang Engineers & Constructors Pte Ltd	96.78% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	318.65	123.32	0.00	10.03
Sembawang UAE Pte Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(1.86)	(50.03)	Nil	Nil

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

Financial year ended for all subsidiaries on March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

Name of the Company	Extent of Holding Company's interest in the subsidiary Company.	Number of Shares held /Amount of Capital Subscribed.	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding Company were : a) Not dealt with in Holding Company's account : (i) For the financial year ended on March 31, 2012	a) Not dealt with in Holding Company's account : (ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	b) Dealt within Holding Company's account (i) For the financial year ended on March 31, 2012	b) Dealt within Holding Company's account (ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary
Sembawang Development Pte Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	1.42	(25.65)	Nil	Nil
PT Indo Precast Utama	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	0.00	(1.78)	Nil	Nil
Contech Trading Pte Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.01)	0.98	Nil	Nil
PT Contech Bulan	58.07% (Subsidiary of Construction Technology Pte Ltd)	As stated above	-	1.31	Nil	Nil
Construction Technology (B) Sdn. Bhd.	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	0.08	(3.41)	Nil	Nil
Sembawang Infrastructure (Mauritius) Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.14)	(0.48)	Nil	Nil
SC Architects & Engineers Pte. Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.02)	(0.10)	Nil	Nil
Sembawang (Malaysia) Sdn Bhd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.02)	(4.98)	Nil	Nil
Jurubina Sembawang (M) Sdn Bhd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	-	(0.54)	Nil	Nil
Sembawang Engineers and Constructors Middle East FZE	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.80)	(122.94)	Nil	Nil

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

Financial year ended for all subsidiaries on March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

Name of the Company	Extent of Holding Company's interest in the subsidiary Company.	Number of Shares held /Amount of Capital Subscribed.	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding Company were :			
			a) Not dealt with in Holding Company's account :		b) Dealt within Holding Company's account	
			(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary
Sembawang Bahrain SPC	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.04)	(3.47)	Nil	Nil
PT Indo Unggul Wasturaya	64.85% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	-	1.06	Nil	Nil
Sembawang (Tianjin) Construction Engineering Co. Ltd	67.75% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(1.19)	(5.04)	Nil	Nil
Sembawang Libya General Contracting & Investment Company	62.91% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.01)	(4.40)	Nil	Nil
Sembawang Australia Pty Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.05)	(0.03)	Nil	Nil
Sembawang Hong Kong Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.07)	(0.14)	Nil	Nil
Sembawang Securities Pte Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.03)	(0.01)	Nil	Nil
Punj Lloyd Solar Power Ltd (w.e.f. December 24, 2010)	100.00% (Subsidiary of Punj Lloyd Infrastructure Ltd.)	As stated above	0.61	(0.08)	Nil	Nil
Khagaria Purnea Highway Project Limited (w.e.f. Feb. 25, 2011)	100.00% (Subsidiary of Punj Lloyd Infrastructure Ltd.)	As stated above	-	Nil	Nil	Nil
Indtech Trading FZ LLC (w.e.f. December 7, 2010)	100.00% (Subsidiary of Buffalo Hills Limited)	As stated above	(0.57)	(0.07)	Nil	Nil
Sembawang (Tianjin) Investment Management Co Ltd (w.e.f. November 12, 2010)	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.48)	(0.03)	Nil	Nil

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

Financial year ended for all subsidiaries on March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

Name of the Company	Extent of Holding Company's interest in the subsidiary Company.	Number of Shares held /Amount of Capital Subscribed.	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding Company were : a) Not dealt with in Holding Company's account : (i) For the financial year ended on March 31, 2012	a) (ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	b) Dealt within Holding Company's account (i) For the financial year ended on March 31, 2012	b) (ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary
Sembawang Mining (Kekal) Pte Ltd (w.e.f. March 31, 2011)	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(1.05)	92.52	Nil	Nil
PLI Ventures Ltd (w.e.f. December 07, 2010)	100.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	(4.50)	(1.13)	Nil	Nil
PT Sembawang Indonesia (w.e.f. December 28, 2010)	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(5.34)	Nil	Nil	Nil
Punj Lloyd Kenya Ltd (w.e.f. March 02, 2011)	100.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	(0.24)	Nil	Nil	Nil
Punj Lloyd Infrastructure Pte Ltd (w.e.f. November 25, 2010)	100.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	(0.39)	(0.02)	Nil	Nil
Punj Lloyd Engineering Pte Limited (w.e.f. October 13, 2010)	80.32% (Subsidiary of PL Engineering Ltd.	As stated above	(0.06)	Nil	Nil	Nil
Sembawang International Limited (w.e.f. April 22, 2010)	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	-	Nil	Nil	Nil
Punj Lloyd Sdn Bhd (w.e.f. April 05, 2010)	100.00 % (Subsidiary of Punj Lloyd Oil & Gas (Malaysia) Sdn Bhd)	As stated above	0.09	0.06	Nil	Nil
Indraprastha Metropolitan Development Limited (w.e.f. February 25, 2012)	100.00.00% (Subsidiary of Punj Lloyd Infrastructure Limited)	As stated above	-	Nil	Nil	Nil
Simon Carves Engineering Limited (w.e.f. April 08, 2011)	80.32% (Subsidiary of PL Engineering Ltd)	As stated above	0.34	Nil	Nil	Nil
Punj Lloyd Iraq Pte Ltd (w.e.f. May 25, 2011) #	100.00.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	-	Nil	Nil	Nil
Sembawang Group Pte Ltd (w.e.f. May 10 , 2011) #	100.00.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	-	Nil	Nil	Nil
Punj Lloyd Singapore Pte Ltd (w.e.f. February 15, 2012) #	100.00.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	-	Nil	Nil	Nil

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

Financial year ended for all subsidiaries on March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

Name of the Company	Extent of Holding Company's interest in the subsidiary Company.	Number of Shares held /Amount of Capital Subscribed.	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding Company were :			
			a) Not dealt with in Holding Company's account :		b) Dealt within Holding Company's account	
			(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	(i) For the financial year ended on March 31, 2012	(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary
Sembawang Tianjin Heping Pte Ltd (w.e.f. July 07, 2011) #	96.78% (Subsidiary of Sembawang Engineers and Constructors Pte Ltd)	As stated above	-	Nil	Nil	Nil
Sembawang Tianjin Pte Ltd	96.78% (Subsidiary of Sembawang Engineers and Constructors Pte Ltd)	As stated above	(0.02)	Nil	Nil	Nil
Christos Trading Limited (w.e.f. February 23, 2012)	100.00.00% (Subsidiary of Punj Lloyd Pte Ltd)	As stated above	(0.01)	Nil	Nil	Nil
Sembawang Equity Capital Pte Ltd	96.78% (Subsidiary of Sembawang Engineers & Constructors Pte Ltd)	As stated above	(0.87)	(0.65)	Nil	Nil

#Entity has been incorporated during the year and there are no other transactions during the year

For and on behalf of the Board

Place : Gurgaon
Date : April 30, 2012

Atul Punj
Chairman

SUBSIDIARY COMPANIES' PARTICULARS

(All amounts in INR Crores, unless otherwise stated)

Particulars regarding subsidiary companies, in accordance with General Circular No: 02/2011 dated 8th February, 2011 from the Ministry of Corporate Affairs

Name of Subsidiary	% holding of Group as on March 31, 2012	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2012	Capital	Reserves	Total Asset	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
PT Punj Lloyd Indonesia	100.00%	Indonesia	IDR'000	5.5600	17.09	(21.08)	396.79	400.78	-	467.49	(83.99)	10.83	(94.82)	-
Punj Lloyd Kazakhstan LLP	100.00%	Kazakhastan	KZT	0.3400	36.28	(38.07)	137.47	139.26	-	56.39	(40.25)	(0.89)	(39.36)	-
Punj Lloyd International Ltd	100.00%	British Virgin Islands	USD	50.6700	0.45	1.82	8.82	6.56	0.25	-	(0.29)	-	(0.29)	-
Spectra Punj Lloyd Ltd	100.00%	India	INR	1.0000	5.00	(0.96)	46.30	42.27	-	4.63	(5.49)	(2.37)	(3.12)	-
Punj Lloyd Industries Ltd	100.00%	India	INR	1.0000	11.50	0.24	11.78	0.04	0.50	0.13	0.11	0.03	0.08	-
Atna Investments Ltd	100.00%	India	INR	1.0000	5.15	(4.65)	0.91	0.40	0.04	0.03	0.01	0.00	0.01	-
PLN Construction Ltd	100.00%	India	INR	1.0000	2.00	16.47	76.10	57.63	-	27.96	0.11	0.02	0.09	-
PL Engineering Ltd	80.32%	India	INR	1.0000	26.23	33.45	105.66	45.98	3.43	79.29	(24.16)	(5.70)	(18.46)	0.00
Punj Lloyd Infrastructure Ltd	100.00%	India	INR	1.0000	22.65	4.49	148.57	121.43	-	4.85	0.99	(1.38)	2.37	-
Punj Lloyd Upstream Ltd	58.06%	India	INR	1.0000	62.69	7.98	264.83	194.16	-	25.88	(0.77)	0.20	(0.97)	-
Punj Lloyd Aviation Ltd	100.00%	India	INR	1.0000	63.80	(36.38)	113.58	86.16	53.00	11.81	(3.35)	-	(3.35)	-
Sembawang Infrastructure (India) Pvt. Ltd	100.00%	India	INR	1.0000	9.58	(11.85)	43.31	45.58	-	50.78	(4.14)	-	(4.14)	-
Indtech Global Systems Ltd	99.99%	India	INR	1.0000	0.82	0.88	1.73	0.03	-	0.05	(0.87)	0.00	(0.87)	-
Punj Lloyd Systems Limited (formerly Punj Lloyd SKIL Marine Systems Ltd)	100.00%	India	INR	1.0000	0.20	(0.01)	0.19	0.00	-	-	(0.00)	-	(0.00)	-
Punj Lloyd Pte Ltd	100.00%	Singapore	SGD	41.8800	428.58	(1,358.35)	1,609.02	2,538.79	157.99	618.20	(1,864.36)	1.59	(1,865.95)	-
PLI Ventures Advisory Services Pvt Limited	50.50%	India	INR	1.0000	0.01	(1.65)	0.34	1.97	-	0.59	(0.71)	0.28	(0.99)	-
Dayim Punj Lloyd Construction Contracting Company Ltd	51.00%	Saudi Arabia	SAR	12.3900	2.41	(12.30)	401.43	411.32	-	534.73	12.29	-	12.29	-
Punj Lloyd Engineers and Constructors Pte Ltd	100.00%	Singapore	SGD	41.8800	0.00	(26.87)	1.11	27.98	-	-	(12.49)	-	(12.49)	-
PT Sempec Indonesia	100.00%	Indonesia	USD	50.6700	33.87	(30.28)	65.95	62.36	-	38.91	(10.78)	1.06	(11.83)	-

SUBSIDIARY COMPANIES' PARTICULARS

(All amounts in INR Crores, unless otherwise stated)

Particulars regarding subsidiary companies, in accordance with General Circular No: 02/2011 dated 8th February, 2011 from the Ministry of Corporate Affairs

Name of Subsidiary	% holding of Group as on March 31, 2012	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2012	Capital	Reserves	Total Asset	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Punj Lloyd Oil & Gas (Malaysia) Sdn Bhd	100.00%	Malaysia	MYR	16.7300	1.25	174.85	661.93	485.83	-	869.01	35.86	4.24	31.61	-
Buffalo Hills Ltd	100.00%	British Virgin Islands	USD	50.6700	0.01	1.51	9.20	7.69	7.60	0.22	0.18	-	0.18	-
Simon Carves (Singapore) Pte Ltd	100.00%	Singapore	SGD	41.8800	2.09	3.49	27.50	21.91	-	15.30	0.17	-	0.17	-
Punj Lloyd Delta Renewables Pte Ltd	51.00%	Singapore	USD	50.6700	2.07	(1.10)	2.75	1.79	-	3.75	(0.02)	-	(0.02)	-
Punj Lloyd Delta Renewables Pvt Ltd	51.00%	India	INR	1.0000	0.19	7.39	129.70	122.13	-	150.49	5.96	2.09	3.87	-
Delta Solar (Bangladesh) Ltd	51.00%	Bangladesh	BDT	0.6222	0.02	(0.05)	0.00	0.03	-	-	(0.00)	-	(0.00)	-
Sembawang Engineers & Constructors Pte Ltd	96.78%	Singapore	SGD	41.8800	780.75	(176.88)	1,775.13	1,171.25	0.63	2,317.98	266.11	(52.53)	318.65	169.05
Sembawang UAE Pte Ltd	96.78%	Singapore	SGD	41.8800	64.91	(66.91)	1.97	3.96	-	-	(1.86)	-	(1.86)	-
Sembawang Development Pte Ltd	96.78%	Singapore	SGD	41.8800	4.19	(26.45)	167.72	189.98	11.31	1.52	1.42	-	1.42	-
PT Indo Precast Utama	96.78%	Indonesia	SGD	41.8800	3.88	(13.28)	1.75	11.15	-	0.00	0.00	-	0.00	-
Contech Trading Pte Ltd	96.78%	Singapore	SGD	41.8800	20.94	1.94	22.91	0.02	-	-	(0.01)	-	(0.01)	-
PT Contech Bulan	58.07%	Indonesia	IDR '000	5.5600	0.56	(0.88)	0.00	0.32	-	-	-	-	-	-
Construction Technology (B) Sdn. Bhd.	96.78%	Brunei	SGD	41.8800	2.09	(38.64)	0.12	36.67	-	0.08	0.08	-	0.08	-
Sembawang Infrastructure (Mauritius) Ltd	96.78%	Mauritius	USD	50.6700	1.37	0.04	1.43	0.02	-	-	(0.14)	-	(0.14)	-
SC Architects & Engineers Pte Ltd	96.78%	Singapore	SGD	41.8800	2.09	(0.15)	1.97	0.02	-	-	(0.02)	-	(0.02)	-
Sembawang (Malaysia) Sdn Bhd	96.78%	Malaysia	MYR	16.7300	1.25	(5.73)	0.47	4.94	-	0.01	0.01	0.04	(0.02)	-
Jurubina Sembawang (M) Sdn Bhd	96.78%	Malaysia	MYR	16.7300	-	-	-	-	-	-	-	-	-	-
Sembawang Engineers and Constructors Middle East FZE	96.78%	United Arab Emirates	AED	14.7800	1.48	(223.56)	25.22	247.30	-	-	(0.80)	-	(0.80)	-
Sembawang Bahrain SPC	96.78%	Bahrain	BHD	134.9337	8.10	(3.98)	4.19	0.08	-	-	(0.04)	-	(0.04)	-
PT Indo Unggul Wasturaya	64.85%	Indonesia	IDR '000	5.5600	0.62	(1.30)	1.20	1.88	-	-	-	-	-	-

SUBSIDIARY COMPANIES' PARTICULARS

(All amounts in INR Crores, unless otherwise stated)

Particulars regarding subsidiary companies, in accordance with General Circular No: 02/2011 dated 8th February, 2011 from the Ministry of Corporate Affairs

Name of Subsidiary	% holding of Group as on March 31, 2012	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2012	Capital	Reserves	Total Asset	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Sembawang (Tianjin) Construction Engineering Co Ltd	67.75%	China	RMB	8.0784	20.09	(5.54)	24.06	9.50	-	-	(1.19)	-	(1.19)	-
Sembawang Libya General Contracting & Investment Company	62.91%	Libya	LYD	42.4700	2.55	(5.15)	0.25	2.86	-	-	(0.01)	-	(0.01)	-
Sembawang Australia Pty Ltd	96.78%	Australia	AUD	52.6479	0.00	(0.05)	-	0.05	-	-	(0.05)	-	(0.05)	-
Sembawang Hong Kong Ltd	96.78%	Hong Kong	HKD	6.5505	0.00	(0.18)	3.89	4.07	-	-	(0.07)	-	(0.07)	-
Sembawang Securities Pte Ltd	96.78%	Singapore	SGD	41.8800	0.00	(0.03)	-	0.03	-	-	(0.03)	-	(0.03)	-
Punj Lloyd Solar Power Limited	100.00%	India	INR	1.0000	15.10	0.53	72.91	57.27	-	1.63	0.61	-	0.61	-
Khagaria Purnea Highway Project limited	100.00%	India	INR	1.0000	30.70	-	136.64	105.94	-	-	-	-	-	-
Indtech Trading FZ LLC	100.00%	United Arab Emirates	AED	14.7800	1.48	(0.69)	0.82	0.03	-	0.46	(0.57)	-	(0.57)	-
Sembawang (Tianjin) Investment Management Co Ltd	96.78%	China	RMB	8.0784	0.40	(0.55)	30.67	30.82	-	-	(0.48)	-	(0.48)	-
Sembawang Mining(Kekal) Pte Ltd	96.78%	Singapore	SGD	41.8800	0.00	(2.08)	109.96	112.04	-	-	(1.05)	-	(1.05)	-
PLI Ventures Limited	100.00%	Mauritius	USD	50.6700	0.05	(5.87)	0.56	6.38	-	-	(4.50)	-	(4.50)	-
PT Sembawang Indonesia	96.78%	Indonesia	IDR '000	5.5600	3.06	(5.36)	7.46	9.77	-	-	(5.34)	-	(5.34)	-
Punj Lloyd Kenya Ltd.	100.00%	Kenya	KES	0.6136	0.00	(0.27)	1.27	1.54	-	0.00	(0.24)	-	(0.24)	-
Punj Lloyd Infrastructure Pte Ltd	100.00%	Singapore	SGD	41.8800	0.00	(0.44)	4.51	4.94	-	3.90	(0.39)	-	(0.39)	-
Punj Lloyd Engineering Pte limited	80.32%	Singapore	INR	41.8800	0.00	(0.18)	0.85	1.03	-	0.58	(0.06)	-	(0.06)	-
Sembawang International Limited	96.78%	Hong Kong	HKD	6.5505	0.00	-	0.00	-	-	-	-	-	-	-
Punj Lloyd Sdn Bhd	100.00%	Malaysia	MYR	16.7300	1.67	0.14	1.96	0.15	-	1.38	0.12	0.04	0.09	-
Indraprastha Metropolitan Development Limited	100.00%	India	INR	1.0000	0.05	-	0.36	0.31	-	-	-	-	-	-

SUBSIDIARY COMPANIES' PARTICULARS

(All amounts in INR Crores, unless otherwise stated)

Particulars regarding subsidiary companies, in accordance with General Circular No: 02/2011 dated 8th February, 2011 from the Ministry of Corporate Affairs

Name of Subsidiary	% holding of Group as on March 31, 2012	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2012	Capital	Reserves	Total Asset	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Simon Carves Engineering Limited	80.32%	United Kingdom	GBP	80.5100	0.00	0.35	23.85	23.50	-	59.74	0.46	0.12	0.34	-
Punj Lloyd Iraq Pte Ltd #	100.00%	Singapore	SGD	41.8800	-	-	-	-	-	-	-	-	-	-
Sembawang Group Pte Ltd #	100.00%	Singapore	SGD	41.8800	-	-	-	-	-	-	-	-	-	-
Punj Lloyd Singapore Pte Ltd #	100.00%	Singapore	SGD	41.8800	-	-	-	-	-	-	-	-	-	-
Sembawang Tianjin Heping Pte Ltd #	96.78%	Singapore	SGD	41.8800	-	-	-	-	-	-	-	-	-	-
Sembawang Tianjin Pte Ltd	96.78%	Singapore	SGD	41.8800	0.00	(0.02)	0.00	0.02	-	-	(0.02)	-	(0.02)	-
Christos Trading Limited	100.00%	British Virgin Islands	USD	50.6700	0.01	(0.01)	0.01	0.02	-	-	(0.01)	-	(0.01)	-
Sembawang Equity Capital Pte Ltd	96.78%	Singapore	SGD	41.8800	0.00	(1.71)	-	1.71	-	-	(0.87)	-	(0.87)	-

#Entity has been incorporated during the year and there are no other transactions during the year

For and on behalf of the Board

Place : Gurgaon
Date : April 30, 2012

Atul Punj
Chairman

AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

To
The Members of Punj Lloyd Limited

1. We have examined the abridged balance sheet of Punj Lloyd Limited ('the Company') as at March 31, 2012 and also the abridged statement of profit and loss and the cash flow statement for the year ended on that date, together with the notes thereon (hereafter collectively referred to as "abridged financial statements").

2. We did not audit the financial statements of certain branches of the Company, whose financial statements (net of eliminations) reflect total assets of Rs. 3,570.32 crores as at March 31, 2012, total revenue of Rs. 1,224.28 crores and negative cash flows amounting to Rs. 139.91crores for the year then ended. We also did not audit the financial statements of certain unincorporated joint ventures of the Company, whose financial statements (net of eliminations) reflect, to the extent of the proportionate share of the Company, total assets of Rs. 107.44 crores as at March 31, 2012, total revenue of Rs. 177.89 crores and negative cash flows amounting to Rs. 37.11 crores for the year then ended. These financial statements and other financial information of branches and unincorporated joint ventures not audited by us have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included for such branches and unincorporated joint ventures, is based solely on the report of other auditors.

3. *(a) Attention is invited to note 11 of Annexure 1 to the abridged financial statements (Corresponding to the note 45 to the complete set of financial statements). The Company had during an earlier year taken credit for a claim of Rs. 243.03 crores on a contract, based upon management's assessment of cost overrun arising due to design changes and had also not accounted for liquidated damages amounting to Rs. 7.30 crores deducted by the customer since it is of the view that the delay is attributable to the customer. Due to the uncertainty over ultimate collection and recoverability of the said amounts, we are unable to comment on the same and also the appropriateness of non accounting of liquidated damages.*

   (b) Attention is invited to note 12 of Annexure 1 to the abridged financial statements (Corresponding to the note 46 to the complete set of financial statements) The Company during the previous year has taken credit for a claim of Rs. 89.73 crores on two contracts, which are pending acceptance by the customers. Due to the uncertainty over ultimate collection and recoverability of the said amounts, we are unable to comment on the same.

   Our audit report on the abridged financial statements for the year ended March 31, 2011 was also qualified in respect of the above matters.

4. Without qualifying our opinion, we draw attention to note 7 of Annexure 1 to the abridged financial statements (Corresponding to the note 36 to the complete set of financial statements), regarding deductions made/ amounts withheld by some customers and pending billing against certain old work in progress aggregating to Rs. 308.57 crores on various accounts which are being carried as trade receivables and inventories. Due to dispute / pending acceptance of unbilled work in progress and other pending matters with the customers, the ultimate outcome of the above matters cannot presently be determined although the Company is of the view that such amounts are recoverable and hence no provision is required there against.

5. Without qualifying our opinion, we draw attention to note 9 of Annexure 1 to the abridged financial statements (Corresponding to the note 41 to the complete set of financial statements), regarding the aggregate assets of Rs. 593.05 crores as at March 31, 2012 as appearing in the projects in Libya Branch, where during the year, as represented to us, the overall political and economic environment appears to be getting stabilized after a period of civil and political disturbance and unrest. The accounts of Libya Branch have been reviewed by another auditor in Libya. The management, after considering the present environment and economic conditions in Libya, is confident of realization of above amounts and accordingly, no adjustments have been considered necessary in these accounts.

6. *Except for the possible effects of the matter referred to in paragraph 3 above,* these abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and Clause 32 of the Listing Agreement and are based on the accounts of the Company for the year ended March 31, 2012 prepared in accordance with Revised Schedule VI to the Companies Act, 1956 and covered by our report dated April 30, 2012 to the members of the Company, which report is attached.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: April 30, 2012

To
The Members of Punj Lloyd Limited

1. We have audited the attached balance sheet of Punj Lloyd Limited ('the Company') as at March 31, 2012 and also the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. We did not audit the financial statements of certain branches of the Company, whose financial statements (net of eliminations) reflect total assets of Rs. 3,570.32 crores as at March 31, 2012, total revenue of Rs. 1,224.28 crores and negative cash flows amounting to Rs. 139.91crores for the year then ended. We also did not audit the financial statements of certain unincorporated joint ventures of the Company, whose financial statements (net of eliminations) reflect, to the extent of the proportionate share of the Company, total assets of Rs. 107.44 crores as at March 31, 2012, total revenue of Rs. 177.89 crores and negative cash flows amounting to Rs. 37.11 crores for the year then ended. These financial statements and other financial information of branches and unincorporated joint ventures not audited by us have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included for such branches and unincorporated joint ventures, is based solely on the report of other auditors.

5. *(a) Attention is invited to note 45 to the financial statements. The Company had during an earlier year taken credit for a claim of Rs. 243.03 crores on a contract, based upon management's assessment of cost overrun arising due to design changes and had also not accounted for liquidated damages amounting to Rs. 7.30 crores deducted by the customer since it is of the view that the delay is attributable to the customer. Due to the uncertainty over ultimate collection and recoverability of the said amounts, we are unable to comment on the same and also the appropriateness of non accounting of liquidated damages.*

   (b) Attention is invited to note 46 to the financial statements. The Company during the previous year has taken credit for a claim of Rs. 89.73 crores on two contracts, which are pending acceptance by the customers. Due to the uncertainty over ultimate collection and recoverability of the said amounts, we are unable to comment on the same.

   Our audit report on the financial statements for the year ended March 31, 2011 was also qualified in respect of the above matters.

6. Without qualifying our opinion, we draw attention to note 36 to the financial statements regarding deductions made/ amounts withheld by some customers and pending billing against certain old work in progress aggregating to Rs. 308.57 crores on various accounts which are being carried as trade receivables and inventories. Due to dispute / pending acceptance of unbilled work in progress and other pending matters with the customers, the ultimate outcome of the above matters cannot presently be determined although the Company is of the view that such amounts are recoverable and hence no provision is required there against.

7. Without qualifying our opinion, we draw attention to note 41 to the financial statements regarding the aggregate assets of Rs. 593.05 crores as at March 31, 2012 as appearing in the projects in Libya Branch, where during the year, as represented to us, the overall political and economic environment appears to be getting stabilized after a period of civil and political disturbance and unrest. The accounts of Libya Branch have been reviewed by another auditor in Libya. The management, after considering the present environment and economic conditions in Libya, is confident of realization of above amounts and accordingly, no adjustments have been considered necessary in these accounts

8. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches and unincorporated joint ventures not visited by us. The branches and unincorporated joint ventures Auditor's Reports have been forwarded to us and have been appropriately dealt with;

   iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches and unincorporated joint ventures;

   iv. *Except for the possible effects of the matter referred to in paragraph 5 above*, in our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956,

   v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi. *Except for the possible effects of the matter referred to in paragraph 5 above* ,in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2012;

b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: April 30, 2012

Annexure referred to in paragraph [3] of our report of even date

Re: Punj Lloyd Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars,including quantitative details and situation of fixed assets.

(b) As informed to us, the physical verification of part of the Plant and Machinery which was due in the last year in accordance with a phased programme of verifying all fixed assets once in three years, has been completed during the year and no material discrepancies were identified on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and the nature of the assets.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain project materials and fixed assets purchased are of specialized nature and alternate sources do not exist for obtaining quotations thereof, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, that need to be entered into the register maintained under Section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved, no comparison of prices paid can be made with prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities *though there have been slight delays in a few cases*.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax on the material components of the works contract.	0.70	1998-1999, 2000-2001 & 2004-2005	Sales Tax Appellate Tribunal, Hyderabad, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax on the material components of the works contract.	2.22	2001-2002 to 2003-2004	CTO, Hyderabad, Andhra Pradesh

(All amounts in INR Crores, unless otherwise stated)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1956	Penalty for use of G Form against material purchases & Penalty for suppression of Turnover	2.19	2001-2002 to 2004-2005	Sales Tax Appellate Tribunal, Vizag, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for use of G Form against material purchases & Penalty for suppression of Turnover	4.52	2002-2003 to 2004-2005	Appellate Deputy Commissioner, Vizag, Andhra Pradesh
Uttar Pradesh Central Sales Tax Act, 1956	Penalty against Form C usage for purchase of machinery	0.28	1998-1999	Allahabad, High Court, Uttar Pradesh
Uttar Pradesh Central Sales Tax Act, 1956	Penalty against Form C usage for purchase of machinery	0.21	1998-1999	Sales Tax Appellate Tribunal, Agra, Uttar Pradesh
Uttar Pradesh Trade Tax Act, 1948	Entry tax demand	0.05	1999-2000 to 2000-2001	Joint Commissioner, Appeal, Mathura, Uttar Pradesh
Uttar Pradesh Trade Act, 1948	Entry tax demand & Sales tax form not accepted by the department	0.13	2004-2005 & 2010-2011	Allahabad, High Court, Uttar Pradesh
Uttar Pradesh Trade Act, 1948	Entry tax demand	0.01	2002-2003 and 2004-2005	Commercial tax tribunal, Agra
Gujarat Sales Tax Act, 1969	Differential Sales Tax for non submission of statutory forms.	6.21	1998-1999 to 1999-2000	Sales Tax Appellate Tribunal, Ahmedabad, Gujarat.
Gujarat Sales Tax Act, 1969	CST against sales in transit	0.07	2002-2003	Dy. Commissioner (Appeals), Baroda
Haryana Local Area Development Tax Act, 2000	Entry Tax demand	0.40	2003-2004	Supreme Court, New Delhi
Maharashtra VAT Act, 2002	VAT on Transportation, Travelling Charges & Penalty	0.46	2006-2007	Joint Commissioner Appeal, Nasik, Maharashtra
Madhya Pradesh Entry Tax Act, 1976	Entry Tax demand	0.06	2003-2004	High court, Gwalior bench, Madhya Pradesh
Haryana Value Added Tax Act, 2003	Disallowance of deduction	5.40	2003-2004 & 2004-2005	Sales Tax Appellate Tribunal Chandigarh, Haryana
Kerala VAT Act, 2003	Disallowance of deduction	3.91	2005-2006 & 2006-2007	Dy. Commissioner (Appeals) – Ernakulam, Kerala
Rajasthan Tax on the Entry of Goods into the Local Area Act, 2001	Entry Tax on Material Equipment	0.91	2005-2006	High Court, Jodhpur, Rajasthan
Rajasthan Tax VAT Act and CST Act	Disallowance of Exempted Sales	21.03	2008-2009	Dy. Commissioner (Appeals), Kota, Rajasthan
Chhattisgarh Entry Tax Act, 1976	Entry tax demand on material component	0.23	2005-2006	Supreme Court, New Delhi

(All amounts in INR Crores, unless otherwise stated)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Karnataka Sales Tax Act, 1957	Interest on Entry Tax imposed by DCCT, Bangalore	0.23	2003-2004	Joint Commissioner (Appeals), Bangalore
West Bengal Vat Act, 2003	Disallowance of deduction	1.15	2007-2008	Sr. Joint Commissioner, Midnapur Circle, West Bengal
Delhi Vat Act, 2004	Disallowance of Labour and Services	39.42	2009-10 & 2010-11	Sp. Commissioner, Dept of Trade and Taxes Delhi
Central Excise Act, 1944	Non-Payment of Excise duty	0.96	2006-2007	Commissioner of Customs and Excise
The Finance Act, 2004 and the Service Tax Rules	Penalty for late deposit of Service Tax & Disallowance of deduction for value of goods sold	18.87	2003-2004 to 2006-2007	CESTAT, Delhi
Bihar VAT and CST Act	Non-Submission of Statutory Forms	22.87	2009-10	Patna High Court
Bihar VAT and CST Act & Bihar Entry Tax Act,1993	Non-Submission of Statutory Forms & Demand and Penalty Imposed for Entry Tax	12.48	2008-09 to 2010-11	Commissioner of Commercial Tax-Patna
Madhya Pradesh VAT Act	Disallowance of Brought Forward Input Credit	0.95	2008-09	Madhya Pradesh High Court
The Income Tax Act, 1961	Demand by Income Tax Department	45.36	2004-05 to 2006-07	CIT Appeals

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution, banks and debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantees for loans taken by subsidiaries/ joint ventures from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, security and charge has been created by the Company on the outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: April 30, 2012

ABRIDGED BALANCE SHEET As At March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

	Particulars	As at March 31, 2012	As at March 31, 2011
A	**EQUITY AND LIABILITIES**		
I	**Shareholders' funds**		
	Equity share capital	66.42	66.42
	Reserves and surplus		
	Capital reserve	25.61	25.61
	Securities premium account	2,466.55	2,464.94
	Asset revaluation reserve	3.88	4.23
	General reserve	98.18	98.18
	Foreign currency translation reserve	79.10	(114.99)
	Debenture redemption reserve	112.87	97.50
	Surplus in the statement of profit and loss	953.90	917.40
II	**Non-current liabilities**		
	(i) Long-term borrowings		
	Secured loans	658.93	516.72
	Redeemable Non-Convertible Debentures		
	10.50% Redeemable Non-Convertible Debentures. These debentures are redeemable at par at the end of five years from the deemed date of allotment i.e. October 15, 2010.	300.00	300.00
	12.00% redeemable Non-Convertible Debentures. These debentures are redeemable at par in ten equal half-yearly installments beginning the end of 5 year from the date of allotment viz, January 02, 2009.	150.00	150.00
	10.00% Redeemable Non-Convertible Debentures. These debentures are redeemable at par in four half-yearly installments in the ratio of 20:20:30:30 beginning the end of 3.5 years from the deemed date of allotment i.e. September 10, 2009.	425.00	425.00
	9.50% Redeemable Non-Convertible Debentures. These debentures are redeemable at par at the end of three years of deemed date of allotment i.e. September 10, 2009.	110.00	110.00
	Less: Current maturities of Non-Convertible Debenture (shown under other current liabilities)	(195.00)	-
	(ii) Deferred tax liability (net)	122.51	112.39
		1,571.44	**1,614.11**
III	**Current liabilities**		
	Short-term borrowings		
	Secured loans	2,263.69	1,091.06
	Unsecured loans	118.09	111.38
	Trade payables	1,542.43	766.01
	Other current liabilities	2,849.19	2,477.55
	Short-term provisions	76.24	61.68
		6,849.64	**4,507.67**
	TOTAL	**12,227.59**	**9,681.08**
B	**ASSETS**		
IV	**Non-current assets**		
	Fixed assets		
	Tangible assets	1,549.14	1,243.50
	Intangible assets	4.48	2.70
	Capital work-in-progress	131.63	41.49
	Non-current investments		
	Investment in Subsidiary Companies (Unquoted)	502.24	487.23
	Others		
	Unquoted	168.16	168.17
	Quoted (Market value: Rs. 0.67 crore (Previous year Rs. 0.56 crore)	0.10	0.10
	Deferred tax assets (net)	2.48	0.59
	Long-term loans and advances		
	to others	145.83	143.49

ABRIDGED BALANCE SHEET As At March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

	Particulars	As at March 31, 2012	As at March 31, 2011
	Other non-current assets	99.30	63.53
		2,603.37	**2,150.80**
V	**Current assets**		
	Inventories	5,185.67	3,696.43
	Trade receivables	1,404.32	1,237.70
	Cash and bank balances	250.98	401.12
	Short-term loans and advances		
	to subsidiary companies	1,925.04	1,568.10
	to others	822.45	577.48
	Other assets	35.76	49.45
		9,624.22	**7,530.29**
	TOTAL	**12,227.59**	**9,681.08**

Annexure I form an integral part of the abridged financial statement.

As per our report on the abridged financial statements of even date

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No. : 87921

Place : Gurgaon
Date : April 30, 2012

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

Atul Punj	Chairman
Luv Chhabra	Director (Corporate Affairs)
P.K.Gupta	Whole Time Director
Dinesh Thairani	Group President - Legal & Company Secretary
Raju Kaul	Group - Chief Financial Officer

ABRIDGED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

	Particulars	Year ended March 31, 2012	Year ended March 31, 2011
	Revenue		
	Contract revenue	5,667.85	4,042.89
	Hire charges	39.70	47.49
	Management services	170.48	125.73
	Dividend on non trade long term investment	0.07	0.01
	Interest income	17.27	21.11
	Other income	285.02	242.95
I	**Total**	**6,180.40**	**4,480.20**
	Expenses		
	Projects materials consumed	1,940.64	1,420.88
	Contractor charges	1,311.04	940.92
	Employee benefits expense	711.34	615.95
	Managerial remuneration	8.72	4.76
	Auditor's remuneration	1.36	1.55
	Bad debts/Advances written off/provisions for diminution in value of non-trade long term investments (including subsidiaries)	4.82	9.43
	Other expenses	1,382.24	919.20
II	**Total**	**5,360.15**	**3,912.69**
	Earning before finance cost, tax, depreciation and amortization (EBITDA) (I)-(II)	**820.25**	**567.51**
	Depreciation and amortization expense	187.43	156.51
	Finance costs	546.91	400.28
III	**Profit before tax**	**85.91**	**10.72**
IV	**Tax expense:**		
	Current tax	20.02	6.34
	Deferred tax	8.23	(8.00)
	Total tax expense	**28.25**	**(1.66)**
V	**Profit after tax**	**57.66**	**12.38**
	Balance brought forward from previous year	917.40	910.81
	Profit available for appropriation	**975.06**	**923.19**
VI	**Appropriation**		
	Proposed Dividend for equity shares	4.98	4.98
	Tax on proposed dividend	0.81	0.81
	Transfer to Debenture Redemption Reserve	15.37	-
	Total appropriations	**21.16**	**5.79**
	Transfer to Reserves and Surplus	**953.90**	**917.40**

Annexure I form an integral part of the abridged financial statement.

As per our report on the abridged financial statements of even date

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No. : 87921

Place : Gurgaon
Date : April 30, 2012

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

Atul Punj Chairman
Luv Chhabra Director (Corporate Affairs)
P.K. Gupta Whole Time Director
Dinesh Thairani Group President - Legal & Company Secretary
Raju Kaul Group - Chief Financial Officer

CASH FLOW STATEMENTS for the year ended March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

	Year ended March 31, 2012	Year ended March 31, 2011
Cash flow from/(used in) operating activities		
Profit before tax	85.91	10.72
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortization	187.43	156.52
Loss/ (Profit) on sale of fixed assets (net)	3.99	(1.21)
Provision for diminution in value of investments in subsidiary company	0.11	1.30
Provision for diminution in value of investments (other long term)	-	0.52
Unrealized foreign exchange (gain)	(255.06)	(122.35)
Interest expense	454.58	310.11
Interest (income)	(17.27)	(21.11)
Dividend (income)	(0.07)	(0.01)
Foreign currency monetary items translation difference	-	(0.23)
Unspent liabilities & provisions written back / advance written off (Net)	(3.86)	(38.85)
Operating profit before working capital changes	**455.76**	**295.41**
Movements in working capital :		
Increase in current liabilities & provisions	1,322.06	754.72
Decrease / (Increase) in trade receivables	(130.05)	222.30
(Increase) in inventories	(1,489.24)	(190.33)
(Increase) in loans and advances	(299.70)	(243.68)
Decrease / (Increase) in other assets	(29.13)	270.19
Cash generated from /(used in) operations	**(170.30)**	**1,108.61**
Direct taxes paid (net of refunds)	(77.52)	(151.59)
Net cash flow from/ (used in) operating activities (A)	**(247.82)**	**957.02**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(568.72)	(226.91)
Proceeds from sale of fixed assets	4.21	8.10
Proceeds of non-current investments	-	39.90
Purchase of non-current investments	(15.11)	(20.96)
Investments in bank deposits (having original maturity of more than three months)	(2.15)	-
Interest received	18.28	9.44
Dividends received	0.07	0.01
Decrease / (Increase) in margin money deposits	40.42	(17.53)
Net cash used in investing activities (B)	**(523.00)**	**(207.95)**
Cash flows from/(used in) financing activities		
Proceeds from issuance of equity share capital including securities premium	-	0.11
Debenture issue expenses	-	(12.01)
Proceeds from long-term borrowings	576.51	982.98
Repayment of long-term borrowings	(693.94)	(1,049.85)
Proceeds/(Repayment) from short-term borrowings (net)	1,134.14	(124.46)
Premium on reduction of foreign currency convertible loans	(57.66)	-
Interest paid	(465.31)	(338.82)
Dividend paid on equity shares	(4.98)	(4.98)
Tax on equity dividend paid	(0.81)	(0.83)
Net cash flow from/(used in) financing activities (C)	**487.95**	**(547.86)**
Net Increase/(Decrease) in cash and cash equivalents (A + B + C)	**(282.87)**	**201.21**
Exchange difference	171.00	1.14
Cash and cash equivalents at the beginning of the year	**358.87**	**156.52**
Cash and cash equivalents at the end of the year	**247.00**	**358.87**

CASH FLOW STATEMENTS for the year ended March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

		Year ended March 31, 2012	Year ended March 31, 2011
Components of cash and cash equivalents			
Cash on hand		**5.03**	**3.64**
With banks			
- on Current Account		193.44	224.82
- on Cash Credit		1.99	5.35
- on EEFC Accounts		14.92	1.16
- on Deposit Account		33.45	166.15
Less: Margin Money Deposits		(1.83)	(42.25)
Total cash and cash equivalents (also refer note 17)		**247.00**	**358.87**
Summary of significant accounting policies	2.1		

As per our report of even date

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No. : 87921

Place : Gurgaon
Date : April 30, 2012

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

Atul Punj	Chairman
Luv Chhabra	Director (Corporate Affairs)
P.K. Gupta	Whole Time Director
Dinesh Thairani	Group President - Legal & Company Secretary
Raju Kaul	Group - Chief Financial Officer

(All amounts in INR Crores, unless otherwise stated)

(The note numbers appearing in the brackets "[ ]" are as they appear in the Complete Set of Financial Statements)

1. Basis of preparation

These abridged financial statements have been prepared in accordance with the requirements of Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and clause 32 of the Listing Agreement. These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended March 31, 2012.

2. [31] Capital and Other Commitments

	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	262.73	329.37
Estimated future investments in joint venture and other companies in terms of respective shareholder agreements	24.99	24.99
Comfort given for utilization of export benefit obligation of a subsidiary Company	5.37	11.26

3. [32] Contingent liabilities not provided for:

		2011-12	2010-11
a) i)	Bank Guarantees given on behalf of parties, by the Company	786.45	832.17
ii)	Bank Guarantees given on behalf of subsidiaries and joint ventures	54.96	17.95
b)	Liquidated damages deducted by customers not accepted by the Company and pending final settlement.*	171.75	124.44
c)	Corporate Guarantees given on behalf of subsidiaries, joint ventures and associates	4,498.97	4,767.29

* excludes possible liquidated damages which can be levied by customers for delay in execution of projects. The management believes that there exist strong reasons why no liquidated damages shall be levied by these customers.

d) (i) Sales tax demands of Rs. 68.76 crores (Previous year Rs. 29.84 crores) on disallowance of deduction on labour and services of the works contracts pending with Sales Tax Authorities and High Court.*

(ii) Sales tax demands of Rs. 6.70 crores (Previous year Rs. 6.70 crores) for non submission of statutory forms.*

(iii) Sales Tax demands of Rs. 29.66 crores (Previous year Rs. 8.61 crores) for purchases against sales tax forms not accepted by department.*

(iv) Entry Tax demands of Rs. 4.26 crores (Previous year Rs. 4.26 crores) against entry of goods into the local area not accepted by department.*

(v) Sales Tax demands of Rs. 0.07 crores (Previous year Rs. 0.07 crore) against the Central Sales Tax demand on sales in transit.*

(vi) Demand for non-payment of excise duty on coating of pipes Rs. Nil (Previous year Rs. 0.95 crore).*

(vii) Sales tax demands of Rs. 2.77 crores (Previous year Rs. 2.77 crores) for non-admissible of deduction of supply turnover.*

(viii) Penalty for late deposit of Service Tax of Rs. Nil (Previous year Rs. 17.28 crores) and Rs. Nil (Previous year Rs. 1.59 crores) as disallowance of deduction of supply turnover.*

*Based on favorable decisions in similar cases / legal opinions taken by the Company / consultations with solicitors, the management believes that the Company has good chances of success in above mentioned cases and hence, no provision there against is considered necessary.

4. a) Important Performance Ratios

S. No.	Ratio	2011-12	2010-11
1.	Income / Total Assets Ratio*	0.51 : 1.00	0.46 : 1.00
2.	Profit before finance cost and tax / Capital Employed ** (%)	7.79	5.99
3.	Profit after tax / Income (%)	0.93	0.28
4.	Return on Net Worth (%) ***	1.57	0.36

*Total Assets = Non-current assets + Current assets.
**Capital Employed = Share capital + Reserves and surplus + Long-term borrowings + Current maturities of Long - term borrowings (shown under Other current liabilities) + Short - term borrowings – Asset revaluation reserve.

***Net Worth = Share capital + Reserves and surplus – Asset revaluation reserve - Capital reserve - Debenture redemption reserve.

b) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

5. [34] The following are the details of loans given to subsidiaries and associates and parties in which directors are interested in terms of Securities & Exchange Board of India's circular dated January 10, 2003:

Name of the Entities	Outstanding amount as at		Maximum amount outstanding during the year ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Punj Lloyd Kazakhstan LLP	31.56	49.65	49.65	49.65
Punj Lloyd Pte Limited	1,466.31	1,329.04	1,466.31	1,329.04
Simon Carves Limited	-	-	-	217.89
Punj Lloyd Aviation Limited	15.07	15.07	24.07	15.07
Punj Lloyd Infrastructure Limited	115.83	90.10	115.83	105.09
Punj Lloyd Upstream Limited	8.88	10.28	10.28	10.28
Atna Investments Limited	-	-	-	7.71
Punj Lloyd International Limited	3.55	3.17	3.72	3.19
PLI Ventures Advisory Services Private Limited	0.99	0.99	0.99	0.99
Sembawang Infrastructure (India) Private Limited	4.45	2.50	6.90	2.50
Spectra Punj Lloyd Limited	33.08	-	33.08	-
PLN Construction Limited	13.10	-	13.10	-

All the above loans are repayable on demand

6. [35] The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures in respect to Micro and Small as per Micro, Small and Medium Enterprise Development Act, 2006 are as follows:

S.No.	Particulars	2011-12	2010-11
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount	Nil	Nil
	- Interest thereon	Nil	Nil
ii)	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

7. [36] The following note has been referred to by the Auditors in their report on the complete set of financial statements dated April 30, 2012:

The Company had executed certain projects for some customers in earlier years. These customers have withheld amounts aggregating to Rs. 308.57 crores (Previous year Rs. 72.51 crores) on account of deductions made/ amount withheld by some customers and pending billing against certain old work in progress, which are being carried as trade receivables/ Work in Progress. The Company has also filed certain claims against these customers. The Company has gone into arbitration/ legal proceedings against these customers for recovery of amounts withheld and for claims lodged by the Company. Pending outcome of arbitration/ legal proceedings, amounts withheld for deductions made/ old work in progress are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of deductions by these customers and hence the above amounts are considered good of recovery.

8. [40] The Company has an investment in the equity and preference capital amounting to Rs. 299.71 crores in its subsidiary at Singapore and has loans and advance outstanding to Rs. 1,466.31 crores (Previous year Rs. 1,329.04 crores) as at March 31, 2012 from the said subsidiary. The subsidiary has accumulated losses of Rs. 631.55 crores (Previous year Rs. 808.11 crores) as at March 31, 2012. However, the subsidiary is holding certain strategic investments. Considering the intrinsic value of the investments held by the subsidiary, based on the valuation carried out by an independent valuer, and also considering the long term business plan of the subsidiary including the forecasts of profitability of operations, the Company is of the view that there is no other than temporary diminution in the value of investment and accordingly, no provision is considered necessary in the financial statements at this stage on the above account.

9. **[41]** The following note has been referred to by the Auditors in their report on the complete set of financial statements dated April 30, 2012:

   The Company's branch at Libya has fixed assets (net) and current assets aggregating to Rs. 593.05 crores as at March 31, 2012 in relation to certain projects being executed in that country. The overall civil and political disturbances and unrest in Libya is getting stabilised after a period of civil and political disturbance and unrest. The management, after considering the present environment and economic conditions in Libya, is confident of realisation of above amounts and accordingly, no adjustments have been considered necessary in these financial statements. The Company has also filed the details of the outstanding assets with the Ministry of External Affairs, Government of India.

10. **[43]** On March 17, 2010, the Company was subjected to a search and seizure operation under Section 132 and survey under Section 133A of the Income Tax Act, 1961. During the search and seizure operation, statements of Company's officials were recorded in which they were made to offer some unaccounted income of the Company for the financial year 2009-10. The above statements were made under undue mental pressure and physical exhaustion and therefore Company has retracted the above statements subsequently. The Company has filed fresh returns of income for Assessment years 2004-05 to 2009-10 in pursuance of the notices dated August 25, 2010 from the Income Tax Department. Assessments for the assessment years 2004-05 to 2006-07 have been completed by the Income Tax Department by making some frivolous additions to the total income of the Company. The Income Tax Department has raised demands aggregating to Rs.146.57 crores, out of which Rs. 101.21 crores have been adjusted against the income tax refunds of the subsequent years. The Company had filed the appeals against these additions on January 27, 2012 and based on the expert opinion, The Company is hopeful that it will get relief in appeal. Assessment proceedings for the assessment years 2007-08 to 2010-11 are going on.

11. **[45]** The under mentioned note has been referred to by the Auditors in their report on the complete set of financial statements dated April 30, 2012:

    The Company had during the previous year accounted for a claim of Rs. 243.03 crores (Previous year Rs. 243.03 crores) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on a project and had also not accounted for liquidated damages amounting to Rs. 7.30 crores (Previous year Rs. 65.49 crores) deducted by the customer since it is of the view that the delay in execution of the project is attributable to the customer. The Company had initiated arbitration proceedings against the customer during the previous year, which has on mutual agreement with the client been adjourned. The dispute is being referred to the Outside Expert Committee which is likely to resolve the dispute in an expeditious manner. The management, based on the expert inputs, is confident of recovery of amounts exceeding the recognized claim and waiver of liquidated damages.

12. **[46]** The under mentioned note has been referred to by the Auditors in their report on the complete set of financial statements dated April 30, 2012:

    The Company had during the previous year accounted for claims of Rs. 89.73 crores (Previous year Rs. 89.73 crores) on two contracts, based upon management's assessment of cost over-run arising due to delay in supply of free issue material by the customer, changes in scope of work and /or price escalation of materials used in the execution of the projects. Further, the Company has also withheld Rs. 39.43 crores (Previous year Rs. 50.01 crores) of its vendors, involved in above projects, which would be released after recovery/ settlement of aforesaid claims. The management, based on its assessment, is confident of recovery of amounts exceeding the recognized claims.

13. **[47]** The Company has unbilled work-in- progress inventory of Rs. 1,000.10 crores (Previous year Rs. 1,084.60 crores) on certain projects which are completely executed/ nearing completion. The Company is of the view that the Company would collect at least the above stated amount after completion of certain pending formalities. Further, Rs. 58.77 crores (Previous year Rs. 25.45 crores) withheld by certain customers on account of miscellaneous deductions, the Company is of the view that there is no justification in imposition of such deductions by the customers. Accordingly, the above amounts are considered good of recovery.

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14. Amounts disclosed under abridged financial statements are same as that shown in the corresponding aggregated heads in the financial statement prepared in accordance with Revised Schedule VI or as near thereto as possible. Amount in the abridged financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 million.

As per our report on the abridged financial statements of even date

For S.R. Batliboi & Co.	For and on behalf of the Board of Directors of **Punj Lloyd Limited**	
Firm registration number: 301003E		
Chartered Accountants		
Per Anil Gupta	**Atul Punj**	Chairman
Partner	**Luv Chhabra**	Director (Corporate Affairs)
Membership No. : 87921	**P.K. Gupta**	Whole Time Director
	Dinesh Thairani	Group President - Legal & Company Secretary
Place : Gurgaon	**Raju Kaul**	Group - Chief Financial Officer
Date : April 30, 2012		

The Board of Directors of Punj Lloyd Limited

1. We have audited the attached consolidated balance sheet of Punj Lloyd Limited (the "Company") and its subsidiaries, joint ventures and associates (collectively referred to as "Punj Lloyd Group"), as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Punj Lloyd group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain branches and subsidiaries, whose financial statements (net of eliminations) reflect total assets of Rs.7,989.23 crores as at March 31, 2012, the total revenue of Rs. 5,595.21 crores and negative cash flows amounting to Rs.228.73 crores for the year then ended. We also did not audit the financial statements of certain unincorporated joint ventures and joint ventures, whose financial statements reflect (to the extent of the proportionate share of the Punj Lloyd Group) total assets of Rs. 285.31 crores as at March 31, 2012, total revenue of Rs. 245.63 crores and negative cash flows amounting to Rs. 45.08 crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. *(a) Attention is invited to note 40 to the financial statements. The Company had during an earlier year taken credit for a claim of Rs. 243.03 crores on a contract, based upon management's assessment of cost overrun arising due to design changes and had also not accounted for liquidated damages amounting to Rs. 7.30 crores deducted by the customer since it is of the view that the delay is attributable to the customer. Due to the uncertainty over ultimate collection and recoverability of the said amounts, we are unable to comment on the same and also the appropriateness of non accounting of liquidated damages.*

   (b) Attention is invited to note 41 to the financial statements. The Company during the previous year has taken credit for a claim of Rs. 89.73 crores on two contracts, which are pending acceptance by the customers. Due to the uncertainty over ultimate collection and recoverability of the said amounts, we are unable to comment on the same.

   Our audit report on the financial statements for the year ended March 31, 2011 was also qualified in respect of the above matters.

5. Without qualifying our opinion, we draw attention to note 33 to the financial statements regarding deductions made/ amounts withheld by some customers and pending billing against certain old work in progress aggregating to Rs. 308.57 crores on various accounts which are being carried as trade receivables and inventories. Due to dispute / pending acceptance of unbilled work in progress and other pending matters with the customers, the ultimate outcome of the above matters cannot presently be determined although the Parent Company is of the view that such amounts are recoverable and hence no provision is required there against.

6. Without qualifying our opinion, we draw attention to note 37 to the financial statements regarding the aggregate assets of Rs. 593.05 crores as at March 31, 2012 as appearing in the projects in Libya Branch, where during the year, as represented to us, the overall political and economic environment appears to be getting stabilized after a period of civil and political disturbance and unrest. The accounts of Libya Branch have been reviewed by another auditor in Libya. The management, after considering the present environment and economic conditions in Libya, is confident of realization of above amounts and accordingly, no adjustments have been considered necessary in these accounts.

7. *Except for the possible effects of our observations in paragraph 4 above,* in our opinion and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated balance sheet, of the state of affairs of the Punj Lloyd Limited Group as at 31st March 2012**;**

   (b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

   (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: April 30, 2012

CONSOLIDATED BALANCE SHEET As At March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	3	66.42	66.42
Reserves and surplus	4	2,853.79	2,912.35
		2,920.21	2,978.77
Minority Interest		86.65	74.37
Non-current liabilities			
Long-term borrowings	5	2,076.90	2,135.83
Deferred tax liabilities (net)	6	171.35	155.97
		2,248.25	2,291.80
Current liabilities			
Short-term borrowings	8	2,867.49	1,744.81
Trade payables	9	3,221.10	2,176.75
Other current liabilities	9	3,060.19	2,776.57
Short-term provisions	7	188.56	169.52
		9,337.34	6,867.65
TOTAL		**14,592.45**	**12,212.59**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	2,540.63	2,043.36
Intangible assets	11	246.33	208.72
Capital work-in-progress		266.89	82.04
Non-current investments	12	370.69	383.72
Deferred tax assets (net)	6	16.45	4.39
Long term loans and advances	13	151.73	147.16
Other non-current assets	15	103.79	72.82
		3,696.51	2,942.21
Current assets			
Inventories	16	6,218.10	4,842.51
Trade receivables	14	2,421.29	2,203.82
Cash and bank balances	17	973.15	1,214.95
Short term loans and advances	13	1,270.52	989.50
Other assets	15	12.88	19.60
		10,895.94	9,270.38
TOTAL		**14,592.45**	**12,212.59**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Co.
Firm registration number.: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No: 87921

Place : Gurgaon
Date : April 30, 2012

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

Atul Punj Chairman
Luv Chhabra Director (Corporate Affairs)
P.K. Gupta Whole Time Director
Dinesh Thairani Group President - Legal & Company Secretary
Raju Kaul Group - Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

	Notes	Year ended March 31, 2012	Year ended March 31, 2011
Income			
Revenue from operations	18	10,312.92	7,895.05
Other income	19	471.12	264.72
Total revenue (I)		**10,784.04**	**8,159.77**
Expenses			
Projects materials consumed		3,099.77	2,384.35
Employee benefits expense	20	1,352.70	1,126.67
Other expenses	21	5,207.22	3,900.19
Total (II)		**9,659.69**	**7,411.21**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		**1,124.35**	**748.56**
Depreciation and amortization expense	10 & 11	298.98	269.46
(Less): recoupment from revaluation reserve		0.25	0.27
Net depreciation and amortization expense		298.73	269.19
Finance costs	22	632.50	463.48
Profit before tax		**193.12**	**15.89**
Tax expenses			
-Current tax		80.83	75.55
-MAT Credit Entitlement		(0.30)	(0.18)
-Deferred tax charge/ (credit)		0.20	(9.05)
Total tax expense		80.73	66.32
Profit/ (Loss) for the year		**112.39**	**(50.43)**
Share in profits/ (losses) of Associates (net)		(11.08)	2.29
Share of profits transferred to Minority		(9.45)	(3.02)
Pre acquisition losses adjusted on conversion of joint venture into Subsidiary		-	(8.36)
Profit/ (Loss) for the year		**91.86**	**(59.52)**
Earnings per equity share [nominal value per share Rs. 2 each (Previous year Rs. 2)]	23		
Basic (in Rs.)		2.77	(1.79)
Diluted (in Rs.)		2.77	(1.79)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No. : 87921

Place : Gurgaon
Date : April 30, 2012

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

Atul Punj	Chairman
Luv Chhabra	Director (Corporate Affairs)
P.K. Gupta	Whole Time Director
Dinesh Thairani	Group President - Legal & Company Secretary
Raju Kaul	Group - Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

	Year ended March 31, 2012	Year ended March 31, 2011
Cash flow from operating activities		
Profit before tax	193.13	15.89
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortization	298.73	269.19
Loss/ (Profit) on sale of fixed assets (net)	(5.47)	6.26
Loss on sale of trade long term investments	0.05	32.76
(Profit) on liquidation of subsidiaries (net)	-	(26.67)
Profit on deconsolidation of subsidiary	(183.17)	-
Unrealized foreign exchange-(gain)	(28.83)	(63.25)
Foreign currency monetary items translation differences	-	0.23
Interest expense	517.47	356.83
Interest (Income)	(14.33)	(20.04)
Dividend (Income)	(12.36)	(0.67)
Unspent liabilities and provisions written back / advance written Off (Net)	(5.10)	(26.32)
Operating profit before Working Capital Changes	**760.12**	**544.21**
Movements in working capital :		
Increase in current liabilities & provisions	1,563.76	685.22
Decrease / (Increase) in trade receivables	(439.58)	9.68
(Increase) in inventories	(1,386.84)	(192.94)
(Increase)/ Decrease in loans and advances	(223.01)	56.78
(Increase)/ Decrease in other assets	(24.33)	225.96
Cash generated from operations	250.12	1,328.91
Direct taxes paid (net of refunds)	(147.93)	(120.70)
Net cash flow from operating activities (A)	**102.19**	**1,208.21**
Cash flows from investing activities		
Purchase of fixed assets, including Capital Work in Progress and Capital Advances	(910.53)	(358.00)
Net Cash inflow on disposal of subsidiaries	-	52.36
Decrease/(Increase) in fixed deposits	(65.93)	2.57
Proceeds from sale of fixed assets	21.45	7.27
Proceeds from sale of non-current investments	12.14	62.32
Purchase of non-current investments	-	(49.95)
Interest received	6.18	8.44
Dividends received	12.36	0.67
Decrease in margin money deposits	57.34	17.13
Net cash used in investing activities (B)	**(866.99)**	**(257.19)**
Cash flows from/(used in) financing activities		
Proceeds from issuance of equity share capital including securities premium	-	19.03
Debenture issue expenses	-	(12.01)
Increase in short term borrowings	1,263.87	(55.32)
Proceeds from long-term borrowings	1,002.74	406.39
Repayment of long-term borrowings	(984.01)	(139.05)
(Proceeds) from unsecured borrowings	(222.35)	(124.99)
Premium on redemption of Foreign Currency Convertible Bonds	(57.66)	-
Interest paid	(524.58)	(336.85)
Dividend paid on Equity Shares	(4.98)	(4.98)
Tax on equity dividend paid	(0.81)	(0.83)
Net cash flow from/ (used in) in financing activities (C)	**472.22**	**(248.59)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(292.58)	702.43
Exchange fluctuation translation difference	65.78	(74.43)
Cash and cash equivalents at the beginning of the year	1,147.69	523.57
Cash outflow due to disposal of subsidiary	(23.59)	(4.38)

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2012

(All amounts in INR Crores, unless otherwise stated)

		Year ended March 31, 2012	Year ended March 31, 2011
Cash and cash equivalents at the end of the year		**896.80**	**1,147.19**
Components of cash and cash equivalents			
Cash on hand		7.54	6.51
With banks			
- on current account		568.20	700.53
- on cash credit		1.99	9.49
- on EEFC accounts		14.92	1.16
- on deposit account		304.15	429.50
Total cash and cash equivalents (also refer note 17)		**896.80**	**1,147.19**
Summary of significant accounting policies	2.1		

As per our report of even date

For S.R. Batliboi & Co.
Firm registration number.: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No. : 87921

Place : Gurgaon
Date : April 30, 2012

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

Atul Punj	Chairman
Luv Chhabra	Director (Corporate Affairs)
P. K. Gupta	Whole Time Director
Dinesh Thairani	Group President - Legal & Company Secretary
Raju Kaul	Group - Chief Financial Officer

1. Corporate Information

Punj Lloyd Limited (hereinafter referred to as the "Company") is a Company domiciled in India and incorporated under the provisions of the Indian Companies Act 1956. The Company along with its subsidiaries, joint ventures and its associates (these Group entities and the Company hereinafter collectively referred to as the 'Punj Lloyd Group' or 'the Group') is engaged in the business of engineering, procurement & construction in the field of oil & gas and infrastructure sector. The Company caters to both domestic and International markets.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain fixed assets for which revaluation had been carried out.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Group and are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Principles of Consolidation

The Consolidated Financial Statements relate to the Punj Lloyd Group and have been accounted for in accordance with Accounting Standard 21- Consolidated Financial Statements, Accounting Standard 23-Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27- Financial Reporting of Interests in Joint Ventures respectively of the Companies Accounting Standards (Rules), 2006 (as amended). The Consolidated Financial Statements are prepared on the following basis-

i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

ii) Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, intra-group transactions and unrealized profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

iii) The difference between the cost to the Group of investment in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.

iv) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

v) Investments in Associates are accounted for using the equity method, under which the investment is initially recorded at cost, identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.

vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately.

vii) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2012.

viii) As per Accounting Standard 21- Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006 (as amended), only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or the parent having no bearing on the true and fair view of the consolidated financial statements is not disclosed in the consolidated financial statements.

(c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP 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. 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.

(All amounts in INR Crores, unless otherwise stated)

(d) Tangible assets

Tangible assets, except a piece of land and few plant & machinery items, are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

During the year ended March 31, 1998, the Company revalued its few plant and machinery items. These plant and machinery items are measured at fair value less accumulated depreciation and impairment losses, if recognised after the date of the revaluation. In case of revaluation of tangible assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit and loss, in which case the increase is recognised in the statement of profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

During the year ended March 31, 2002, the Company revalued a piece of land. This land is measured at fair value less accumulated depreciation and impairment losses, if recognised after the date of the revaluation. In case of revaluation of tangible assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit and loss, in which case the increase is recognised in the statement of profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

From accounting periods commencing on or after December 07, 2006, the Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(e) Depreciation on tangible assets

i) Depreciation on tangible assets is calculated on a straight-line basis, at the rates prescribed under Schedule XIV to the Companies Act, 1956, (except to the extent stated in paras (ii) and (iii) below), which are based on the estimated useful life of the assets. In respect of the revalued assets, the difference between the depreciation calculated on the revalued amount and that calculated on the original cost is recouped from the Asset Revaluation Reserve.

ii) Depreciation on the following tangible assets of the Project division is charged on straight line basis, at the rates based on the useful life of the assets as estimated by the management, which are either equal to or higher than the rates prescribed under Schedule XIV to the Companies Act, 1956:

Asset Description	Depreciation Rate
Plant and machinery	4.75% to 11.31%
Furniture, fixtures and office equipments	4.75% to 25.00%
Vehicles	9.50% to 25.00%

iii) Depreciation on the following tangible assets of some overseas branches and unincorporated joint venture is charged on straight line basis, at the rates based on useful life of the assets as estimated by the management, which are higher than the rates prescribed under Schedule XIV to the Companies Act, 1956:

Asset Description	Useful Lives of Assets
Plant and machinery	3 to 21 years
Furniture, fixtures and office equipments	3 to 21 years
Vehicles	3 to 10 years

iv) Leasehold land is amortised on a straight line basis over the period of lease i.e. 30 years, except for leasehold land which is under perpetual lease.

v) Individual assets costing upto Rs. 5,000 are depreciated @100% in the year of purchase.

vi) Leasehold improvements (included under furniture, fixtures and office equipments) are depreciated on a straight line basis over the period of lease or estimated useful life of six years, whichever is lower.

vii) Depreciation on completed phase of road project in a joint venture is provided over the period of 15 years. Overlay cost included in the cost of Road is depreciated over a period of 5 years.

viii) In case of foreign companies comprised within the Group, depreciation is provided for on straight-line basis so as to write off the value of assets over their useful life, as estimated by the management, which range from 2 to 30 years (38.65% of total Net Block of tangible assets at the Punj Lloyd Group as at March 31, 2012 and 42.66 % of total depreciation / amortization expenses for the Punj Lloyd Group for the year ended March 31, 2012).

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis, based on the nature and useful economic life of the assets as estimated by the management. The summary of amortization policies applied to the Group's intangible assets is as below:

(i) Software of project division is amortized over the period of licenses or six years, whichever is lower.

(ii) Software of an unincorporated joint venture is amortized over the period of license or three years, whichever is lower.

(g) Preoperative Expenditure pending allocation

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent to which the expenditure is indirectly related to the construction or is incidental thereto. Other indirect expenditure (including borrowing cost) incurred during the construction period, which is not related to the construction activity nor is incidental thereto, is charged to the statement of profit and loss.

All direct capital expenditure on expansion is recognized. As regards indirect expenditure on expansion, only that portion is recognized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are recognized only if they increase the value of the asset beyond its original standard of performance.

(h) Impairment of tangible and Intangible 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) net selling price and its value in use. The 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

(i) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the statement of profit and loss.

(j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(k) Inventories

Inventories are valued as follows:

i) Project Materials (excluding scaffoldings): Lower of cost and net realizable value. Cost is determined on weighted average basis.

ii) Scrap: Net realizable value.

iii) Work in progress – projects: Net realisable value

iv) Scaffoldings (included in Project Materials): Cost less amortization/ charge based on their useful life, which is estimated at seven years.

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.

(l) 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. The following specific recognition criteria must also be met before revenue is recognized:

i) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing has been reflected under "Inventories" and billing in excess of contract revenue has been reflected under "Other Current Liabilities" in the financial statements. The revenue on account of extra claims and the expenditure on account of liquidated damages on construction contracts are accounted for based on Management's estimate of the probability that such claims would be admitted either wholly or in part (Refer Note 40 and 41). Insurance claims are accounted for on acceptance/ settlement with insurers. The Company collects service tax and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

ii) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company. Revenue in unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Company's share in unincorporated joint ventures.

iii) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.

iv) Rental income from assets given under operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the lease.

v) Revenue from Management services is recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

vii) Dividend income is recognized when the Company's' right to receive dividend is established by the reporting date.

viii) Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.

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

x) In respect of a joint venture of the Company engaged in activities of construction of city road improvement on Build, Operate and Transfer (Annuity) basis, annuity income as per concession agreements entered into by the joint venture with the Government of Kerala is accounted on straight line basis over the period of the annuity.

(m) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(n) Foreign currency translation

i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences

From accounting periods commence on or after December 07, 2006, the Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contracts is amortised and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year. Any gain/ loss arising on forward contracts which are long term foreign currency monetary items is recognized in accordance with paragraph 2 and 3 as mentioned above.

v) Translation of integral and non integral foreign operations

The Company classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average quarterly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(o) Retirement and other employee benefits

i) Retirement benefits in the form of provident and pension funds are defined contribution schemes and contributions are charged to the statement of profit and loss for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

ii) Gratuity liability is a defined benefit obligation. The Company has taken an insurance policy under group gratuity scheme with Life Insurance Corporation of India/ ICICI Prudential Life Insurance Company Limited to cover the gratuity liability of the employees of project division and amount paid/ payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of each financial year. Actuarial gains/losses are recognized in full in the period in which they occur in the statement of profit and loss.

iii) In respect to overseas branches and unincorporated joint venture operations, provision for retirement and other employees' benefits are made on the basis prescribed in the Local Labour Laws of the respective country, for the accumulated period of service at the end of the financial year.

iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

v) In respect of overseas Group companies, contributions made towards defined contribution schemes in accordance with the relevant applicable local laws, are charged to the Statement of profit and loss of the year when the contribution to the respective funds are due. There are no obligations other than the contribution payable to the respective trusts. In respect of defined benefit obligations of the overseas Group companies, present value of liability for past services is charged to the Statement of Profit and Loss on the basis of actuarial valuation on the projected unit credit method made at the end of the financial year.

(p) 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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company 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 Company 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 Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(q) Accounting for joint venture operations

The Group's share of revenues, expenses, assets and liabilities are included in the financial statements as Revenues, Expenses, Assets and Liabilities respectively.

(r) Segment reporting

Identification of segments

The Group'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 Group operate.

Unallocated items

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

Segment accounting policies

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

(s) 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.

(t) Provisions

A provision is recognized when a Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(u) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

(v) 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.

(w) Derivative Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under Accounting Standard 11- The Effects of Changes in Foreign Exchange Rates, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

(x) Contingent liabilities

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

(y) Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the same is considered as project period.

(z) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

(All amounts in INR Crores, unless otherwise stated)

3. Share capital

	As at March 31, 2012	As at March 31, 2011
Authorized shares		
450,000,000 (Previous year 450,000,000) Equity Shares of Rs. 2 each	90.00	90.00
10,000,000 (Previous year 10,000,000) preference shares of Rs. 10 each	10.00	10.00
	100.00	100.00
Issued, subscribed and fully paid-up shares		
332,095,745 (Previous year 332,095,745) Equity Shares of Rs. 2 each	66.42	66.42
	66.42	**66.42**

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

Equity Shares

	As at March 31, 2012		As at March 31, 2011	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	332,095,745	66.42	332,086,295	66.42
Issued during the year	-	-	9,450	0.00
Outstanding at the end of the year	**332,095,745**	**66.42**	**332,095,745**	**66.42**

(b) Terms/ rights attached to Equity Shares

The Company has only one class of Equity Shares having par value of Rs. 2 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognized as distribution to equity shareholders was Rs. 0.15 (Previous year Rs. 0.15).

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) One of the subsidiary of the group has issued total 50,000 shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein consideration was received in form of employee services.

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2012		As at March 31, 2011	
	Nos.	% holding in the class	Nos.	% holding in the class
Spectra Punj Finance Private Limited	22,148,305	6.67	22,148,305	6.67
Cawdor Enterprises Limited	75,691,430	22.79	75,691,430	22.79

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, also refer Note 25.

4. Reserves and surplus

	As at March 31, 2012	As at March 31, 2011
Capital reserve - As per the last financial statement	26.42	26.42
Securities premium account		
Balance as per the last financial statements	2,483.68	2,491.37
Add: additions on ESOPs exercised	-	0.11
Add: additions on shares issued to Qualified Investors by a Subsidiary	-	18.92
Less: debenture issue expenses	-	12.59
Less/(Add): premium on redemption of foreign currency convertible bonds (also refer note 38)	(1.61)	14.13
Closing Balance	2,485.29	2,483.68

(All amounts in INR Crores, unless otherwise stated)

	As at March 31, 2012	As at March 31, 2011
Debenture redemption reserve		
Balance as per the last financial statements	97.50	97.50
Add: amount transferred from the statement of profit and loss	15.37	-
Closing Balance	112.87	97.50
Asset revaluation reserve		
Balance as per the last financial statements	4.23	4.72
Less: amount transferred to the statement of profit and loss as reduction from depreciation	0.25	0.27
Less: adjustment on account of sale/ disposal of revalued assets	0.10	0.22
Closing Balance	3.88	4.23
General reserve – As per the last financial statement	98.93	98.93
Foreign currency monetary items translation difference account		
Balance as per last financial statements	-	0.23
Less: Amortisation during the year	-	0.23
Closing Balance	-	-
Foreign currency translation reserve		
Balance as per last financial statements	52.41	28.27
Add: Exchange difference during the year on net investment in non-integral operations	(145.89)	24.14
Closing Balance	(93.48)	52.41
Surplus in the statement of profit and loss		
Balance as per last financial statements	149.18	214.49
Profit/ (loss) for the year	91.86	(59.52)
Less: Appropriations		
Transfer to Debenture Redemption Reserve	(15.37)	-
Proposed final equity dividend (amount per share Rs. 0.15 (Previous year Rs. 0.15))	(4.98)	(4.98)
Tax on proposed equity dividend	(0.81)	(0.81)
Total appropriations	(21.16)	(5.79)
Net surplus in the statement of profit and loss	219.88	149.18
Total reserves and surplus	**2,853.79**	**2,912.35**

5. **Long-term borrowings**

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Debentures/Bonds				
10.50% redeemable non convertible debenture (secured) are redeemable at par at the end of five years from the deemed date of allotment i.e. October 15, 2010. Secured by first charge on Flat No. 201, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India and subservient charge on the movable tangible assets and current assets of the Company.	300.00	300.00	-	-
12.00% redeemable non convertible debenture (secured) are redeemable at par in ten equal half-yearly installments beginning at the end of 5 year from the date of allotment viz, January 02, 2009. Secured by first pari passu charge on the moveable tangible assets of the project division of the Company and further secured by exclusive charge on the Flat No. 202, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India (Previous year exclusive charge on property at Juhu, Mumbai, India).	150.00	150.00	-	-
10.00% redeemable non convertible debenture (secured) are redeemable at par in four half-yearly installments in the ratio of 20:20:30:30 beginning the end of 3.5 years from the deemed date of allotment i.e. September 10, 2009.	340.00	425.00	85.00	-
9.50% redeemable non convertible debenture (secured) are redeemable at par at the end of three years of deemed date of allotment i.e. September 10, 2009. 10.00% and 9.50% debentures are secured by pari passu charge on the immovable land situated at Jarod District, Vadodra, Gujarat, India, pari passu first charge on the movable tangible assets of the project division of the Company (Only upto Rs. 150.00 crores), subservient charge on movable fixed assets and current assets of project division of the Company (upto Rs. 450.00 crores only). Further secured by charge on some of the investments of the Company.	-	110.00	110.00	-
Zero Coupon Foreign Currency Convertible Bonds (Unsecured) carrying rate of interest of 5.25 % (Refer note 38)	-	-	-	224.84
Term loans				
Indian rupee loan from banks (secured)				
Loan carrying weighted average rate of interest 8.96% (Previous year 9.15%) depending upon the tenor of the loan. The Loans are repayable in 15 - 60 monthly/quarterly installments. Secured by way of exclusive charge on the equipment/ vehicles purchased out of the proceeds of loan.	62.34	48.57	29.64	30.97
Loans carrying weighted average rate of interest of 13.50% (Previous year 11.62 %). The Loans are repayable in 8-15 quarterly installments beginning at the end of 1 year from the disbursement. Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	62.08	43.75	25.42	15.36
Loans carrying weighted average rate of interest 12.94% (Previous year 12.13%) depending upon the tenor of the loan. The loans are repayable in 16 to 22 equal quarterly installments beginning at the end of 1 year from the date of first disbursement Secured by way of pari passu first charge on the existing and future moveable tangible assets of the project division of the Company, pari passu second charge on current assets of the project division of the Company (excluding receivables of the projects financed by other banks).	104.83	144.60	39.77	46.58

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Loan carrying rate of interest 12.75% (Previous year 12.00%) is repayable in 14 equal quarterly installments beginning at the end of 21 months from the date of first disbursement. Secured by way of Equitable Mortgage on both corporate offices of the company at Plot No. 78 & 95, Institutional Area, Sector 32, Gurgaon, Haryana, India. Further secured by subservient charge on the current assets of the project division of the Company.	35.76	64.29	28.57	28.57
Loan was carrying rate of interest of 12.50%. The loan was repayable in 6 monthly installments beginning at the end of one year. The Loan was secured by way of second pari passu charge on the fixed assets of the project division of the Company.	-	-	-	34.07
Loan was carrying rate of interest of 13.75%. The loan was repayable in 10 monthly installments beginning at the end of one year. The loan was secured by way of subservient charge on the current assets of the project division of the Company.	-	-	-	79.78
Loan carrying rate of interest of 12.00%. Loan is repayable in 14 quarterly installments. Secured by way of charge on immoveable fixed assets of subsidiary Company.	58.33	-	-	-
Loan carrying rate of interest of 9.50% (Previous year 9.50%) is repayable from financial year 2013 to financial year 2024. Secured by way of charge on tangible and movaeble assets and receivables of the joint venture company.	52.17	41.15	4.18	6.69
From others (secured)				
Loan carrying weighted average rate of interest 13.05% (Previous year 9.76%). The loan is repayable in 24 to 60 monthly installments from the beginning of the end of 12 months from the date of first disbursement of the loan. Secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	92.21	23.72	34.57	8.28
Loan carrying rate of interest of 11.46% (Previous year 10.96%) 3 month FIMMDA-Reuters Commercial Paper benchmark plus 150 bps (Previous year 3 month FIMMDA-Reuters Commercial Paper benchmark plus 150 bps). The loan is repayable in 84 monthly installments from the beginning the end of 12 months from the date of first disbursement of the loan. Secured by first and exclusive charge by way of hypothecation on aircraft financed through the loan.	16.20	24.32	8.12	8.12
Loan was carrying weighted average rate of interest 10.75%. The loan was repayable in 12 monthly installments beginning at the end of one year. The loans were secured by way of subservient charge on the current assets of the project division of the Company.	-	-	-	101.67
Loan carrying rate of interest of 14.00% (Previous year 10.00%) term loan repayable in 24 monthly installments beginning the end of 12 months from the date of first disbursement of the loan. Secured by way of Ist charge on the current assets of the project division of the Company (excluding receivables of the projects financed by the other banks).	30.38	79.52	49.14	20.48
Loan carrying rate of interest of 13.50% (Previous year 13.25%) term loan repayable in 16 quarterly installments beginning at the end of 12 months from the date of first disbursement of the loan. Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	37.50	50.00	-	-

(All amounts in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Loan carrying rate of interest of 13.00%. The loan is repayable in 48 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan. Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks) and second charge on pari passu basis on moveable fixed assets of the project division of the Company.	97.92	-	2.08	-
Loan was carrying rate of interest of 15.15%. The Loan is repayable in 35 monthly installments. Secured by way of charge on entire current assets of the subsidiary.	-	-	-	1.81
Loan carrying rate of interest of 13.25%. The loan is repayable in 6 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan. Secured by way of subservient charge on current & moveable tangible assets of the project division of the Company.	-	-	50.00	-
Loan carrying rate of interest of 12.00%. The term loan is repayable in 14 quarterly installments. Secured by first pari passu charge on the immoveable tangible assets of the Company	13.20	-	-	-
Foreign currency loan from banks (secured)				
Loan carrying rate of interest of 6M LIBOR plus 4.20%. The loan is repayable in 14 equal quarterly installments. Secured by charge on the immoveable tangible assets of the Company	26.70	-	-	-
Loan carrying rate of interest of 3 months EBOR plus 2.50% (Previous year 3 months EBOR plus 2.50%). The loan is repayable in 36-56 monthly installments, beginning at the end of 2 months from the date of its origination. Secured by way of exclusive charge on the equipment purchased out of the proceeds of loan.	-	3.29	3.93	10.77
Loan carrying rate of interest of 3 months EBOR plus 2.50%. The loan is repayable in 14 equal quarterly installments, beginning at the end of 1 quarter from the date of its origination. Secured by way of first pari passu charge on moveable fixed assets of the project division of the Company. First Degree registered charge over the movable assets in India on pari-passu basis.	76.53	-	35.50	-
Loan carrying interest of rate of 2.76 % (Previous year 2.12%). The Loan is repayable in 20 quarterly installments. The loan is secured by way of charge on moveable assets of the subsidiary Company.	72.83	90.66	33.58	28.61
Foreign currency loan from others (secured)				
Loans carrying weighted average rate of interest 5.78% (Previous year 5.91%). The loans are repayable in 12 to 17 equal half yearly installments, beginning at the end of 4 years from the date of its origination. Secured by first pari passu charge on the moveable fixed assets of the project division of the Company	132.09	131.83	21.35	15.20
Foreign currency loan from Banks (unsecured)				
Loans carrying weighted average rate of interest 4.43% (Previous year 4.34%). The loan is repayable in 3 annual installments beginning at the end of one year.	301.75	393.66	94.60	0.06
Other loans and advances – Secured				
Finance lease obligation carrying rate of interest of 4.00%. These are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	5.11	-	2.93	-
Unsecured Inter-corporate Deposits	8.97	11.47	-	-
	2,076.90	**2,135.83**	**658.38**	**661.86**

	Non-current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
The above amount includes				
Secured borrowings	1,766.18	1,730.70	563.78	436.95
Unsecured borrowings	310.72	405.13	94.60	224.91
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(658.38)	(661.86)
Net amount	**2,076.90**	**2,135.83**	**-**	**-**

6. Deferred tax liabilities (net)

	As at March 31, 2012	As at March 31, 2011
Tangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	127.84	127.65
Effect of expenditure not debited to statement of profit & loss but allowed/ allowable in Income Tax	45.69	38.02
Un-realised foreign exchange on purchase of fixed assets	(1.19)	2.27
Difference in carrying value of Scaffolding as per Income Tax & Financial Books	8.16	3.31
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	(19.64)	(15.44)
Deduction under section 35D of the Income Tax Act, 1961	0.25	0.25
Unabsorbed depreciation/carried forward losses #	(7.30)	(4.14)
Foreign currency translation	(25.36)	(28.48)
Others	26.45	28.14
Net deferred tax liabilities*	**154.90**	**151.58**

*After setting off deferred tax assets aggregating to Rs 16.45 crores (Previous year Rs 4.39 crores) in respect of certain branches, subsidiaries and joint ventures.
Certain subsidiaries of the group have projected future profits, based on confirmed orders in hand for the subsequent years, which in the opinion of the subsidiaries satisfies the condition of virtual certainty supported by convincing evidence. Based on this, the subsidiaries have recognized deferred tax asset of Rs. 7.27 crores during the year.

7. Provisions

	Long-term		Short-term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits				
Provision for Retirement benefits	-	-	29.82	20.09
	-	-	29.82	20.09
Other provisions				
Proposed equity dividend	-	-	4.98	4.98
Provision for tax on proposed equity dividend	-	-	0.81	0.81
Provision for current tax	-	-	152.95	143.63
	-	-	158.74	149.42
	-	**-**	**188.56**	**169.52**

8. Short-term borrowings

	As at March 31, 2012	As at March 31, 2011
Secured		
Working capital loan repayable on demand		
Loan carrying weighted average rate of interest 13.18% (Previous year 11.54%). Secured by way of first charge on pari passu basis on current assets (excluding receivables) and second charge on pari passu basis on moveable tangible assets of the project division of the Company.	925.61	662.10

(All amounts in INR Crores, unless otherwise stated)

	As at March 31, 2012	As at March 31, 2011
Loan carrying weighted average rate of interest 11.17% (Previous year 10.86%). Secured by way of exclusive charge on the receivables of the specific projects financed by the bank, first pari passu charge on the current assets of the project division (excluding receivables of the project financed by the other banks), pari passu second charge on the movable tangible assets of the project division of the Company.	1,080.03	203.19
Loan carrying rate of interest of USD LIBOR plus 3.75% (Previous year USD LIBOR plus 3.75%). Secured by way of charge on entire current assets of the Subsidiary Company.	150.35	72.32
Loan carrying weighted average rate of interest 6.22% (Previous year 5.75%). Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks), pari passu charge on the receivables of the project financed and second charge on pari passu basis on movable tangible assets of the project division of the Company.	91.14	179.00
Loan carrying rate of interest of 5.75%. Secured by way of pari passu charge on the receivables financed.	138.95	-
Loan carrying rate of interest of 3 Months FGB EBOR + 2.5% P.A Secured by way of charge on the receivables and assets of the project.	41.59	-
Loan was carrying rate of interest of 9.78%. Secured by way of subservient charge on entire current assets of the project division of Company.	-	46.76
Loan carrying rate of interest of 7.75% (Previous year 7.75%). Secured by way of exclusive charge on the receivables of the specific projects financed by the bank, first pari passu charge on the current assets of the Subsidiary Company.	14.53	33.88
Loan carrying rate of interest of 3.50%. Secured by way of exclusive charge on the receivables, inventories & equipments purchased from loan.	22.28	-
Loan carrying rate of interest of USD Libor plus 5.50% (Previous year USD Libor plus 4.75%). Secured by way of charge on entire current assets of the Subsidiary Company.	8.87	7.92
Loan carrying rate of interest of 15.00% (Previous year 15.00%). Secured by way of charge on entire current assets of the Subsidiary Company	3.47	3.69
Loan carrying rate of interest of 3.75% (Previous year 3.75%). Secured by way of equipment & machinery belonging to Subsidiary Company.	10.03	66.75
Loan carrying rate of interest of 17.50% (Previous year 15.75%). Secured by hypothecation charge over entire current assets of the Company including receivables and first charge over the tangible assets of the Company.	1.10	8.15
Loan carrying weighted average rate of interest 13.36% (Previous year 12.25%). Secured by hypothecation charge over spares, raw materials & trade receivables of the Company.	21.37	1.82
Loan carrying weighted average rate of interest of S$ 1 MIL @ SIBOR+6.34% (Previous year S$ 1 MIL @ SIBOR+4.81%). Secured by way of first charge on the current assets and second charge on the fixed assets of the Company.	182.72	296.46
Unsecured		
Others – Cash Credit- rate of interest of 15.00% (Previous year 15.00%)	14.42	12.49
Loan carrying weighted average rate of interest of 6.61% from Banks	44.66	-
Buyers' Line of Credit from a Bank – weighted average rate of interest of 6.66% (Previous year 2.56%)	95.62	70.28
Inter Corporate Deposits	10.75	-
Commercial Papers from banks and Others – rate of interest of 10.60%. (Previous year 8.95%)	10.00	80.00
	2,867.49	**1,744.81**
The above amount includes		
Secured borrowings	2,692.04	1,582.03
Unsecured borrowings	175.45	162.78
	2,867.49	**1,744.81**

(All amounts in INR Crores, unless otherwise stated)

9. Other current liabilities

	As at March 31, 2012	As at March 31, 2011
Trade payables (including acceptances)	**3,221.10**	**2,176.75**
Other liabilities		
Interest accrued but not due on borrowings	58.77	56.23
Current maturities of long term borrowings	658.38	661.86
Others		
Service tax payable	28.17	18.65
VAT payable	27.66	18.18
TDS payable	20.07	12.03
Advance billing	144.57	149.02
Advance from customers	1,890.17	1,753.75
Premium on redemption accrued but not due on foreign currency convertible bonds	-	59.27
Security deposits	13.93	20.46
Capital goods suppliers	177.49	4.04
Others	40.98	23.08
	3,060.19	2,776.57
	6,281.29	**4,953.32**

10. Tangible assets

	Land	Buildings	Plant and equipment	Furniture, fixtures and office equipments	Tools	Project Road	Vehicles	Total
Cost or valuation								
At April 01, 2010	34.18	91.12	2,412.25	148.33	10.57	54.98	136.13	2,887.56
Additions	6.25	2.36	289.33	10.42	0.86	0.21	20.57	330.00
Disposal(-)	-	1.25	28.14	5.48	-	-	6.72	41.59
Disposal of subsidiaries(-)	-	-	58.16	42.74	-	-	0.80	101.70
Foreign currency translation adjustment	0.13	0.63	32.54	7.66	-	-	0.88	41.84
At March 31, 2011	**40.56**	**92.86**	**2,647.82**	**118.19**	**11.43**	**55.19**	**150.06**	**3,116.11**
Additions	0.02	0.06	665.25	15.63	0.35	0.65	30.48	712.44
Disposals(-)	-	-	31.13	2.77	0.00	-	12.54	46.44
Disposal of subsidiary(-)	-	-	-	20.99	-	-	0.09	21.08
Foreign currency translation adjustment	0.40	2.99	110.27	12.66	0.00	-	20.79	147.11
At March 31, 2012	**40.98**	**95.91**	**3,392.21**	**122.72**	**11.78**	**55.84**	**188.70**	**3,908.14**
Depreciation								
At April 01, 2010	0.07	14.12	749.19	76.19	2.79	8.67	56.01	907.04
Charge for the year	0.25	3.79	225.72	11.37	0.53	3.90	20.41	265.97
Disposals(-)	-	0.11	22.93	3.36	-	-	4.08	30.48
Disposal of subsidiaries(-)	-	-	56.55	29.45	-	-	0.76	86.76
Foreign currency translation adjustment	-	0.18	6.66	12.19	0.00	-	(2.05)	16.98
At March 31, 2011	**0.32**	**17.98**	**902.09**	**66.94**	**3.32**	**12.57**	**69.53**	**1,072.75**
Charge for the year	0.20	3.79	241.91	10.45	0.56	3.95	27.12	287.99
Disposals(-)	-	-	19.01	1.52	0.00	-	10.13	30.66
Disposal of subsidiary(-)	-	-	-	19.55	-	-	0.07	19.61
Foreign currency translation adjustment	-	0.76	38.81	8.87	0.00	-	8.41	56.96

	Land	Buildings	Plant and equipment	Furniture, fixtures and office equipments	Tools	Project Road	Vehicles	Total
Other Adjustments*	0.21	-	-	-	-	-	-	0.21
At March 31, 2012	**0.73**	**22.53**	**1,163.80**	**65.19**	**3.88**	**16.52**	**94.86**	**1,367.51**
Net block								
At March 31, 2011	40.25	74.88	1,745.73	51.25	8.11	42.62	80.53	2,043.36
At March 31, 2012	**40.44**	**73.38**	**2,228.41**	**57.54**	**7.90**	**39.31**	**93.83**	**2,540.63**

*Capitalized as pre-operative expenses (refer note 27)

1. Gross block of Tangible Assets includes Rs. 24.02 crores and accumulated depreciation includes Rs. 20.14 crores (Previous year Rs. 24.82 crores and Rs. 20.59 crores respectively) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 1998 by an external agency using “price indices released by the Economic Advisor’s Office, Ministry of Industry/ Verbal Quotation/ Comparison/estimation or any other method considered prudent in specific cases”. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 0.25 crore (Previous year Rs. 0.27 crore) and equivalent amount has been withdrawn from revaluation reserve and credited to statement of Profit and Loss and there is additional profit of Rs. 0.10 crore (Previous year Rs. 0.21 crore) on account of sale of assets, an equivalent amount has been withdrawn from revaluation reserve and credited to Statement of profit and loss.
2. Gross block of land includes Rs. 2.10 crores (Previous year Rs. 2.10 crores) on account of revaluation of assets carried out in earlier years. The said revaluation was carried during the year ended March 31, 2002 out by an external agency using “price indices released by the Economic Advisor’s Office, Ministry of Industry/verbal Quotation/Comparison/estimation or any other method considered prudent in specific cases”.
3. Plant and Machinery and Vehicles of the cost of Rs. 106.95 crores and Rs. 6.95 crores (Previous year Rs. 131.20 crores and Rs. Nil) respectively are acquired on hire purchase basis. Accumulated depreciation there on is Rs. 24.98 crores and Rs. 0.71 crore (Previous year Rs. 31.66 crores and Rs. Nil) respectively.
4. In compliance with the notification dated March 31, 2009 (as amended) issued by Ministry of Corporate Affairs, the Company has exercised the option available under paragraph 46 to the Accounting Standards 11 - The effect of changes in foreign exchange rates. Accordingly the foreign exchange loss of Rs. 18.47 crores (Previous year gain of Rs. 9.68 crores) has been added to Gross block of tangible assets.
5. Gross Block of Land includes leasehold land Rs. 6.41 crores (Previous year Rs. 6.41 crores).
6. During the year, the Parent Company has revised the estimated useful life of air conditioners (included under office equipments) based on technical estimates made by the management. Accordingly, additional depreciation of Rs. 0.64 crore has been accounted for in the financial statements. Had the Company continued to use earlier basis of providing depreciation, the charge to the statement of profit and loss for the current year would have been lower by Rs. 0.64 crore and net block of fixed assets would correspondingly have been higher by same amount.

11. Intangible assets

Gross block	Computer software	Goodwill	Total
At April 01, 2010	42.51	190.21	232.72
Purchase	4.52	-	4.52
Disposal	1.58	-	1.58
Disposal of Subsidiaries	-	11.14	11.14
Foreign currency translation adjustment	3.54	20.83	24.37
At March 31, 2011	**48.99**	**199.90**	**248.89**
Purchase	14.66	-	14.66
Disposal	0.15	-	0.15
Foreign currency translation adjustment	4.29	34.32	38.61
At March 31, 2012	**67.79**	**234.22**	**302.01**
Amortization			
At April 01, 2010	35.51	-	35.51
Charge for the year	3.49	-	3.49
Disposal	1.58	-	1.58
Foreign currency translation adjustments	2.75	-	2.75
At March 31, 2011	**40.17**	**-**	**40.17**
Charge for the year	10.99	-	10.99
Disposal	0.15	-	0.15
Foreign currency translation adjustment	4.67	-	4.67
At March 31, 2012	**55.68**	**-**	**55.68**
Net block			
At March 31, 2011	**8.82**	**199.90**	**208.72**
At March 31, 2012	**12.11**	**234.22**	**246.33**

12. Non-current investments

	As at March 31, 2012	As at March 31, 2011
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Swissport Punj Lloyd India Private Limited (Under liquidation)	1.05	-
1,053,500 Equity Shares of Rs. 10 each fully paid up.		
Rajahmundry Expressway Limited	1.89	1.89
1,885,000 (Previous year 1,885,000) Equity Shares of Rs. 10 each fully paid up.		
Andhra Expressway Limited	1.89	1.89
1,885,000 (Previous year 1,885,000) Equity Shares of Rs. 10 each fully paid up.		
North Karnataka Expressway Limited	3.86	3.86
3,860,456 (Previous year 3,860,456) Equity Shares of Rs.10 each fully paid up.		
GMR Hyderabad Vijaywada Expressways Private Limited	0.50	0.50
500,000 (Previous year 500,000) Equity Shares of Rs. 10 each fully paid up.		
Investments in Associates - Trade (unquoted)		
Olive Group India Private Limited	0.75	0.75
750,000 (Previous year 750,000) Equity Shares of Rs. 10 each fully paid up.		
Air Works India (Engineering) Private Limited	53.00	53.00
175,161 (Previous Year: 175,161) Equity Shares of Rs. 100 each fully paid up (including goodwill of Rs. 9.46 crore)		
Add: Share in opening accumulated losses	(7.06)	(7.15)
Add: Share in profits/ losses for the current year	(8.26)	0.09
	37.68	45.94
Reliance Contractors Private Limited	9.78	8.42
15,000 (Previous year 15,000) Equity Shares of SGD 1 each, fully paid up		
Add: Share in opening accumulated losses	(7.66)	(7.66)
Add: Foreign currency translation differences	(1.43)	(0.17)
	0.69	0.59
Ventura Developments (Myanmar) Pte Limited	0.15	0.12
35,000 (Previous year 35,000) Equity Shares of SGD 1 each, fully paid up		
Add: Share in opening accumulated losses	(0.09)	(0.09)
Add: Foreign currency translation differences	(0.06)	(0.03)
	-	-
Reco Sin Han Pte Limited	0.04	0.04
10,000 (Previous year 10,000) Equity Shares of SGD 1 each, fully paid up		
Add: Share in opening accumulated losses	(0.03)	(0.03)
Add: Foreign currency translation differences	(0.01)	(0.01)
	-	-
Olive Group Capital Limited	82.51	71.08
17,112,205 (Previous year 17,112,205) Convertible Ordinary Shares of USD 0.10 each, fully paid up. (Including goodwill of Rs. 43.29 crores)		
Add: Share in opening accumulated profits	24.95	22.75
Add: Share in profits/ (losses) for the current year	(2.82)	2.20
Add: Foreign currency translation differences	(7.24)	2.78
	97.40	98.81
Ethanol Ventures Grimsby Limited		15.32
Nil (Previous year: Nil) Equity Shares of GBP1 each, fully paid up		
Add: Share in opening accumulated profits	-	(13.08)
Add: Foreign currency translation differences	-	0.06
Less: Disposed off during the year	-	2.30
	-	-
Hazaribagh Ranchi Expressway Limited	0.01	0.01
13,000 (Previous year 13,000) Equity Shares of Rs. 10 each fully paid up.		
Non-trade investments		
Unquoted equity instruments		
Roxul Rockwool Insulation India Private Limited	3.51	3.51
1,790,625 (Previous year 1,790,625) Equity Shares of Rs. 10 each fully paid up.		
RFB Latex Limited	-	-
200,000 (Previous year 200,000) Equity Shares of Rs. 10 each fully paid up.		
(At cost less provision for other than temporary diminution in value Rs. 0.52 crore (Previous year Rs. 0.52 crore)		

	As at March 31, 2012	As at March 31, 2011
Arooshi Enterprises Private Limited 598,500 (Previous year 598,500) Equity Shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.60 crore (Previous year Rs. 0.60 crore)	-	-
Global Health Private Limited 8,000,000 (Previous year 8,000,000) Equity Shares of Rs. 10 each fully paid up. Of the above, 8,000,000 (Previous year 8,000,000) Equity Shares are under first pari passu charge with Debenture trustee.	138.00	138.00
Thai Industrial Estate Corporation Limited Nil (Previous year 107,500) Equity Shares of THB 100 each, fully paid up	1.25	1.12
Add : Foreign Currency translation differences	0.17	0.13
Less: Disposed off during the year	(1.42)	-
	-	1.25
Samena Capital 3,500,000 (Previous year 3,500,000) Class "A" Shares of USD 1 each, fully paid up	20.61	17.75
Add : Foreign Currency translation differences	(2.28)	(1.90)
	18.33	15.85
Samena Capital Investor Company 1,500,000 (Previous year 1,500,000) Class "B" Shares of USD 1 each, fully paid up	8.83	7.61
Add : Foreign Currency translation differences	(0.96)	(0.82)
	7.87	6.79
Non trade investments (valued at cost unless stated otherwise)		
Quoted equity instruments		
Panasonic Energy India Company Limited 1,300 (Previous year 1,300) Equity Shares of Rs 10 each, fully paid up.	0.00	0.00
Triton Corporation Limited 6,000 (Previous year 6,000) Equity Shares of Rs 10 each, fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.01 crore (Previous year Rs. 0.01 crore)	-	-
JCT Electronics Limited 600 (Previous year 600) Equity Shares of Rs 10 each, fully paid up.	0.00	0.00
Continental Constructions Limited 3,000 (Previous year 3,000) Equity Shares of Rs 10 each, fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.01 crore (Previous year Rs. 0.01 crore)	-	-
Max India Limited 2,500 (Previous year 2,500) Equity Shares of Rs. 2 each fully paid up.	0.00	0.00
Kirloskar Pneumatics Company Limited 1,000 (Previous year 1,000) Equity Shares of Rs 10 each, fully paid up.	0.00	0.00
Hindustan Oil Exploration Company Limited 6,133 (Previous year 6,133) Equity Shares of Rs 10 each, fully paid up.	0.03	0.03
Berger Paints Limited 61,600 (Previous year 61,600) Equity Shares of Rs. 2 each fully paid up.	0.10	0.10
Pipavav Defence and Offshore Engineering Company Limited (Formerly Pipavav Shipyard Limited) 1,000 (Previous year 1,000) Equity Share of Rs. 10 each fully paid up.	0.00	0.00
Quoted others instruments		
SBI SHF – Ultra Short term – Institutional Plan – Daily Dividend Nil (Previous year 11,021,183.81) units of Rs. 10 each	-	11.03

(All amounts in INR Crores, unless otherwise stated)

	As at March 31, 2012	As at March 31, 2011
Samena Capital Special Situations Fund-I	50.43	43. 44
10,000,000 (Previous year 10,000,000) units of USD 1 each, fully paid up		
Add : Foreign Currency translation differences	(0.73)	2.57
	49.70	46.01
Samena Capital Special Situations Fund-II		
1,500,000 (Previous year 1,500,000) units of USD 1 each, fully paid up	7.56	6.52
Add : Foreign Currency translation differences	0.11	0.39
	7.45	6.91
	370.69	**383.72**
Aggregate amount of quoted investments (Market value: Rs. 55.94 crores (Previous year Rs. 65.49 crores))	57.28	64.08
Aggregate amount of unquoted investments	313.41	319.64
Aggregate provision for diminution in value of investments	1.13	1.13

13. Loans and advances

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital advances				
Unsecured, considered good	139.18	130.89	-	-
	139.18	130.89	-	-
Security deposits				
Unsecured, considered good	3.83	3.49	22.72	25.52
	3.83	3.49	22.72	25.52
Advances recoverable in cash or kind				
Unsecured, considered good	1.13	-	720.77	597.05
	1.13	-	720.77	597.05
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for taxation)	-	-	309.43	223.86
Loans to employees	-	-	8.68	3.71
Balances with statutory / government authorities	-	-	55.66	21.76
Inter Corporate Deposits	-	-	0.30	0.34
MAT Credit entitlement (Refer Note 44)	7.59	12.78	-	-
VAT/ Sales tax recoverable	-	-	152.96	117.26
	7.59	12.78	527.03	366.93
	151.73	**147.16**	**1,270.52**	**989.50**

14. Trade receivables

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	906.08	569.93
(A)	-	-	906.08	569.93
Other receivables				
Unsecured, considered good	-	-	1,515.21	1,633.89
(B)	-	-	1,515.21	1,633.89
Total (A+B)	**-**	**-**	**2,421.29**	**2,203.82**

15. Other assets

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good				
Interest receivables	-	-	12.45	12.54
Insurance claim receivables	-	-	-	6.64
Export benefit receivables	103.79	72.82	-	-
Receivables against sale of investments (Also Refer Note 35)	-	-	0.43	0.42
	103.79	**72.82**	**12.88**	**19.60**

16. Inventories

	As at March 31, 2012	As at March 31, 2011
Project materials	254.02	238.55
Scrap	0.22	2.85
Work-in-progress - projects	5,963.86	4,601.11
	6,218.10	**4,842.51**

17. Cash and bank balances

	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents				
Balances with banks:				
– On current accounts (including cheques in hand of Rs. 6.47 crores (Previous year Rs. Nil)	-	-	568.20	700.53
– on cash credit accounts	-	-	1.99	9.49
– On EEFC account	-	-	14.92	1.16
Deposit with original maturity of less than three months	-	-	304.15	429.50
Cash on hand	-	-	7.54	6.51
	-	-	896.80	1,147.19
Other bank balances				
– Deposits with original maturity for more than 12 months	-	-	2.16	-
– Deposits with original maturity for more than 3 months but less than 12 months	-	-	64.27	0.50
– Margin money deposit	-	-	9.92	67.26
	-	-	76.35	67.76
	-	**-**	**973.15**	**1,214.95**

18. Revenue from operations

	Year ended March 31, 2012	Year ended March 31, 2011
Contract revenue (includes export benefit of Rs. 45.72 crores (Previous year Rs. 25.48 crores))	10,256.88	7,737.85
Hire charges	44.11	119.25
Management services	6.20	32.23
Annuity Income	5.73	5.72
	10,312.92	**7,895.05**

19. Other income

	Year ended March 31, 2012	Year ended March 31, 2011
Scrap sale	5.39	11.55
Insurance claims	0.10	5.76
Unspent liabilities and provisions written back	48.47	60.77

(All amounts in INR Crores, unless otherwise stated)

	Year ended March 31, 2012	Year ended March 31, 2011
Profit on sale of fixed assets(net)	5.47	-
Exchange differences (net)	189.89	122.12
Interest income on		
-Bank deposits	11.24	7.47
-Others	3.09	12.57
Dividend income on long term investments	12.36	0.67
Net gain on deconsolidation of a step-down subsidiary	183.17	-
Others	11.94	47.11
	471.12	**264.72**

20. Employee benefits expense

	Year ended March 31, 2012	Year ended March 31, 2011
Salaries, wages and bonus	1,218.66	1,003.80
Contribution to provident funds	28.07	20.82
Retirement Benefits	32.14	16.41
Staff welfare expenses	73.83	85.64
	1,352.70	**1,126.67**

21. Other expenses

	Year ended March 31, 2012	Year ended March 31, 2011
Contractor charges	3,187.26	2,351.53
Site expenses	158.77	120.81
Diesel and fuel	367.20	180.30
Repairs and Maintenance		
-Buildings	0.63	5.71
-Plant and machinery	71.07	47.37
-Others	6.92	15.68
Freight and cartage	89.00	85.63
Hire charges	438.99	257.63
Rent	56.48	78.71
Rates and taxes	142.42	111.33
Insurance	93.43	48.98
Consultancy and Professional charges	236.13	204.10
Travelling and conveyance	100.43	99.53
Irrecoverable balances written off	44.87	26.45
Provision for diminution in value of non trade long term investment	0.12	2.34
Donations	1.25	9.65
Loss on disposal/discard of fixed assets (net)	-	6.26
Miscellaneous expenses	212.25	248.18
	5,207.22	**3,900.19**

22. Finance costs

	Year ended March 31, 2012	Year ended March 31, 2011
Interest	517.48	356.82
Bank charges	111.78	97.87
Discounting charges on commercial papers	3.24	8.79
	632.50	**463.48**

23. Earnings per share

Basic Earnings

		2011-12	2010-11
a)	Calculation of weighted average number of Equity Shares of Rs. 2 each		
	Number of Equity Shares at the beginning of the year	332,095,745	332,086,295
	Equity Shares at the end of the year	332,095,745	332,095,745
	Weighted average number of Equity Shares outstanding during the year	332,095,745	332,095,564
b)	Consolidated Net Profit/(Loss) after tax available for equity share holders (Rs. crores)	91.87	(59.52)
c)	Basic earnings per share	2.77	(1.79)
d)	Nominal value of share (Rs.)	2	2

Diluted Earnings

		2011-12	2010-11
a)	Calculation of weighted average number of Equity Shares of Rs. 2 each		
	Number of Equity Shares at the beginning of the year	332,095,745	332,086,295
	Equity Shares at the end of the year	332,095,745	332,095,745
	Weighted average number of Equity Shares outstanding during the year	332,095,745	332,100,427
b)	Consolidated Net Profit/(Loss) after tax available for equity share holders (Rs. crores)	91.87	(59.52)
c)	Diluted earnings per share	2.77	(1.79)*
d)	Nominal value of share (Rs.)	2	2

*Potential Equity Shares to be issued as at March 31, 2011, would be anti dilutive in nature.

Reconciliation of Equity Shares considered between Basic and Diluted Earnings per share:

Description	2011-12	2010-11
Weighted average number of Equity Shares considered for Basic Earnings	332,095,745	332,095,564
Add: Equity Shares to be issued on stock options	-	4,863
Weighted average number of Equity Shares considered for Diluted Earnings	332,095,745	332,100,427

24. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policy.

Few of the foreign subsidiaries of the Company participate in the national pension schemes as defined by the laws of those countries in which these operate. Contributions to national pension schemes are recognized as expenses in the year in which the related service is performed.

The following tables summarises the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of profit and loss
Net employee benefit expense recognized in the employee cost

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2011-12	2010-11	2011-12	2010-11
Current service cost	2.79	1.97	3.49	0.69
Interest cost on benefit obligation	0.82	0.83	0.05	13.66
Expected return on plan assets	(0.61)	(0.34)	-	(13.93)
Net actuarial (gain)/loss	1.10	(1.06)	0.07	0.06
Past service cost	-	0.12	-	0.01
Net benefit expense	4.10	1.52	3.61	0.49
Actual return on plan assets	(0.49)	(0.40)	-	13.96

Balance sheet
Benefit asset/liability

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2011-12	2010-11	2011-12	2010-11
Present value of defined benefit obligation	13.54	10.28	4.24	238.57
Fair value of plan assets	(8.29)	(6.93)	-	(236.53)
Less: Unrecognised past service cost	-	-	-	0.00
Plan (asset)/liability	5.25	3.35	4.24	2.04

Changes in the present value of the defined benefit obligation are as follows:

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2011-12	2010-11	2011-12	2010-11
Opening defined benefit obligation	10.28	10.36	238.57	217.91
Adjustment on deconsolidation of subsidiary	-	-	(255.54)	-
Translation difference	-	-	17.60	18.36
Interest cost	0.82	0.85	0.05	14.49
Current service cost	2.79	1.95	3.49	0.73
Benefits paid	(1.41)	(2.60)	(0.00)	(11.45)
Employee Contributions	-	-	-	0.01
Actuarial (gains)/ losses on obligation	1.06	(0.40)	0.07	(1.48)
Past service cost	-	0.12	-	0.00
Closing defined benefit obligation	13.54	10.28	4.24	238.57

Changes in the fair value of plan assets are as follows:

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2011-12	2010-11	2011-12	2010-11
Opening fair value of plan assets	6.95	4.52	236.53	209.99
Adjustment on deconsolidation of subsidiary	-	-	(236.53)	-
Translation difference	-	-	-	17.70
Expected return	0.61	0.33	-	14.79
Contributions by employer	2.19	4.41	-	5.39
Benefits paid	(1.41)	(2.41)	-	(11.38)
Actuarial gains/ (losses)	(0.05)	0.08	-	0.04
Closing fair value of plan assets	8.29	6.93	-	236.53

The Company expects to contribute Rs. 2.17 crores (Previous year Rs. 2.69 crores) to gratuity fund in the next year.

The principal assumptions used in determining gratuity obligations for the Company and its Indian Subsidiaries plans are shown below:

	2011-12 %	2010-11 %
Discount rate	8.00	8.00
Expected rate of return on assets	9.00	8.50
Employee turnover	2.00	2.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

(All amounts in INR Crores, unless otherwise stated)

Amounts for the current periods are as follows:

	Gratuity (Parent and Indian Subsidiaries)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	13.54	10.28	10.36	10.36	7.23
Plan assets	8.29	6.93	4.52	3.84	4.01
Surplus/(deficit)	(5.25)	(3.35)	(5.83)	(6.52)	(3.22)
Experience adjustments on plan liabilities	(0.85)	(0.66)	-	-	-
Experience adjustments on plan assets	-	0.49	-	-	-

	Retirement Benefits (Foreign Subsidiaries)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	4.24	238.57	217.91	217.56	309.67
Plan assets	-	236.53	209.99	204.65	248.31
Surplus/(deficit)	(4.24)	(2.04)	(7.92)	(12.91)	(61.36)
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

25. (a) The Company has provided various share based payment schemes to its employees. During the year ended March 31, 2012, the relevant details of the schemes are as follows

	ESOP 2005 (Plan 1 and 2)	ESOP 2006 (Plan 1, 2, 3, 4, 5 and 6)
Date of Board of Directors approval	September 05, 2005	June 27, 2006
Date of Remuneration Committee Approval	Various dates subsequent to September 05, 2005	Various dates subsequent to June 27, 2006
Date of Shareholder's approval	September 29, 2005 for pre IPO price and ratified on April 3, 2006 for post IPO price	September 22, 2006
Number of options granted	4,000,000	5,000,000
Method of Settlement	Equity	Equity
Vesting Period	Four Years from the date of Grant	Four Years from the date of Grant
Exercise Period	Three Years from the date of vesting	Three Years from the date of vesting
Vesting Condition	Employee should be in Service at vesting and exercise date	Employee should be in Service at vesting and exercise date

The details of activities under ESOP 2005 (Plan 1) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	599,600	989,394	126.00	126.00
Granted during the year	-	-	-	-
Exercised during the year	-	6,000	-	126.00
Expired during the year	177,245	383,794	126.00	126.00
Outstanding at the end of the year	422,355	599,600	126.00	126.00
Exercisable at the end of the year	422,355	599,600	126.00	126.00

The weighted average share price at the date of exercise for stock option was Rs. Nil (previous year Rs. 126.00.)

The details of activities under ESOP 2005 (Plan 2) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	224,975	308,358	235.99	235.99
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	72,820	83,383	235.99	235.99
Outstanding at the end of the year	152,155	224,975	235.99	235.99
Exercisable at the end of the year	152,155	224,975	235.99	235.99

(All amounts in INR Crores, unless otherwise stated)

The details of activities under ESOP 2006 (Plan 1) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	693,435	820,240	154.46	154.46
Granted during the year	-	-	-	-
Exercised during the year	-	450	-	154.46
Expired during the year	274,205	126,355	154.46	154.46
Outstanding at the end of the year	419,230	693,435	154.46	154.46
Exercisable at the end of the year	419,230	693,435	154.46	154.46

The weighted average share price at the date of exercise for stock option was Rs. Nil (previous year Rs. 154.46.)

The details of activities under ESOP 2006 (Plan 2) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	9,000	30,000	299.90	299.90
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	9,000	21,000	299.90	299.90
Outstanding at the end of the year	-	9,000	-	299.90
Exercisable at the end of the year	-	9,000	-	299.90

The details of activities under ESOP 2006 (Plan 3) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	6,000	20,000	310.35	310.35
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	6,000	14,000	310.35	310.35
Outstanding at the end of the year	-	6,000	-	310.35
Exercisable at the end of the year	-	6,000	-	310.35

The details of activities under ESOP 2006 (Plan 4) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	27,000	30,000	90.40	90.40
Granted during the year	-	-	-	-
Exercised during the year	-	3,000	-	90.40
Expired during the year	21,000	-	90.40	-
Outstanding at the end of the year	6,000	27,000	90.40	90.40
Exercisable at the end of the year	6,000	27,000	90.40	90.40

The weighted average share price at the date of exercise for stock option was Rs. Nil (previous year 90.40)

The details of activities under ESOP 2006 (Plan 5) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	-	30,000	-	198.90
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Expired during the year	-	30,000	-	198.90
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The details of activities under ESOP 2006 (Plan 6) have been summarized below:

	Number of Options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	30,000	-	132.45	-
Granted during the year	-	30,000	-	132.45
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	30,000	30,000	132.45	132.45
Exercisable at the end of the year	30,000	30,000	132.45	132.45

For the purpose of valuation of the options granted upto year ended March 31, 2012 under ESOP 2005 and ESOP 2006, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method, is Rs. Nil.

(b) One of the subsidiaries of the Company has provided following share based payment scheme to its employees.

	ESOP 2008
Date of Board of Directors' approval	April 07, 2008
Date of Shareholders' approval	April 07, 2008
No. of options granted	123,500 238,000
Method of settlement	Cash
Vesting Period	Four Years from the date of Grant
Exercise Period	Three Years from the date of Vesting
Vesting conditions	Continuous association with the Company and performance

During the year ended March 31, 2012, the following schemes were in operation in that subsidiary:

The details of activities under ESOP 2008 have been summarized below:

	Number of options		Weighted Average Exercise Price (Rs.)	
	2011-12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	102,040 91,000	151,090 111,000	100.00 32.00	100.00 32.00
Granted during the year	238,000	-	385.00	-
Exercised during the year	-	-	-	-
Expired during the year	25,560 35,000	49,050 20,000	100.00 32.00	100.00 32.00
Outstanding at the end of the year	238,000 76,480 56,000	- 102,040 91,000	385.00 100.00 32.00	- 100.00 32.00
Exercisable at the end of the year	-	-	-	-

(c) One of the overseas subsidiaries of the Company has provided following share based payment scheme to its employees. During the year ended March 31, 2012, the following schemes were in operation in that subsidiary:

	ESOP 2008
Date of Board of Directors' approval	March 10, 2008
Date of Shareholder's approval	March 10, 2008
No. of options granted	1,100,000
Method of settlement	Cash

(All amounts in INR Crores, unless otherwise stated)

	ESOP 2008
Vesting Period	Three years from the date of Grant
Exercise Period	Immediately after the vesting period
Vesting conditions	None

The details of activities under ESOP 2008 have been summarized below:

	Number of options		Weighted Average Exercise Price (SGD)	
	2011- 12	2010-11	2011-12	2010-11
Outstanding at the beginning of the year	-	1,100,000	-	0.386
Granted during the year	-	-	-	-
Exercised during the year	-	1,100,000	-	0.386
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average share price at the date of exercise for stock option was Nil (previous year SGD 0.386)

(d) In March 2005, the Institute of Chartered Accountants of India has issued a Guidance Note on "Accounting for Employees Share Based Payments" applicable to employee share based plan the grant date in respect of which falls on or after April 1, 2005. The said Guidance Note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Since the enterprise used the intrinsic value method and the management has obtained fair value of the options at the date of grant from a valuer, using the 'Black Scholes Valuation Model' at "Rs. Nil" per option, there is no impact on the reported profits and earnings per share.

26. Leases

(a) Finance Lease: Company as lessee

The Company has finance leases and hire purchase contracts for certain Project Equipment and Vehicles, the cost of which is included in the gross block of Plant & Machinery and Vehicles under Tangible Assets. The lease term is for one to three years. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

	2011-12	2010-11
Gross block at the end of financial year	113.20	131.20
Written down value at the end of financial year	87.51	99.54
Details of payments made during the year:		
- Principal	15.64	14.27
- Interest	4.08	3.52

The break-up of minimum lease payments outstanding as at March 31, 2012 is as under

	As at March 31, 2012		
	Principal	Interest	Total
Payable within one year	18.14	3.65	21.79
Payable after one year but before end of fifth year	24.08	3.00	27.08

	As at March 31, 2011		
	Principal	Interest	Total
Payable within one year	10.37	3.60	13.97
Payable after one year but before end of fifth year	9.40	2.57	11.96

(b) Operating lease: Company as lessee

The Company has entered into commercial leases on certain Project Equipment and Office premises. There are no contingent rents in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

(All amounts in INR Crores, unless otherwise stated)

	As At	
	March 31, 2012	March 31, 2011
Future minimum lease payments		
Not later than one year	118.81	65.31
Later than one year and not later than five years	44.77	45.29
Later than five years	13.22	62.32

27. Capitalisation of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of tangible asset/ Capital work in progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	As at March 31, 2012	As atMarch 31, 2011
Balance brought forward	8.47	-
Rates & taxes	0.06	0.01
Site expenses	0.18	0.26
Diesel and fuel	0.02	0.02
Hire charges	0.20	0.14
Salaries, wages and bonus	3.08	2.45
Contribution to provident & other funds	0.12	0.08
Workmen and staff welfare	0.07	0.05
Consultancy and professional charges	0.30	0.06
Interest on borrowings	9.65	3.73
Depreciation	0.21	-
Bank/ financial charges	0.10	0.03
Miscellaneous expenses	0.82	1.14
Total	**23.61**	**8.47**
Less: transferred to fixed assets	-	-
Balance carried forward	**23.61**	**8.47**

28. Segment Information

Business Segments:

The Group's business activity falls within a single business segment i.e. Engineering and Construction. Therefore, segment reporting in terms of Accounting Standard 17 on Segmental Reporting is not applicable.

Geographical Segments*:

Although the Group's major operating divisions are managed on a worldwide basis, they operate in two principal geographical areas of the world, in India, its home country, and the other countries.

The following table presents revenue from operations and trade receivables regarding geographical segments as at March 31, 2012 and March 31, 2011.

	Revenue from operations by Geographical Market		Trade receivable by Geographical Market	
	Year ended March 31, 2012	Year ended March 31, 2011	As at March 31, 2012	As at March 31, 2011
India	4,028.15	2,803.47	985.04	886.58
Other countries	6,284.76	5,091.58	1,436.25	1,317.22
	10,312.92	**7,895.05**	**2,421.29**	**2,203.81**

* All the major assets other than trade receivables are situated in India and hence, separate figures for assets/additions to assets cannot be furnished.

29. Related Parties

Names of related parties with whom transactions have taken place during the year

Joint Ventures	Thiruvananthapuram Road Development Company Limited Asia Drilling Services Limited Kaefer Punj Lloyd Limited Swissport Punj Lloyd India Private Limited (under liquidation) Dayim Punj Lloyd Construction Contracting Co. Limited (upto December 19, 2010) Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited Ramprastha Punj Lloyd Developers Private Limited Total-CDC-DNC Joint Operation Kumagai-Sembawang-Mitsui Joint Venture Kumagai-SembCorp Joint Venture (DTSS)

(All amounts in INR Crores, unless otherwise stated)

	Kumagai-SembCorp Joint Venture
	Philipp Holzmann-SembCorp Joint Venture
	Semb-Corp Daewoo Joint Venture
	Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture
	Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture
	Punj Lloyd PT Sempec Indonesia
	PT Kekal Adidaya (w.e.f. March 31, 2011)
	Punj Lloyd Group Joint Venture
	Public Works Company Tripoli Punj Lloyd Joint Venture
	Sembawang Precast System LLC
	Total Sempec Joint Operation
	AeroEuro Engineering India Private Limited (w.e.f. May 13, 2011)
	Punj Lloyd Dynamic LLC (w.e.f. March 19, 2012)
	PLE TCI Engineering Limited (w.e.f. March 19, 2012)
	Sembawang Caspi Engineering and Construction LLP
Associates	Reliance Contractors Private Limited
	Ventura Development (Myanmar) Pte Limited
	Reco Sin Han Pte Limited
	Air Works India (Engineering) Private Limited
	Olive Group Capital Limited
	Olive Group India Private Limited
	Hazaribagh Ranchi Expressway Limited
	Ethanol Ventures Grimsby Limited (Up to April 29, 2010)

Key Managerial Personnel

Atul Punj	Chairman
Luv Chhabra	Director (Corporate Affairs)
P. K. Gupta	Whole Time Director

Relatives of Key Managerial Personnel

S.N.P. Punj	Father of Chairman
Arti Singh	Sister of Chairman
Indu Rani Punj	Mother of Chairman
Navina Punj	Wife of Chairman
Uday Punj	Brother of Chairman
Manglam Punj	Wife of Brother of Chairman
Shiv Punj	Son of Chairman
Jai Punj	Son of brother of Chairman
Dev Punj	Son of brother of Chairman
Jyoti Punj	Sister of Chairman

Enterprises over which relatives of Key Managerial Personnel are exercising significant influence

Pt. Kanahya Lal Dayawanti Punj Charitable Society	Chairmanship of father of Chairman
Collectible @ The Inside Story	Owned by Sister of Chairman
Spectra Punj Finance Private Limited	Shareholding of Chairman
Cawdor Enterprises Limited	Shareholding of Chairman
Uday Punj (HUF)	HUF of brother of Chairman
K.R. Securities Private Limited	Shareholding of Brother of Chairman
Atul Punj (HUF)	HUF of Chairman
Vishwadeva Builders and Promoters Private Limited	Shareholding of Sister of Chairman
PTA Engineering and Manpower Services Private Limited	Shareholding of Chairman
PLE Hydraulics Private Limited	Shareholding of Chairman
Special Steel Forgings Private Limited	Shareholding of Chairman
Petro IT Limited	Shareholding of Brother of Chairman

RELATED PARTY DISCLOSURES

(All amounts in INR Crores, unless otherwise stated)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
INCOME										
Income from Hire Charges										
Kaefer Punj Lloyd Limited	0.05	-	-	-	-	-	-	-	0.05	-
Income from Management Services										
Kaefer Punj Lloyd Limited	0.33	0.34	-	-	-	-	-	-	0.33	0.34
Other Income										
Olive Group India Private Limited	-	-	-	0.04	-	-	-	-	-	0.04
Dayim Punj Lloyd Construction Contracting Company Limited	-	4.14	-	-	-	-	-	-	-	4.14
EXPENSES										
Contractors Charges										
Kaefer Punj Lloyd Limited	0.97	1.28	-	-	-	-	-	-	0.97	1.28
Project Materials Consumed										
Kaefer Punj Lloyd Limited	5.71	3.38	-	-	-	-	-	-	5.71	3.38
Managerial Remuneration										
Atul Punj	-	-	-	-	4.00	3.10	-	-	4.00	3.10
Luv Chhabra	-	-	-	-	3.99	2.71	-	-	3.99	2.71
P.K. Gupta	-	-	-	-	3.26	2.31	-	-	3.26	2.31
Dividend Payment										
Cawdor Enterprises Ltd	-	-	-	-	-	-	1.14	1.14	1.14	1.14
Spectra Punj Finance Private Limited	-	-	-	-	-	-	0.33	0.33	0.33	0.33
Atul Punj	-	-	-	-	0.02	0.02	-	-	0.02	0.02
S.N. P.Punj	-	-	-	-	0.15	0.15	-	-	0.15	0.15
Indu Rani Punj	-	-	-	-	0.15	0.15	-	-	0.15	0.15
Uday Punj/Mangalam Punj	-	-	-	-	0.03	0.04	-	-	0.03	0.04
Uday Punj (HUF)	-	-	-	-	-	0.01	-	-	-	0.01
Arti Singh	-	-	-	-	0.00	0.01	-	-	0.00	0.01
Jyoti Punj	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Navina Punj	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Mangalam Punj	-	-	-	-	0.02	0.02	-	-	0.02	0.02
Petro IT Limited	-	-	-	-	0.00	-	-	-	0.00	-
P.K. Gupta	-	-	-	-	0.00	-	-	-	0.00	-

RELATED PARTY DISCLOSURES

(All amounts in INR Crores, unless otherwise stated)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Others	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Miscellaneous expenses										
Pt. Kanahya Lal Dayawanti Punj Charitable Society	-	-	-	-	-	-	1.37	1.37	1.37	1.37
ASSETS										
Investment made during the year										
Dayim Punj Lloyd Construction Contracting Company Limited	-	0.05	-	-	-	-	-	-	-	0.05
Olive Group India Private Limited	-	-	-	0.25	-	-	-	-	-	0.25
Thiruvananthapuram Road Development Company Limited	-	4.01	-	-	-	-	-	-	-	4.01
Corporate Guarantees issued during the year										
Kaefer Punj Lloyd Limited	-	2.04	-	-	-	-	-	-	-	2.04
Corporate Guarantees redeemed during the year										
Kaefer Punj Lloyd Limited	9.89	-	-	-	-	-	-	-	9.89	-
Balance outstanding as at end of the year										
Receivable /(Payables)										
Kaefer Punj Lloyd Limited	(0.45)	(1.52)	-	-	-	-	-	-	(0.45)	(1.52)
Air Works India (Engineering) Private Limited	-	-	1.62	1.66	-	-	-	-	1.62	1.66
Managerial Remuneration Payable										
Atul Punj	-	-	-	-	1.16	-	-	-	1.16	-
Luv Chhabra	-	-	-	-	1.15	0.14	-	-	1.15	0.14
P.K. Gupta	-	-	-	-	1.11	0.10	-	-	1.11	0.10
Investments										
Swissport Punj Lloyd India Private Limited	1.05	-	-	-	-	-	-	-	1.05	-
Olive Group India Private Limited	-	-	0.75	0.75	-	-	-	-	0.75	0.75
Hazaribagh Ranchi Expressway Limited	-	-	0.01	0.01	-	-	-	-	0.01	0.01
Olive Group Capital Limited	-	-	97.40	98.81	-	-	-	-	97.40	98.81

RELATED PARTY DISCLOSURES

(All amounts in INR Crores, unless otherwise stated)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Air Works India (Engineering) Private Limited	-	-	37.68	45.94	-	-	-	-	37.68	45.94
Reliance Contractors Private Limited	-	-	0.69	0.59	-	-	-	-	0.69	0.59
Corporate Guarantees outstanding										
Kaefer Punj Lloyd Limited	7.65	17.54	-	-	-	-	-	-	7.65	17.54

30. Capital and Other Commitments

	2011-12		2010-11	
	Punj Lloyd Limited & Subsidiaries	Joint Ventures	Punj Lloyd Limited & Subsidiaries	Joint Ventures
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	262.73	51.20	488.54	69.46
b) Estimated future investments in joint venture and other companies in terms of respective shareholder agreements	24.99	-	24.99	-

31. Contingent liabilities not provided for:

		2011-12		2010-11	
		Punj Lloyd Limited & Subsidiaries	Joint Ventures	Punj Lloyd Limited & Subsidiaries	Joint Ventures
a)	Bank Guarantees given on behalf of parties, by the Company	1,058.18	-	1,108.95	-
b)	Liquidated damages deducted by customers not accepted by the Company and pending final settlement. *	171.75	-	124.44	-
c)	Demand by custom authorities against import of aircraft	17.89	-	17.89	-
d)	Claims by parties/ clients against subsidiaries not acknowledged as debts	-	-	0.21	-

* excludes possible liquidated damages which can be levied by customers for delay in execution of projects. The Management believes that there exist strong reasons why no liquidated damages shall be levied by these customers.

e) (i) Sales tax demands of Rs. 68.76 crores (Previous year Rs. 29.84 crores) on disallowance of deduction on labour and services of the works contracts pending with Sales Tax Authorities and High Court.*

(ii) Sales tax demands of Rs. 6.70 crores (Previous year Rs. 6.70 crores) for non submission of statutory forms.*

(iii) Sales tax demands of Rs. 29.66 crores (Previous year Rs. 8.61 crores) for purchases against sales tax forms not accepted by department.*

(iv) Entry tax demands of Rs. 4.26 crores (Previous year Rs. 4.26 crores) against entry of goods into the local area not accepted by department.*

(v) Sales tax demands of Rs. 0.07 crore (Previous year Rs 0.07 crore) against the Central Sales Tax demand on sales in transit.*

(vi) Demand for non-payment of excise duty on coating of pipes Rs. Nil (Previous year Rs. 0.95 crore)

(vii) Sales tax demands of Rs. 2.77 crores (Previous year Rs. 2.77 crores) for non-admissible of deduction of supply turnover.*

(viii) Penalty for late deposit of Service Tax of Rs. Nil (Previous year Rs. 17.28 crores) and Rs. Nil (Previous year Rs. 1.59 crores) as disallowance of deduction of supply turnover.*

(ix) VAT demands in one of the overseas subsidiary of Rs. 0.96 crore (Previous year Rs. Nil)

(x) Demands by Income Tax Authority in one of the overseas subsidiary of Rs. 0.61 crore (Previous year Rs. Nil)

*Based on favourable decisions in similar cases / legal opinions taken by the Company / consultations with solicitors, the management believes that the Company has good chances of success in above mentioned cases and hence, no provision there against is considered necessary.

32. Derivative Instruments and Un-hedged Foreign Currency Exposure

The Company is operating in Abu Dhabi, Oman, Qatar, Libya, Thailand, Dubai and Yemen outside India, through its branches and unincorporated joint ventures established in those countries. The contract revenue of these branches are denominated in currencies other than reporting currency and the expenditure of those branches are also in currencies other than reporting currency. Accordingly, the Company enjoys natural hedge in respect of its foreign branches assets & liabilities.

(All amounts in INR Crores, unless otherwise stated)

a) Particulars of Un-hedged foreign Currency Exposures as at the Balance Sheet date from Indian Operations:

		Currency	March 31, 2012 Amount in foreign currency	March 31, 2012 Exchange rate	March 31, 2012 Amount	March 31, 2011 Amount in foreign currency	March 31, 2011 Exchange rate	March 31, 2011 Amount
(i)	Trade Payable to Suppliers	CAD	-	-	-	35,065	45.95	0.16
		EUR	1,106,473	67.39	7.46	1,004,462	64.27	6.46
		GBP	70,859	80.37	0.57	82,316	72.97	0.60
		QAR	-	-	-	16,200	12.23	0.02
		SGD	1,679,204	41.88	7.03	68,697	36.08	0.25
		USD	12,423,160	50.67	62.95	3,080,548	45.24	13.94
		IDR	59,914,800	0.00556	0.03	-	-	-
		MYR	9,042	16.73	0.02	9,042	14.71	0.01
		CHF	5,000	55.88	0.03	-	-	-
(ii)	Other Payable	EUR	3,113,723	67.39	20.98	20,354	64.27	0.13
		USD	26,749,927	50.67	135.54	-	-	-
(iii)	Advances to Suppliers	EUR	1,598,636	66.50	10.63	2,398,771	64.27	15.42
		GBP	3,378	81.28	0.03	4,496	72.97	0.03
		HKD	19,383,089	6.36	12.33	-	-	-
		SGD	566,672	38.81	2.20	358,124	36.08	1.29
		USD	10,527,952	44.95	47.32	14,208,282	45.24	64.28
		MYR	67,677	15.83	0.11	-	-	-
		JPY	-	-	-	1,138,818	0.55	0.06
		CAD	-	-	-	800	45.95	0.00
(iv)	Advance from Customers	USD	48,133,817	52.92	254.74	581,178	46.74	2.72
(v)	Loans taken	USD	32,323,529	50.67	163.78	20,000,000	45.24	90.48
		EUR	7,725,602	67.39	52.06	4,882,720	64.27	31.38
		HKD	17,351,343	6.55	11.37	-	-	-
(vi)	Foreign Currency Convertible Bonds	USD	-	-	-	49,700,000	45.24	224.84
(vii)	Trade Receivables	USD	31,369,778	50.67	158.95	36,447,771	45.24	164.89
		AED	330,849	14.78	0.49	351,973	12.64	0.44
		SGD	554,029	41.88	2.32	305,746	36.08	1.10
		EUR	1,108,601	67.39	7.47	341,108	64.27	2.19
		MYR	1,878,904	16.73	3.14	-	-	-
		SAR	203,063	13.56	0.28	-	-	-
(viii)	Other Receivables	SGD	476,412	41.88	2.00	-	-	-
		USD	3,410,390	50.67	17.28	6,297,818	45.24	28.49
(ix)	Bank Balances	USD	4,376,181	50.67	22.17	199,064	45.24	0.90
		AED	63,417	14.78	0.09	63,417	12.64	0.08
		GBP	1,074	80.37	0.01	2,532	72.97	0.02
		EUR	506,697	67.39	3.41	37,926	64.27	0.24
		HKD	12,750,690	6.55	8.35	-	-	-
(x)	Investments	USD	4,002,500	43.81	17.54	4,002,500	43.81	17.54
		KZT	1,107,977,200	0.33	36.28	1,107,977,200	0.33	36.28
		SGD	102,334,601	29.29	299.71	102,334,601	29.29	299.71
		SAR	1,020,000	12.05	1.23	1,020,000	12.05	1.23
(xi)	Loan to Subsidiaries	USD	13,154,100	50.67	66.65	8,529,700	45.24	38.59
		SGD	342,588,468	41.88	1,434.76	368,360,073	36.08	1,329.04

b) Net Un-hedged Foreign Currency Exposure in foreign branches (Assets – Liabilities)

S.No	Foreign Branches	currency	March 31, 2012 Amount in foreign currency	March 31, 2012 Exchange Rate	March 31, 2012 Amount	March 31, 2011 Amount in foreign currency	March 31, 2011 Exchange Rate	March 31, 2011 Amount
(i)	Abu Dhabi	AED	69,342,790	14.78	102.49	178,517,569	12.64	225.65
(ii)	Oman	OMR	(27,612)	137.68	(0.38)	495,995	116.63	5.78
(iii)	Qatar	QAR	368,397,698	14.88	548.18	496,424,608	12.22	606.63
(iv)	Libya	LYD	71,784,393	42.47	304.87	90,115,379	36.90	332.53
(v)	Yemen	YER	3,329,527	0.24	0.08	(230,173,535)	0.21	(4.83)
(vi)	Thailand	THB	28,244,682	1.76	4.97	50,988,238	1.47	7.50
(vii)	Dubai	AED	629,480	14.78	0.93	-	-	-

c) Particulars of Un-hedged Foreign Currency Exposure as at the Balance Sheet date from Indian Subsidiaries:

		Currency	March 31, 2012 Amount in foreign currency	March 31, 2012 Exchange Rate	March 31, 2012 Amount	March 31, 2011 Amount in foreign currency	March 31, 2011 Exchange Rate	March 31, 2011 Amount
(i)	Payable to Suppliers	USD	234,766	50.67	1.19	75,571	45.24	0.34
(ii)	Advance from Customers	USD	129,902	44.86	0.58	435,548	45.24	1.97
(iii)	Term Loan	USD	19,208,333	50.67	97.33	28,561,342	45.24	129.21
(iv)	Receivables	USD	628,022	50.67	3.18	7,257,027	45.24	564.62
		EUR	27,185	67.39	0.18	29,368	64.27	0.74
		GBP	-	-	-	287,764	72.97	23.23

33. The Company had executed certain projects for some customers in earlier years. These customers have withheld amounts aggregating to Rs. 308.57 crores (Previous year Rs. 72.51 crores) on account of deductions made/ amount withheld by some customers and pending billing against certain old work sawy in progress, which are being carried as trade receivables/ work in progress. The Company has also filed certain claims against these customers. The Company has gone into arbitration/ legal proceedings against these customers for recovery of amounts withheld and for claims lodged by the Company. Pending outcome of arbitration/ legal proceedings, amounts withheld for deductions made/ old work in progress are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of deductions by these customers and hence the above amounts are considered good of recovery.

34. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 notified by Companies (Accounting Standards) Rules, 2006, (as amended) are as under:

		2011-12	2010-11
a)	Contract revenue recognised as revenue in the period (Clause 38 (a))	10,206.81	7,698.45
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contract under progress (Clause 39 (a))	34,199.10	40,281.99
c)	Advance received on Contract under progress (Clause 39 (b))	1,876.41	1,694.59
d)	Retention amounts on Contract under progress (Clause 39 (c))	722.45	298.57
e)	Gross amount due from customers for contract work as an asset (Clause 41(a))	5,963.86	4,601.11
f)	Gross amount due to customers for contract work as a liability (Clause 41 (b))	144.57	149.02

35. Other current assets include Rs. 0.42 crore (Previous year Rs. 0.42 crore) recoverable pursuant to agreements for sale of 128,400 shares (Previous year 128,400 shares) of Panasonic Energy India Company Limited entered into on March 27, 1992, which are subject matter of a dispute in the Honourable High Court at Mumbai, wherein the Company has been restrained from transferring these shares till the final disposal of the suit. These shares remain in the possession of the Company and the market value thereof at close of the year is Rs. 0.63 crore (Previous year Rs. 0.85 crore).

36. During an earlier years, the Company had entered into agreements to sell its investments in the shares of certain companies of the cost of Rs. 7.64 crores (Previous year: Rs. 7.64 crores) and had received advances representing consideration for the future sale of shares (as defined in the above agreements) in these companies, including all accretions thereto till the date of sale. Through the above agreements to sell, the Company had agreed to give all the powers and rights in these shares to purchasers. In terms of the above arrangement, the Company in those years have accounted for Rs. 5.92 crores, being the amount received in excess of book value of shares (for all the companies) as income on transfer of the powers and rights in the underlying shares to purchasers and the balance consideration of Rs. 7.64 crores (Previous year Rs. 7.64 crores) against investment in above shares appearing in the books is shown as deposits under Current Liabilities to be adjusted against the transfer of shares in the above companies on the closing date as defined in the above agreement.

37. The Company's branch at Libya has tangible assets (net) and current assets aggregating to Rs. 593.05 crores as at March 31, 2012 in relation to certain projects being executed in that country. The overall civil and political disturbances and unrest in Libya is getting stabilised after a period of civil and political disturbance and unrest. The management, after considering the present environment and economic conditions in Libya, is confident of realisation of above amounts and accordingly, no adjustments have been considered necessary in these financial statements. The Company has also filed the details of the outstanding assets with the Ministry of External Affairs, Government of India.

38. Foreign Currency Convertible Bonds

a. During an earlier year, the Company had issued at par, 5 years and 1 day Zero Coupon US $ denominated Foreign Currency Convertible Bonds (FCCB) aggregating to US $ 125,000 thousand (Rs. 554.38 crores as on the date of issue) comprising 1,250 bonds of US $ 100,000 each to invest in capital goods, repayment of international debts, possible acquisitions outside India, investment in BOOT projects, any other use as may be permitted under applicable law or by the regulatory bodies from time to time. The bond holders had an option of converting these bonds into Equity Shares. For the purpose, the number of Equity Shares to be issued shall be determined taking the initial conversion price of Rs. 1,362.94 per equity share (Face value Rs. 10) and a fixed rate of exchange conversion of Rs. 44.35 = US $ 1.00, at any time on or after July 1, 2006 and prior to close of business on April 07, 2011, unless redeemed, repurchased and cancelled or converted. This rate is used to determine dilutive Equity Shares against outstanding bonds.

b. Subsequent to the issue of these FCCBs, the Company, during the year ended March 31, 2007, sub-divided the face value of Equity Shares from Rs. 10 to Rs. 2.

c. During the current year, Zero Coupon Convertible Bonds have been redeemed at a redemption premium equal to 125.86% of the outstanding principal amount on the maturity date. The Company up to the date of redemption, adjusted the amount of redemption premium of Rs. 57.66 crores (Previous year Rs. 59.27 crores) by the amount appearing in securities premium account in pursuance of section 78 of the Companies Act, 1956 since the bonds were considered as monetary liability.

39. On March 17, 2010, the Company was subjected to a search and seizure operation under Section 132 and survey under Section 133A of the Income Tax Act, 1961. During the search and seizure operation, statements of Company's officials were recorded in which they were made to offer some unaccounted income of the Company for the financial year 2009-10. The above statements were made under undue mental pressure and physical exhaustion and therefore Company has retracted the above statements subsequently. The Company has filed fresh returns of income for Assessment years 2004-05 to 2009-10 in pursuance of the notices dated August 25, 2010 from the Income Tax Department. Assessments for the assessment years 2004-05 to 2006-07 have been completed by the Income Tax Department by making some frivolous additions to the total income of the Company. The Income Tax Department has raised demand aggregating to Rs.146.57 crores, out of which Rs. 101.21 crores have been adjusted against the income tax refunds of the subsequent years. The Company had filed the appeals against these additions on January 27, 2012 and based on the expert opinion, The Company is hopeful that it will get relief in appeal. Assessment proceedings for the assessment years 2007-08 to 2010-11 are going on.

40. The Company had during an earlier year accounted for a claim of Rs. 243.03 crores (Previous year Rs. 243.03 crores) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on a project and had also not accounted for liquidated damages amounting to Rs. 7.30 crores (Previous year Rs. 65.49 crores) deducted by the customer since it is of the view that the delay in execution of the project is attributable to the customer. The Company had initiated arbitration proceedings against the customer during the previous year, which has on mutual agreement with the client been adjourned. The dispute is being referred to the Outside Expert Committee which is likely to resolve the dispute in an expeditious manner. The management, based on the expert inputs, is confident of recovery of amounts exceeding the recognized claim and waiver of liquidated damages.

41. The Company had during the previous year accounted for claims of Rs. 89.73 crores (Previous year Rs. 89.73 crores) on two contracts, based upon management's assessment of cost over-run arising due to delay in supply of free issue material by the customer, changes in scope of work and/or price escalation of materials used in the execution of the projects. Further, the Company has also withheld Rs. 39.43 crores (Previous year Rs. 50.01 crores) of its vendors, involved in above projects, which would be released after recovery/ settlement of aforesaid claims. The management, based on its assessment, is confident of recovery of amounts exceeding the recognized claims.

42. The Company has unbilled work-in-progress inventory of Rs. 1,000.10 crores (Previous year Rs. 1,084.60 crores) on certain projects which are completely executed/ nearing completion. The Company is of the view that the Company would collect at least the above stated amount after completion of certain pending formalities. Further, for Rs. 58.77 crores (Previous year Rs. 25.45 crores) withheld by certain customers on account of miscellaneous deductions, the Company is of the view that there is no justification in imposition of such deductions by the customers. Accordingly, the above amounts are considered good of recovery.

43. The Company had made a commitment to make contributions to Indian School of Business, Mohali amounting to Rs. 50.00 crores (Previous year Rs. 50.00 crores) in a phased manner over a period of three years vide a resolution passed in the meeting of Board of Directors dated May 30, 2008. Out of above, the Company has contributed Rs. 45.00 crores (Up to previous year Rs. 21.00 crores) till the close of the year.

44. Asset of Rs. 7.59 crores, (Previous year Rs. 12.78 crores) recognized by the Company as 'MAT Credit Entitlement' under 'Loans and Advances', in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

(All amounts in INR Crores, unless otherwise stated)

45. Details of the Company's share in Joint Ventures included in the Consolidated Financial Statements are as follows:

Particulars	As at March 31, 2012	As at March 31, 2011
Assets		
- Non Current Assets	135.48	101.33
- Current Assets	112.29	115.18
Liabilities		
- Non Current Liabilities	61.01	75.37
- Current Liabilities	149.39	124.54

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Income	68.46	181.41
Expenditure	81.94	180.53

46. The Punj Lloyd Group comprises of the following entities:-

a) **Subsidiaries**

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
Spectra Punj Lloyd Limited	India	100.00	100.00
Punj Lloyd Industries Limited	India	100.00	100.00
Atna Investments Limited	India	100.00	100.00
PLN Construction Limited	India	100.00	100.00
Punj Lloyd International Limited	British Virgin Islands	100.00	100.00
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00	100.00
PT Punj Lloyd Indonesia	Indonesia	100.00	100.00
Punj Lloyd Pte Limited	Singapore	100.00	100.00
PL Engineering Limited	India	80.32	80.32
Punj Lloyd Infrastructure Limited	India	100.00	100.00
Punj Lloyd Upstream Limited	India	58.06	58.06
Punj Lloyd Aviation Limited	India	100.00	100.00
Sembawang Infrastructure (India) Private Limited	India	100.00	100.00
Spectra ISP Networks Private Limited (upto May 27, 2010)	India	-	-
Indtech Global Systems Limited	India	99.99	99.99
Punj Lloyd Systems Limited (formerly known as Punj Lloyd SKIL Marine Systems Limited)	India	100.00	100.00
PLI Ventures Advisory Services Private Limited (w.e.f. November 10, 2010)	India	50.50	50.50
Dayim Punj Lloyd Construction Contracting Company Limited (w.e.f. December 19, 2010)	Saudi Arabia	51.00	51.00

b) **Step down Subsidiaries**

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
PT Sempec Indonesia	Indonesia	100.00	100.00
Simon Carves Singapore Pte Limited	Singapore	100.00	100.00
Simon Carves Limited ##	United Kingdom	-	100.00
Sembawang Simon-Carves Limited De Mexico S.A. de. CV##	Mexico	-	100.00
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Sdn Bhd (w.e.f. April 05, 2010)	Malaysia	100.00	100.00
Punj Lloyd Engineers and Constructors Pte Limited	Singapore	100.00	100.00
Buffalo Hills Limited	British Virgin Islands	100.00	100.00
Indtech Trading FZ LLC (w.e.f. December 7, 2010)	United Arab Emirates	100.00	100.00
PLI Ventures Limited (w.e.f. December 07, 2010)	Mauritius	100.00	100.00
Punj Lloyd Infrastructure Pte Limited (w.e.f. November 25, 2010)	Singapore	100.00	100.00
Punj Lloyd Kenya Limited (w.e.f. March 02, 2011)	Kenya	100.00	100.00

(All amounts in INR Crores, unless otherwise stated)

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
Punj Lloyd Iraq Pte Ltd (w.e.f. May 25, 2011)*	Singapore	100.00	-
Sembawang Group Pte Ltd (w.e.f. May 10, 2011)*	Singapore	100.00	-
Punj Lloyd Singapore Pte Ltd (w.e.f. February 15, 2012)**	Singapore	100.00	-
Christos Trading Limited (w.e.f. February 23, 2012)**	British Virgin Islands	100.00	-
Punj Lloyd Delta Renewables Pte Limited	Singapore	51.00	51.00
Punj Lloyd Delta Renewables Private Limited	India	51.00	51.00
Delta Solar (Bangladesh) Limited	Bangladesh	51.00	51.00
PLE TCI Engineering Ltd (formerly known as Technodyne Engineers Limited) (up to March 19, 2012)	India	-	80.32
Punj Lloyd Engineering Pte Limited (w.e.f. October 13, 2010)	Singapore	80.32	80.32
Simon Carves Engineering Limited (w.e.f. April 08, 2011)*	United Kingdom	80.32	-
Punj Lloyd Solar Power Limited (w.e.f. December 24, 2010)	India	100.00	100.00
Khagaria Purnea Highway Project Limited (w.e.f. February 25, 2011)	India	100.00	100.00
Indraprastha Metropolitan Development Limited (w.e.f. February 25, 2012)*	India	100.00	-
Sembawang Engineers and Constructors Pte. Limited	Singapore	96.78	96.78
Sembawang Development Pte Limited	Singapore	96.78	96.78
PT Indo Precast Utama	Indonesia	96.78	96.78
PT Indo Unggul Wasturaya	Indonesia	64.85	64.85
Sembawang (Tianjin) Construction Engineering Co. Limited	China	67.75	67.75
Construction Technology Pte Limited (Up to August 27, 2010)	Singapore	-	-
Contech Trading Pte Limited	Singapore	96.78	96.78
PT Contech Bulan	Indonesia	58.07	58.07
Construction Technology (B) Sdn Bhd	Brunei	96.78	96.78
Sembawang (Hebei) Building Materials Co. Limited (Up to July 08, 2010)	China	-	-
Sembawang Infrastructure (Mauritius) Limited	Mauritius	96.78	96.78
Sembawang UAE Pte Limited	Singapore	96.78	96.78
SC Architects and Engineers Pte Limited	Singapore	96.78	96.78
Sembawang (Malaysia) Sdn Bhd	Malaysia	96.78	96.78
Jurubina Sembawang (M) Sdn Bhd	Malaysia	96.78	96.78
Sembawang Engineers and Constructors Middle East FZE	United Arab Emirates	96.78	96.78
Sembawang Bahrain SPC	Bahrain	96.78	96.78
Technodyne International Limited (Up to February 02, 2011)	United Kingdom	-	-
Sembawang Equity Capital Pte. Limited	Singapore	96.78	96.78
Sembawang Securities Pte Limited	Singapore	96.78	96.78
Sembawang Australia Pty. Limited	Australia	96.78	96.78
Sembawang Hong Kong Limited	Hong Kong	96.78	96.78
Sembawang Libya General Contracting & Investment Company	Libya	62.91	62.91
Sembawang (Tianjin) Investment Management Co. Limited (w.e.f. November 12, 2010)	China	96.78	96.78
Sembawang Mining (Kekal) Pte Limited (w.e.f. March 31, 2011)	Singapore	96.78	96.78
PT Sembawang Indonesia (w.e.f. December 28, 2010)	Indonesia	96.78	96.78
Sembawang International Limited (w.e.f. April 22, 2010)	Hong Kong	96.78	96.78
Sembawang Tianjin Heping Pte Ltd (w.e.f. July 07, 2011)*	Singapore	96.78	-
Sembawang Tianjin Pte Ltd	Singapore	96.78	96.78

(All amounts in INR Crores, unless otherwise stated)

c) **Joint Ventures- Jointly controlled Entities / Operations**

i) Jointly Controlled Entities

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
Thiruvananthapuram Road Development Company Limited	India	50.00	50.00
Kaefer Punj Lloyd Limited (Refer Note No. (iii) below)	India	49.00	49.00
Ramprastha Punj Lloyd Developers Private Limited	India	50.00	50.00
Swissport Punj Lloyd India Private Limited – Under Liquidation #	India	-	49.00
Dayim Punj Lloyd Construction Contracting Company Limited (up to December 19, 2010)	Saudi Arabia	-	-
Asia Drilling Services Limited	Mauritius	50.00	50.00
Punj Lloyd Dynamic LLC (w.e.f. March 19, 2012)	Qatar	48.00	-
AeroEuro Engineering India Private Limited (w.e.f. May 13, 2011)	India	40.16	-
PLE TCI Engineering Limited (w.e.f. March 19, 2012)	India	39.36	-
PT Kekal Adidaya (w.e.f. March 31, 2011)	Indonesia	48.39	48.39
Sembawang Caspi Engineers and Constructors LLP	Kazakhstan	48.39	48.39
Sembawang Precast System LLC	United Arab Emirates	48.39	48.39

ii) Jointly Controlled Operations

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Refer Note No (i)	50.00	50.00
Punj Lloyd PT Sempec	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Total-CDC-DNC Joint Operation	Refer Note No (i)	38.71	38.71
Kumagai-Sembawang-Mitsui Joint Venture	Refer Note No (i)	43.55	43.55
Kumagai-SembCorp Joint Venture	Refer Note No (i)	48.39	48.39
Philipp Holzmann-SembCorp Joint Venture	Refer Note No (i)	96.78	96.78
Kumagai-SembCorp Joint Venture (DTSS)	Refer Note No (i)	48.39	48.39
Semb-Corp Daewoo Joint Venture	Refer Note No (i)	58.07	58.07
Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture	Refer Note No (i)	48.39	48.39
Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture	Refer Note No (i)	48.39	48.39
Total Sempac Joint Operations	Refer Note No (i)	50.00	50.00
Punj Lloyd Group Joint Venture	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Public Works Company Tripoli Punj Lloyd Joint Venture	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)

d) **Associates**

i) Associates of the Holding Company

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
Olive Group India Private Limited***	India	25.00	25.00
Hazaribagh Ranchi Expressway Limited***	India	26.00	26.00

ii) Associates of Subsidiaries

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
Air Works India (Engineering) Private Limited	India	25.31	27.57
Olive Group Capital Limited	British Virgin Islands	27.78	27.78

iii) Associates of Step down Subsidiaries

Name of the Entity	Country of Incorporation	% of voting power held as at March 31, 2012	% of voting power held as at March 31, 2011
Reliance Contractors Private Limited	Singapore	48.38	48.38
Ventura Development (Myanmar) Pte Limited	Singapore	33.87	33.87
Reco Sin Han Pte Limited	Singapore	19.35	19.35
Ethanol Ventures Grimsby Limited (Up to May 31, 2010)	United Kingdom	-	-

i) Country of Incorporation is not applicable, as these are Unincorporated Joint Ventures.

ii) As per the joint venture agreements, the scope & value of work of each partner has been clearly defined and accepted by the clients. The Company's share in Assets, Liabilities, Income and Expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are, jointly & severally, liable to clients for any claims in these projects.

iii) During the year ended March 31, 2012, management approved unaudited financial statements were considered for consolidation purposes. The consolidated statement of profit and loss account for the year ended March 31, 2012 includes (loss) of Rs 7.98 crores (Previous year (loss) of (Rs. 0.16 crore)) (being the proportionate share of the Punj Lloyd Group) from the entities.

* These entities have been incorporated/formed/disposed off during the year

** These entities have been acquired during the year.

*** These entities are held with an intention of disposal in near future, hence excluded from consolidation.

\# These entities were deconsolidated during the year.

\## On July 07, 2011, the Company had announced withdrawal of financial support provided to a step down subsidiary, Simon Carves Limited (SCL) incorporated in England and Wales as a consequence to prevailing market conditions and the financial condition of SCL. Subsequent to above announcement for withdrawal of support, SCL is placed in administration in accordance with the laws of England and Wales. PL Engineering Limited, a subsidiary of the Company had taken transfer of certain assets, contracts and employees of SCL to a newly incorporated wholly owned subsidiary i.e. Simon Carves Engineering Limited. The administrator has started the process of liquidation. Being the said entity is now under severe long term restrictions that significantly impair the subsidiary's ability to transfer funds to the Company, SCL has been deconsolidated from the Group and the resultant impact of Rs. 183.16 crores has been disclosed under other income in the financial results.

47. Amount in the consolidated financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 million.

48. Previous year figures

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Anil Gupta
Partner
Membership No. : 87921

Place : Gurgaon
Date : April 30, 2012

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

Atul Punj Chairman
Luv Chhabra Director (Corporate Affairs)
P. K. Gupta Whole Time Director
Dinesh Thairani Group President - Legal & Company Secretary
Raju Kaul Group - Chief Financial Officer

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