annual report **2010-2011**

A SPIRIT OF INTERNATIONALISM

Punj Lloyd

Courage to venture beyond India. Appetite to take on challenging projects. Ability to work in any terrain. Invest to build a robust equipment base. Build up assets inclusive multicultural manpower. Diversify into various verticals and partner with the best– Punj Lloyd has all the building blocks in place, all well mapped, reflective of its invincible spirit. High standards of safety and environment coupled with a strong commitment to its community, enable Punj Lloyd to provide clients an unmatched experience globally.

Every path to growth has its inevitable obstacles, but with its indomitable spirit, Punj Lloyd ensures triumph every time.

Contents

Chairman's Message

Dear Shareholder, In the course of 2010-11, much has been done internally to strengthen your Company's businesses and delivery capabilities. However, difficult and challenging external factors and business environment have come in the way of translating Punj Lloyd's various initiatives to higher revenues and profits.

Let me start by sharing my views with you on the challenges for 2010-11, before outlining the various positive developments. To my mind, there have been three major factors that have affected almost any Indian infrastructure enterprise. The first has been a slowdown in the rate of growth. The official estimate of real GDP growth for Q4, 2010-11 now stands at 7.8% compared to the same quarter in the previous year — which is the slowest growth that India has seen in the last five quarters. Indeed, we have been seeing a slowdown in growth across each quarter: from 9.4% in Q4, 2009-10 to 9.3% in Q1, 2010-11, to 8.9% in Q2, to 8.3% in Q3 and now to 7.8% in Q4, 2010-11. This slowing down of growth has had a disproportionately direct effect on infrastructure spends. Experts in the infrastructure business in India will confirm that the second half of 2010-11 has seen a slowdown in both order booking and revenues.

The second has been the sharp rise in the price of all major commodities — crude oil, other hydrocarbons, coal, steel, metals and minerals. These have had two repercussions. For one, these have increased project costs and have made it a challenging task for EPC players such as your Company to recover the additional cost from clients. Secondly, this inflationary milieu, which shows no sign of abating, has put several projects on hold.

The third has been the steady rise in interest rates with the Reserve Bank of India doing what it believes will combat inflation — unfortunately having little impact. The combined effect of consistently high inflation and rising interest rates has been very damaging for India's investment environment. Finance is becoming increasingly expensive and difficult to obtain; projects are being put on hold; and cash flows are being severely pinched for clients and EPC players alike.

If one were to add surmounting political problems related to land acquisition - which is critical for building infrastructure - to the above factors, then it becomes clear why infrastructure growth has slowed down in the second half of 2010-11.

Your Company has been affected by another additional factor - the violent political turmoil in Libya. Punj Lloyd has a significant presence in Libya, both in township development and in the oil and gas sector. It has had to de-mobilise its operations, bring the Indian employees back home, and remove most of the infrastructure projects from the unexecuted order book. It is difficult to say when Libya will return to normalcy. While I am confident that your Company will get back its projects when peace returns to that nation, it is also a fact that the revenue stream from Libyan operations will have to be pushed back.

The impact of all these factors has led to a difficult year in terms of your Company's financial parameters. Given below are Punj Lloyd's key financials on a consolidated basis.

- Total income reduced to Rs. 8,187 crore in 2010-11 versus Rs. 10,875 crore in 2009-10.
- Earnings before interest, depreciation, taxes and amortisation (EBIDTA) was Rs. 642 crore in 2010-11, compared to Rs. 554 crore in the previous year.
- Profit after tax (PAT) was Rs. (50) crore in 2010-11, vis-a-vis Rs. (116) crore in 2009-10.

There have also been several positive developments within your Company, to which I now turn. In Q4, 2010-11 alone:

- Punj Lloyd Infrastructure Limited, a wholly owned subsidiary of your Company, bagged a build, operate transfer (BOT) annuity contract to upgrade a 140 km section of NH-31 in Bihar.
- Won the contract for building a railway siding for the Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited - the first-ever railway project for your Company.
- Won three significant oil and gas contracts in India, Oman and Indonesia.
- Punj Lloyd Delta Renewables, a group company, won an EPC contract for a centralised water treatment plant in Bihar.
- PL Engineering, another group company, and GECI India entered into a joint venture which will initially focus on providing services in the Indian aerospace sector and for supporting activities in Europe as well.

For the year as a whole, your Company secured several key orders. Here are some wins:

- A large contract for a processing plant for Indian Oil's refinery at Paradip, India.
- The Dabhol-Bengaluru gas pipeline for Gas Authority of India Limited.
- A major EPC contract for a gas project in the UAE.
- Contract for setting up offshore pipelines for the Yanbu Export Refinery Project in Saudi Arabia.
- Significant part of an EPCI contract for new field development in Indonesia.
- An LPG pipeline project for Bharat Petroleum

PUNJ LLOYD Infrastructure Limited, a wholly owned subsidiary of your Company, bagged a build, operate transfer (BOT) annuity contract to upgrade 140 km section of NH-31 in Bihar.

ATUL PUNJ Chairman, Punj Lloyd Group

PUNJ LLOYD has set up a state-of-the-art fabrication and assembly facility for defence systems in Malanpur (near Gwalior, Madhya Pradesh) on 65 acres of land.

Corporation Limited.

- A major contract for Sembawang, your Company's subsidiary in Singapore, from Singapore's landmark integrated resort, Resorts World Sentosa, for the construction of the Equarius Hotel, a world class spa, beach villas, an oceanarium, and a water theme park.
- Another Sembawang contract from the national water agency of Singapore for the Lower Seletar Waterworks.
- PL Engineering secured a nuclear power design contract with the Nuclear Power Corporation of India Limited for its projects, RAPP 7 and 8, in Rajasthan.
- A prestigious contract to establish solar power in several facilities in Punjab including the Golden Temple.

In addition, Punj Lloyd has set up a state-of-the-art fabrication and assembly facility for defence systems in Malanpur (near Gwalior, Madhya Pradesh) on 65 acres of land. These are significant achievements.

Today, seeing the growth in key orders, I am convinced that your Company has turned the corner. To be sure, the journey may be challenging over the next couple of years. As a 'third generation' entrepreneur who created today's Punj Lloyd from a virtual start up, I have seen several ups and downs. While I always look back at the good times, I know that the bad patches teach us the most important lessons. These are times of operating under adversity, with the promise of eventual victory. I have full faith in the business model and your Company's team to deliver the promise.

While focusing on business, we continue to be socially responsible corporate citizens. Your Company is continuously strengthening its safety, health and environment initiatives across the project sites, in addition to other focused CSR activities. I urge you to read the chapter on our CSR initiatives, which forms a part of this Annual Report.

Finally, my thanks to all our employees, sub-contractors, customers, vendors, Government agencies and other stakeholders for their continued support during the year. And, to you for your faith as a shareholder.

With kind regards,

Atul Punj

Chairman

INDIA LPG Low Temperature Storage Tank

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

COMPANY SECRETARY

Dinesh Thairani

AUDITOR

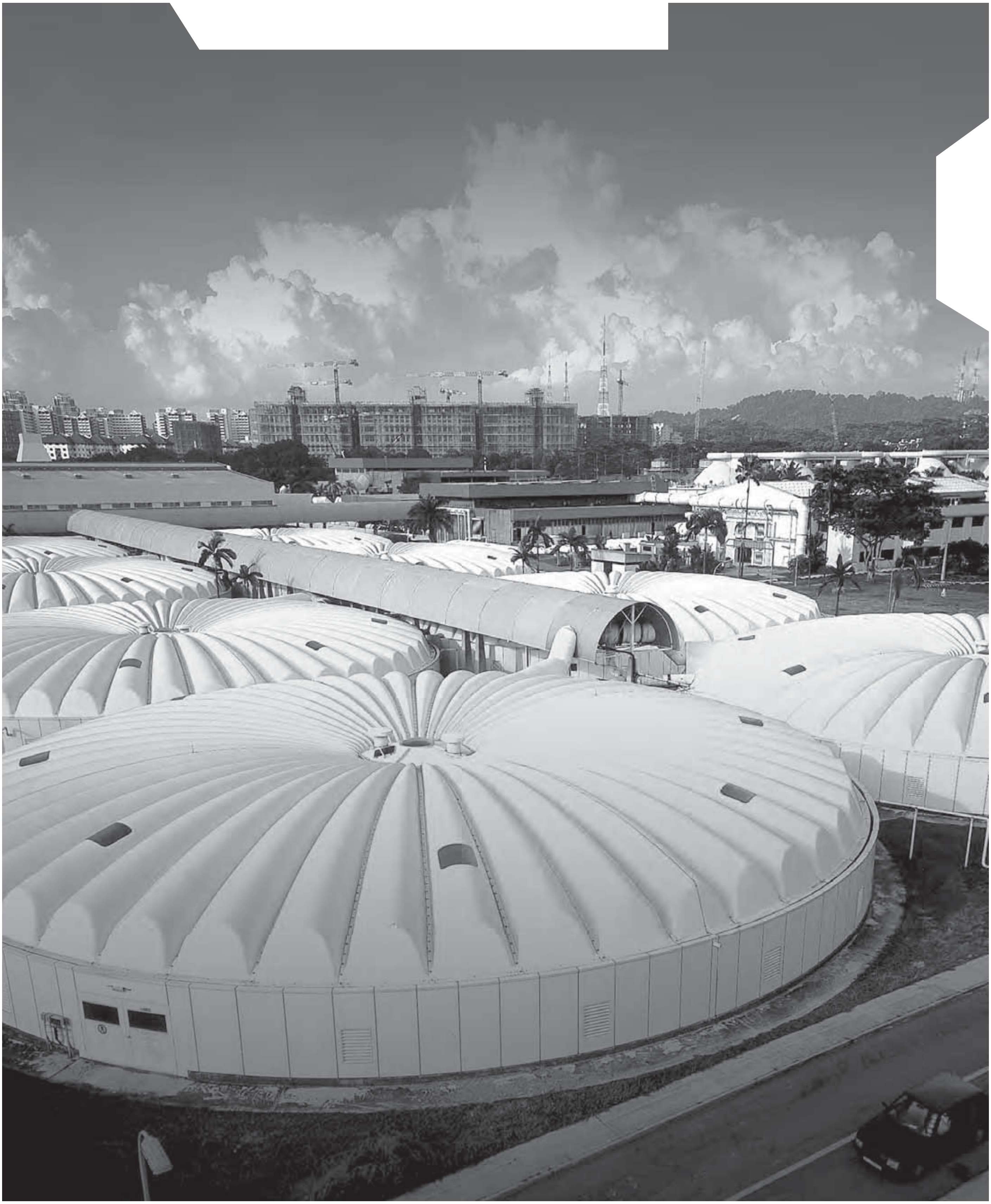
S R Batliboi & Co. — Chartered Accountants

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

- Andhra Bank.
- Arab Bank plc, Bahrain.
- AXIS Bank.
- Bank Muscat saog, Oman.
- Bank of Baroda
- Bank of India
- BNP Paribas, Abu Dhabi.
- Canara Bank
- Central Bank of India
- Citi Bank N.A.
- Credit Agricole
- DBS Bank Limited
- Deutsche Bank AG
- Doha Bank, Qatar.
- Emirates Bank International pjsc, Abu Dhabi.
- Export - Import Bank of India
- First Gulf Bank, Abu Dhabi.
- HDFC Bank Ltd.
- HSBC Bank Middle East Limited, Dubai.
- ICICI Bank Limited
- IDBI Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank
- ING Vysya Bank
- International Finance Corporation, Washington D.C.
- Life Insurance Corporation of India
- Mashreq Bank psc, Dubai.
- Oriental Bank of Commerce
- Punjab National Bank
- Standard Chartered Bank
- State Bank of Bikaner and Jaipur
- State Bank of Hyderabad
- State Bank of India
- State Bank of Patiala
- The Federal Bank Ltd
- The Jammu & Kashmir Bank Limited
- The Karur Vysya Bank Ltd.
- UCO Bank
- Union National Bank, Abu Dhabi.
- United Bank of India
- Yes Bank Limited



SINGAPORE Ulu Pandan Sewerage Treatment Plant

A Spirit of Internationalism

The passion and fortitude of the Group is reflected in the indomitable spirit of its employees. Coming from 37 nationalities, they bring a rich mix of multicultural and multi geographical experience. Their can-do attitude coupled with their strength and resilience to see complex jobs to completion has been a key contributor in the making of the global conglomerate that Punj Lloyd is today.

A global team with the same mindset, bound by the same values—passion, reliability, teamwork, agility and performance.

Punj Lloyd derives its strength from the different languages, cultures, religions and geographies of its manpower which immensely facilitates its operations across multiple geographies.

MANPOWER OF
37
NATIONALITIES

OFFICES IN
20
COUNTRIES

Accomplishing with Fortitude

The indomitable spirit of the Group has seen it execute some of the largest and most difficult projects globally. The climate, terrain and geography have not been a deterrent to the Group's invincible spirit as it laid pipelines in the rainforests of Malaysia, deserts of Oman, ghats of India or treacherous marshes of Indonesia.

With Remarkable Speed

HYDROGEN GENERATION AND HYDROCRACKER UNIT, HALDIA REFINERY INDIA

By completing the Hydrocracker plant at Haldia Refinery of Indian Oil Corporation Limited in 39 months and 20 days, the Punj Lloyd team set a new benchmark. With its commissioning, Punj Lloyd also became the first Indian company to successfully execute a Hydrocracker Unit on a turnkey basis.

In the Scorching Heat

GAS EXPORT CAPACITY INCREASE PIPELINE OMAN

Over 1200 people worked tirelessly in the blistering heat of 54˚ C with a common aim in mind—lowering of 21 km of 48” dia pipe, weighing 10,891 MT, in a single day.

Protecting the Environment

SIKKIM AIRPORT INDIA

Preserving the rich flora and fauna of Sikkim was a prime focus for Punj Lloyd while constructing the first Greenfield Airport of Sikkim at an altitude of 4700 ft. The team used composite reinforced soil technology to retain high embankments by reinforced soil walls and impact the environment minimally. When completed, the highest reinforcement wall on the project will stand as high as 80.38 m.

In Difficult Terrain

PLATFORM INSTALLATION INDONESIA

Installing a gigantic platform in Tunu, a gas and condensate field in East Kalimantan on the outer margin of the Mahakam delta was not an easy feat to achieve. Partly onshore in swamp areas and partially offshore in shallow waters, working there needed specialized equipment. With its own yard in Sungaipurun in Indonesia, Punj Lloyd built the 1000 T platform on a skid way, loaded it out onto a barge, transported and installed by float over method.

Corporate Social Responsibility

Social, environmental and economic concerns are closely interwoven into Punj Lloyd Group's core practices and decision making. Respect for life and endeavour to operate in a socially responsible and ethical manner is central to Punj Lloyd's business philosophy.

Punj Lloyd is involved in projects across the globe. All these projects bring the Company in direct contact with different communities around the sites. And, at Punj Lloyd, there are continuous efforts to build bridges and enhance the lives of these local communities. Consequently, much of the CSR activities are initiated at the project sites itself. The target of these activities is to benefit the local community by providing better employment opportunities, teaching them new skills, improving local infrastructure by building roads, providing water facilities and organising free medical check-up camps. These are efforts for developing basic amenities for the communities with whom the Company engages in its course of work. And, most of these programmes are integrated into the regular project activities of the Company.

The Company is also associated with several NGOs that promote social welfare and inclusive growth. Apart from these activities, Punj Lloyd is undertaking two focused CSR initiatives – Life Enrichment and Village Development.

LIFE ENRICHMENT

Launched in 2007, the Life Enrichment programme was a pioneering initiative in private sector contribution to combating HIV/AIDS in India. The initiative was targeted at the high HIV/AIDS risk community of migrant construction workers. The phase 1 of the programme was launched at Medicity, in Gurgaon. Initial experience at the time of launch revealed less participation from construction workers due to the stigma associated with HIV/AIDS. Consequently, the scope of the initiative was made more holistic that besides HIV/AIDS, it started to address other health ailments, problems of hygiene and sanitation, safety, food and living conditions of workers. Street plays, opening a medical clinic at site and focus group discussions were used to drive the initiative.

Subsequently, Punj Lloyd extended the programme to its second phase which covered three refinery sites of its prestigious client, Indian Oil Corporation (IOC). Given its scope and nature, the programme was supported by the International Finance Corporation (IFC).

The programme was independently evaluated by the Population Council of India, which covered both qualitative and quantitative research approaches for measuring the programme impact. The evaluation results indicated that there were significant improvements in knowledge about safety, hygiene, health, and sexually transmitted infections with exposure to the Life Enrichment programme. It also showed reduction in the incidence of accidents within the workplace, occurrence of sickness, and risk behaviour. The factors responsible for the programme's success were largely attributed to the active participation of Punj Lloyd's management and the social recognition of the workers who actively participated in programme implementation.

Punj Lloyd's 'Life Enrichment' has been referred to in the policy document on 'HIV Intervention on Migrants' of National AIDS Control Organisation's (NACO).

The company is now extending this to the next phase where the focus is on institutionalizing the programme. With this objective, Punj Lloyd will take it to other sites while simultaneously working on involving its supply chain, ranging from clients, vendors to subcontractors in the implementation process.

VILLAGE DEVELOPMENT

Punj Lloyd has pioneered many initiatives for better and enriched living for society at large, under the aegis of Pandit Kanahya Lal Dayawanti Punj Foundation. One such initiative is that of the holistic development of Sitamarhi in Sant Ravidas Nagar, Bhadohi district of Uttar Pradesh, India, where Punj Lloyd has almost exclusively adopted three villages Baripur, Narepar and Bankat. Any such development has to deal with an in-depth understanding of the socio-economic needs and launch a holistic initiative that is in line with the cultural background of the community. In this backdrop, with a view to improve overall conditions in the district, a development initiative was launched that covers a range of needs – religious, education, health, economic and social.

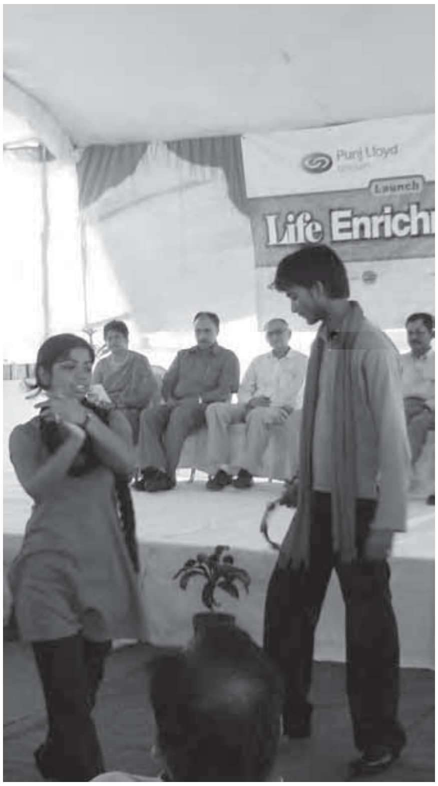
EDUCATION

Realizing that education was the first step towards the holistic development of this district, Punj Lloyd set up Dayawanti Punj Model School. Apart from the regular curriculum that works on improving literacy levels, the school fights issues related to gender bias and social evils, inculcating good values in the children of the region. The school, since inception was built with a vision to be comparable to the best in the country, where the young village children would get the best opportunities to learn and build for their career in future.

In terms of infrastructure, there is a high quality school building and a large stadium for events. The stadium has an acoustic curtain created with German technology, a hi-tech stage complete with sound and lights with a wooden floor fitted with springs to prevent fatigue for children. There is also a well stocked library, a highly advanced computer room, swimming pool and even a science centre.

Initially, Dayawanti Punj Model School faced many challenges. First, it was difficult to get good teachers to stay in a backward area. To overcome this, Punj Lloyd constructed high quality accommodation for teachers, providing for their every need and encouraging them from places beyond Sitamarhi to come to the village to support a worthy cause. The villagers themselves were not inclined to the concept of education, especially that of the girl child. Battling with this problem, teachers went from door to door, convincing families to send their children and highlighting the provision of free education for the girl child. Slowly the message spread with girls taking their first step towards education. In days to follow, the village community opened its mind to education, now wanting even their sons to get an equal opportunity. The school started making rapid strides as a co-educational school that is now affiliated to All India Central Board of Secondary Education (CBSE). Today, the school caters to over 1400 students every year.

Coming from poor underprivileged families, mostly farmers or small scale handicraft workers, the school children had no access to either nutritious food or a regular supply of power, both of which were serious deterrents to their growth and learning. Consequently, existence of the school was unsustainable unless the children of extremely poor families were provided further amenities to free them from the pressures of their family problems. To solve this adversity, the



INDIA Street Play for Awareness

INDIA Free Food Grain Distribution

PUNJ LLOYD identified families below the poverty line from three villages and provided them unique ID cards to avail free food-grain.

school went on to set up a hostel for children whose families were either too far to send their offspring to school or too poor to sustain their education. The hostel mess provides for the children's nutrition. Nuts and milk are provided twice a day to all the kids. An occasional banquet is organized where children get served special food.

To support the youth of this village in securing employment, the Company established a B. Ed college affiliated to the NACTE (National Council for Technical Education) in Sitamarhi. The College is recognized by the State Government, and is affiliated to Mahatma Gandhi Kashi Vidyapith College in Varanasi. It has a capacity of 100 students, currently 11 teachers are on board full time. The teachers are appointed with the approval of the State Level University Council Committee and paid salaries in accordance with the UGC Sixth Pay Commission. They are given excellent facilities for accommodation and boarding. The first batch is expected to pass out in June 2011. In order to bring about a sense of achievement and opportunity among the students, toppers are offered teaching positions in the Dayawanti Punj Model School. The college aims at creating high quality teachers who can be nation builders and reformers in their own capacity.

To provide the youth with vocational training in art, music, dance, drama, photography, Punj Lloyd next launched the Pt. Kanahya Lal Punj Bal Bhavan, in affiliation with the National Bal Bhavan. Established in 2008, Bal Bhavan today sees participation from almost 1200 youth and children. The institute runs almost 25 courses ranging from computer training to training in musical instruments, sports education, beautician's course, stitching, embroidery, art & craft, painting, clay work, dance, cooking, swimming, among others. Boys are charged Rs. 50 and girls Rs. 30 per course, per month. Certificates are awarded to students on completion of their course. The fees charged to the girl students are returned on completion of the course to encourage admission of more girls.

Bal Bhavan has been of great benefit to the village girls, who were encouraged to come forth and participate in other events planned by the Foundation. For instance, the community weddings saw the young Bal Bhavan girls put their beautician skills to the test on the young brides besides applying innovative mehendi designs on the hands of the ladies witnessing the weddings. A short term free course of three months in Italian Lace making was introduced for the women. This was organised in collaboration with the SAARC Chamber Women Entrepreneurs Council, certificates were given to 30 women who completed the course. Similar short-term courses that can generate income are introduced from time to time in the area. People are informed about these courses through pamphlet distribution, personal meetings, public announcements etc.

Students of Pt. Kanahya Lal Punj Bal Bhavan, have participated in competitions conducted by National Bal Bhavan, New Delhi.

With its wide range of activities, Bal Bhavan aroused interest among the adults of the village. Given their enthusiasm and spirit, Punj Lloyd included them in the Bal Bhavan along with the children. The Music and Computer education course have the maximum number of adult students.

Bal Bhavan's success is evident not just in the change in mindsets, but also in the developmental and economic outlook of the area. To accommodate the requirements of the Bal Bhavan, general stores have surfaced providing the raw material required for art and craft, stitching, embroidery, while earlier the material had to be brought from Allahabad. Now the educated daughter's in law in some families have ventured out as teachers, reflecting a sea change in mentality.

ECONOMIC

It is very important to alleviate poverty especially at the bottom of the economic pyramid. Punj Lloyd identified families below the poverty line, providing them unique ID cards and inviting them for free food-grain. As many as 1300 families each are provided 11 kg grain every month, including rice and pulses. Families are also provided warm clothes and blankets.

HEALTH

Punj Lloyd launched its Mobile Ambulance service where announcements were made to villagers within a radius of 12 km from Sitamarhi, about the weekly organization of free medical camps. This initiative had a very good response as due to the severe lack of medical facilites locally, the sick had to travel 40 - 60 km to the nearest town.The ambulance makes its weekly rounds, village to village, armed with a general practitioner, a gynecologist, an ophthalmologist, and free medicines.

Apart from the free monthly medical camps, the Foundation has also set up a 24 hour hospital in the school premises. The hospital is equipped with the latest medical facilities including ultrasound, ECG, X-Ray, laboratory for diagnostic tests, operation theatres, among others. Special cards have been provided to over 1300 families of Baripur, Narepar and Bankat villagers who are below the poverty line, providing them free treatment at the hospital. A dedicated team of doctors and nurses attend selflessly for the wellbeing of the village community. A special team of doctors from Venu Eye Hospital, Delhi, visit Sitamarhi every week to conduct eye surgeries on the senior population suffering from cataract and other disorders. Calipers and prosthesis are provided to handicapped and polio affected children and adults.

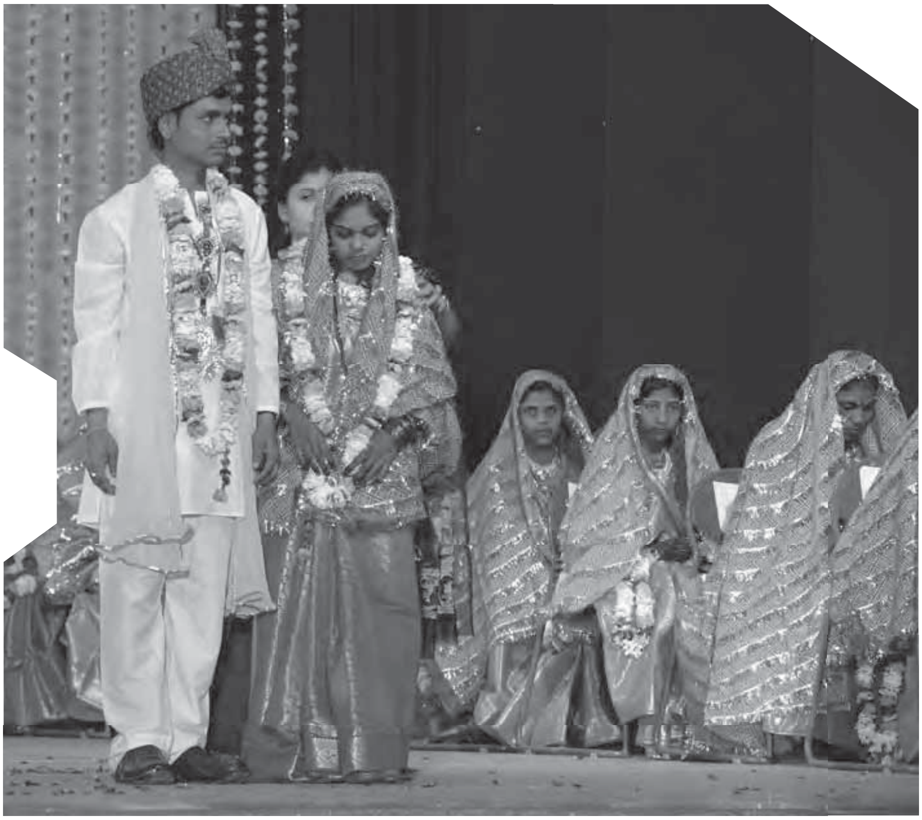
Along with these heath initiatives, additional methods are adopted to generate awareness about the need for cleanliness and hygiene. The cleanest house in the village is presented a Solar Lantern. The initiative has resulted in attitudinal changes where now the villagers are conscientious about health and hygiene.

SOCIAL

Another significant initiative is the conducting of community weddings at a mass level. Every year, Punj Lloyd organizes mass weddings for 30 poor couples. It is through the medium of mass weddings that Punj Lloyd attempts to address the concerns of the youth in the population.

Counseling sessions are arranged at two levels for the couples to be married - from the priest who inculcates in them the sanctity of marriage and separate counseling sessions for both men and women, by medical experts on family planning, sanitation and hygiene.
In an endeavour to assist the young couple take stock of their new life, gifts including basic items like beds, mattresses, utensils, clothes, a stove, cycle and a sewing machine are provided to the young couple. Utmost care is taken in the selection of the bridegrooms. Teams surveying the villages checked the employment status, groom's income, and disposition of each of the grooms to ensure that the wife will be taken care of in their married life.

The mass weddings gained immense popularity as the Company takes the responsibility of organizing the weddings from concept to finish.



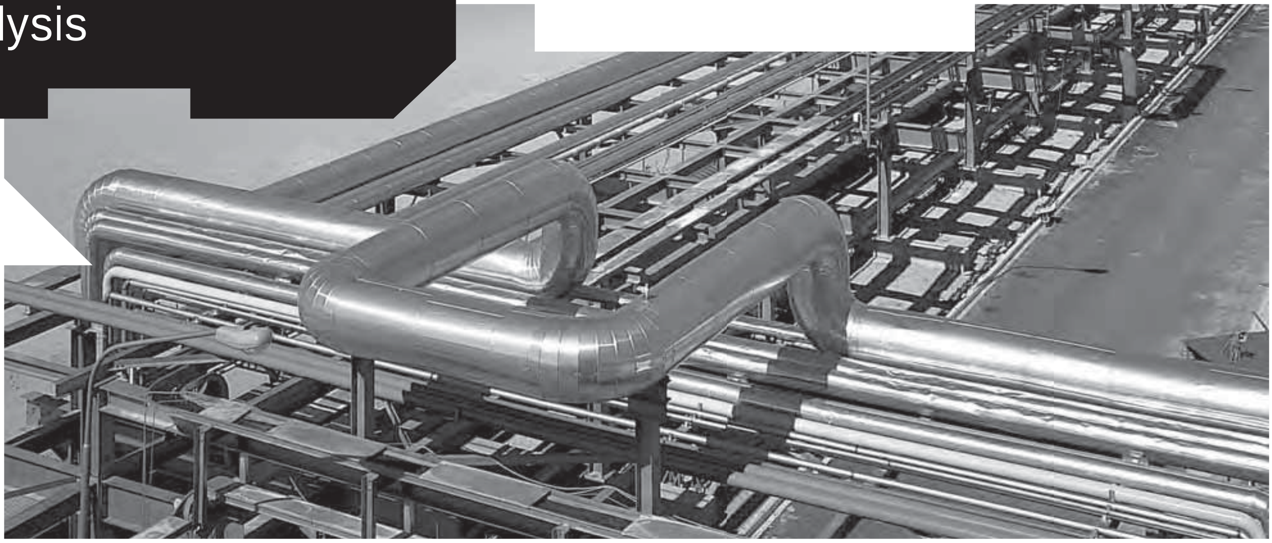
INDIA Community Weddings: Changed attitude towards the girl child

RELIGIOUS

Punj Lloyd's involvement with Sitamarhi dates back to the time when Chairman Emeritus - SNP Punj visited the land and set up the Sita Samahit Sthal Temple. The temple is one of its kind - the only Sita temple in the country and visited by several devotees. This is further complemented by the 108 feet high statue of Lord Ram's follower, Hanuman, standing in close proximity on a twenty feet high artificial rock. These temples have given the people of these villages a rich sense of belonging, making them proud bearers of a land with such a rich mythological past.

With the increasing number of worshippers, the Foundation soon set up an establishment to accommodate the devotees during their pilgrimage. The temple complex is acclaimed to be one of the cleanest temple complexes in India.

Management Discussion & Analysis



Overview > Punj Lloyd Limited ('Punj Lloyd', or 'the Company') is an engineering, procurement and construction (EPC) major that focuses on emerging markets across the globe. Punj Lloyd and its subsidiaries ('the Punj Lloyd Group') continue to expand its operations to new countries. Today, the group is actively involved in projects in India and South Asia, South East Asia, the Caspian, Middle East and North Africa (MENA) and in some parts of UK and Europe. Across these markets, Punj Lloyd caters to a range of construction activities that services a wide spectrum of industries.

Across its businesses, the Punj Lloyd Group continues to adopt a business model that:

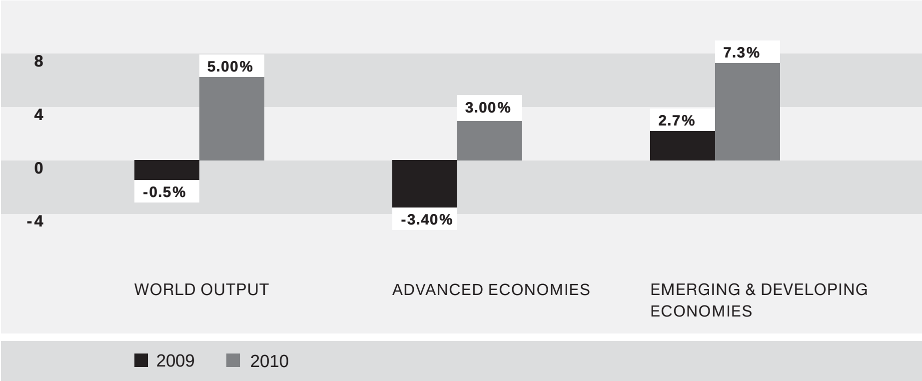
- Focuses on markets which have growth opportunities and continuously diversify in terms of sectors and geographies to hedge against specific market risks.
- Develops excellence in execution skills and invests in 'state of the art' equipment to efficiently deliver a wide variety of projects.
- Manages multi-geography project execution and integration of a multi-cultural corporate organisation.

With a diversified business model, Punj Lloyd has to operate in different economic and political environments across the world. So, while at a macro level, the global economic conditions affect the group's business, it also has to deal with specific developments in each of its focused regional markets.

BUSINESS ENVIRONMENT

The two-speed global economic recovery continued through 2010-11. In advanced economies, activity has moderated less than expected, but growth remains subdued, unemployment is still high, and renewed stresses in the euro area are contributing to downside risks. In many emerging economies, activity remains buoyant, inflation pressures are emerging, and there are now some signs of overheating, driven in part by strong capital inflows.

A WORLD OUTPUT GROWTH



B OUTPUT GROWTH: PUNJ LLOYD'S FOCUS MARKETS

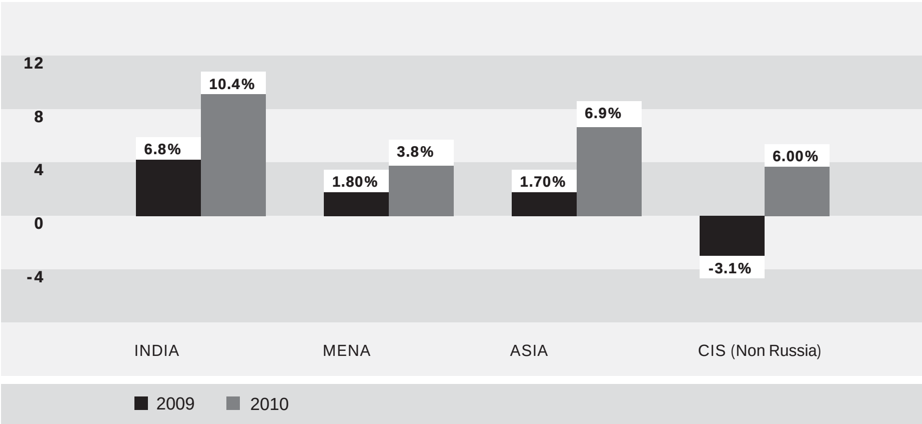


Chart A shows that world output growth recovered from -0.5% in 2009 to 5% in 2010. This has been driven primarily by the developing and emerging economies: 7.3% growth in 2010 compared to 2.7% in 2009, while the advanced economies recovered from a -3.4% contraction in output during 2009 to a growth of 3% in 2010.

With a clear focus on emerging markets, the Punj Lloyd Group operated in a more conducive economic environment in 2010-11 compared to the preceding year. Within the emerging market economies, Punj Lloyd's focus regional markets witnessed an even better recovery. India's output growth increased from 6.8% in 2009 to 10.4% in 2010; MENA witnessed growth in output from 1.8% in 2009 to 3.8% in 2010; the ASEAN countries saw output growth increase from 1.7% in 2009 to 6.9% in 2010; and CIS (non-Russia) grew by 6.0% in 2010 compared to a de-growth of -3.1% in 2009 - Chart B.

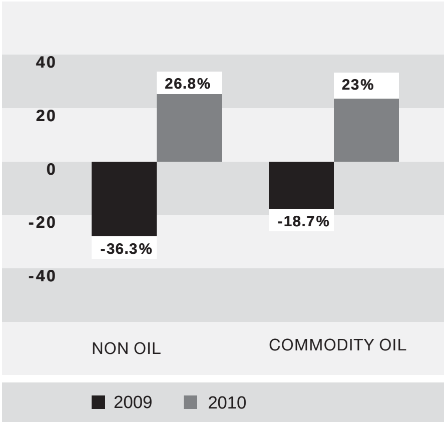
These trends, clearly, are good news for Punj Lloyd. The Company has positioned itself in markets where there is growth and large potential for infrastructure development.

However, there were also causes for concern. While India witnessed economic growth, there was slowdown in project investments. Driven by issues regarding land acquisition, environmental clearances and poor execution by government and semi-government agencies, infrastructure development came to a virtual standstill in the second half of 2010-11. In addition, the MENA region witnessed severe social and political disturbances, which started with Tunisia, spread to Egypt, Yemen, Syria, Bahrain and Libya. The civil war in Libya impacted Punj Lloyd's business, given that it was implementing several projects in oil and gas as well as infrastructure. While the Company expects its projects to be completed as and when normalcy is restored, for the sake of prudence all projects in Libya have been removed from the unexecuted order book of its subsidiary, Sembawang. Political unrest across MENA is certainly harming the infrastructure business of the industry as a whole. Hopefully, the region will return to normalcy soon enough, for there is, and will continue to be, huge business potential across this geography.

There is also an upward spiral in the global prices of commodities and oil. While some of it is due to supply-demand mismatch, speculative activities have played a significant role in this increase. Chart C shows that while both these prices had reduced in 2009, they have risen by over 20% in 2010.

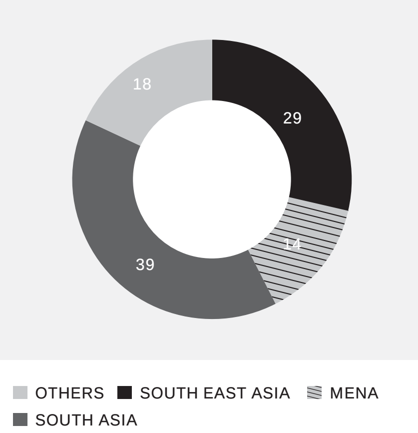
These high prices affect operations in terms of higher costs of critical inputs. But there is an even more serious macroeconomic effect. Inflationary pressures prompted by commodity and oil price hikes force central banks to adopt tight monetary policies in their effort to prevent 'over-heating'. The result is higher interest rates which affect all infrastructure companies.

C PRICE INCREASE: GLOBAL



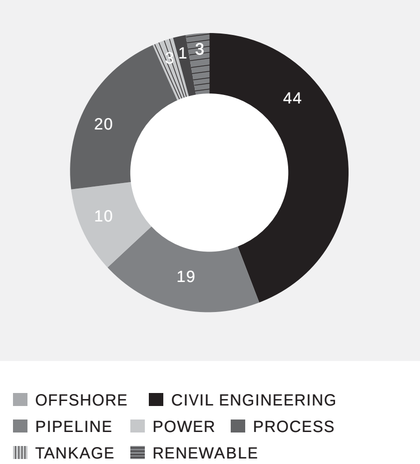
D UNEXECUTED ORDER BOOK

GEOGRAPHICAL SPREAD



E UNEXECUTED ORDER BOOK

SECTOR SPREAD



BUSINESS PERFORMANCE

While the macro-economic recovery across emerging economies augurs well for large project construction companies like Punj Lloyd, there is always a time lag before the recovery kicks off widespread and sustained infrastructure development. Investors tend to wait and see whether the recovery is robust and with a long term upside before committing to large scale, high outlay infrastructure investments. Moreover, conceptualizing, planning and developing such projects also takes time. Thus, the improved market conditions are reflected to some extent in terms of new orders, but the revenues and profits will be generated in forthcoming quarters.

From an operational perspective, 2010-11 saw Punj Lloyd still recovering from the slowdown of 2008 and 2009. Thus, the financial numbers reflect slow progress on a relatively low order book. While some of the Company's projects have mobilised equipment and people, project work and completion have not yet occurred to be reflected in revenues.

Consequently, Punj Lloyd's total income reduced from Rs. 10,875 crore in 2009-10 to Rs. 8,187 crore in 2010-11. EBIDTA increased from Rs. 554 crore in 2009-10 to Rs. 642 crore in 2010-11.

Even so, the Company intensified its efforts to tap new opportunities. Consequently, the unexecuted order book increased to Rs. 20,577 crore as on 31 March 2011. It should be noted that this is after subtracting the Sembawang orders in Libya.

In line with its market diversification strategy, Chart D shows the geographic spread of the Company's unexecuted order book as on 31 March 2011, while Chart E gives its distribution across the different verticals.

Broadly speaking, Punj Lloyd's business is divided into four global verticals — energy, civil and infrastructure, engineering and 'other businesses'. During 2010-11, on a consolidated basis, revenue generated by:

- Energy was Rs. 5,060 crore
- Civil and Infrastructure was Rs. 2700 crore
- Engineering and Other businesses including Defence, Renewable Energy and Upstream Operations was Rs. 427 crore. The sections that follow detail developments in the different business and key support functions.

ENERGY

With a share of 62% in revenues and 56% in unexecuted order book, energy is the most prominent vertical in Punj Lloyd's business portfolio. This includes businesses related to oil & gas and power. Table 1 lists the details of revenues and order backlog for the different elements of the energy vertical in 2010-11.

OIL & GAS

In the oil & gas business, the Company focuses on onshore field development projects, pipelines including cross-country pipelines, process plants and tanks & terminals. Within the process plants business the Company also caters to the chemicals and petrochemical industry.

In 2010-11, Rs. 2,199 crore of revenue was generated from pipelines; Rs. 452 crore came from tanks & terminals and Rs. 1559 crore from the process business.

The business is spread across India, South East Asia, MENA and the Caspian including Central Asia. Operationally, it is divided into India and overseas.

INDIA OPERATIONS

During 2010-11, new projects secured in India include:

- Residual process design, balance design and detailed engineering including verification of work already undertaken, procurement and supply of all balance bulk items and other materials, fabrication and inspection for Indian Oil Corporation Limited (IOCL) Refinery at Paradip, India. This process plant project is valued at Rs. 1,123 crore.
- Installation of ISBL (In Side Battery Limit) units, crude and vacuum distillation unit, gasoline and saturated gas plant and catalytic hydro-de sulphurization and isomerisation units for Nagarjuna Oil Corporation Limited (NOCL) at Cuddalore, India. This process plant project is worth Rs. 320 crore.
- The Dabhol-Bangalore pipeline for GAIL. This project is valued at Rs. 539 crore.
- Mechanical and piping work for Fluid Catalytic Cracker (FCC-Indmax) and the Propylene Recovery Unit -PRU at Paradip, India for IOCL, whose contract value is Rs. 169 crore.
- Offsite and utilities, namely the mechanical and piping work for Mangalore Refinery and Petrochemicals Limited. This project is worth Rs. 100 crore.

- Construction of eight ethylene cracking furnaces for Linde at Dahej, India. This project is worth Rs. 80 crore.
- The Bhagyam Trunk Pipeline for Cairn India Limited at Rajasthan, carrying a contract value of Rs. 40 crore.
- Bhilwara-Chittorgarh Pipeline for GAIL in Rajasthan, India, valued at Rs. 50 crore.

Table 2 gives the value of the order backlog across pipelines, tanks & terminals and process plants.

Two major projects that were successfully commissioned during 2010-11 include:

- Motor Spirit Quality Upgradation facilities at IOCL, Barauni.
- Delayed Coking Unit along with LPG Merox at IOCL, Vadodara.

1 THE ENERGY SECTOR — In Rs. Crore

	OIL AND GAS	OFFSHORE	POWER	TOTAL
Revenue	4210	326	524	5060
% of total	83%	6%	10%	
Order Backlog	8700	559	2214	11473
% of total	76%	5%	19%	

2 THE OIL AND GAS SECTOR — In Rs. Crore

	PIPELINES	TANKS AND TERMINALS	PROCESS PLANTS	TOTAL
Revenue	2199	452	1559	4210
% of total	52%	11%	37%	
Order Backlog	3902	575	4223	8700
% of total	45%	7%	49%	

OVERSEAS OPERATIONS

While MENA witnessed considerable investments in the pre-crisis phase during 2010-11, the markets also saw very competitive bidding. Projects were often secured by the lowest bidder at prices which were unnaturally low. Consequently, Punj Lloyd had a low success rate in winning projects in this region.

The list of new projects won in the MENA region is given in Table 3.

The following projects are in an advanced stage of completion.

- Engineering, procurement, installation and commissioning (EPIC) of Strategic Gas Transmission Project for Qatar Petroleum in Qatar.
- EPIC of the Multi-Product Pipelines for Qatar Petroleum in Qatar.
- Fluorine complex for Gulf Fluor LLC, UAE.
- Fuel systems for New Doha International Airport in Qatar.
- Ras Lanuf Floating Roof Tank for Harouge Oil Operations in Libya.
- EPC for Oil and Gas Export Pipelines, Kashagan Experimental Programme for Agip KCO in Kazakhstan.

3 NEW ORDERS IN OIL AND GAS - OVERSEAS

NAME OF PROJECT	NAME OF CLIENT	COUNTRY	DATE OF AWARD OF PROJECT	VALUE
				US $ Million
EPC of Shah Gas Gathering Project – Package 1	Abu Dhabi Gas Development Company Limited	UAE	May-10	134.47
Offsite Pipelines for Yanbu Export Refinery Project	Saudi Aramco Oil Company	Saudi Arabia	Sep-10	98.00
EPC of Spiking Compressor at Shah	Abu Dhabi Company for Onshore Oil Operations (ADCO)	UAE	Jan-11	86.44
EPC Works of New Water Treatment Plant and Central Processing Facilities Upgrade	Occidental Mukhaizna LLC	Oman	Jan-11	71.19
Mechanical Works – Package 3				
Habshan-5 Utilities & Offsite Project	Abu Dhabi Gas Industries Ltd. (Gasco) / Hyundai Engineering & Construction Co. Ltd.	UAE	May-10	20.36
Ras Lanuf 500000 US bbl Floating Roof Storage Tank	Harouge Oil Operations	Libya	Oct-10	63.90

INDIA Heera Field Redevelopment Project

A project for EPC for NGI (Mixed Case) for Abu Dhabi Gas Industries Limited (Gasco) was completed in June 2011.

Punj Lloyd continues to look for opportunities to position itself appropriately with adequate risk protection in the highly competitive MENA markets. The Company is also actively exploring opportunities in other African countries.

There were some positive developments in Asia. A Punj Lloyd Group company, Punj Lloyd Pte Ltd., Singapore, secured three process contracts in East Asia.

- EPCIC for restaging and reconfiguration of 2 compressor trains including deck extension and platform modification work in Indonesia
- 2 orders for Olefin Recovery & Utilities Facilities and Pipe Erection Work in Singapore
- Punj Lloyd also received the Engineering, Procurement, Construction and Commissioning of 294 km of 42” Onshore Gas Pipeline from the Liquefied Natural Gas Terminal at the Maptaphut Industrial Estate near Rayong to a tie-in station on the existing Wang Noi to Kaeng Khoi (WNKK) Pipeline in Saraburi Province in Thailand.

OFFSHORE

The offshore business of Punj Lloyd caters mainly to the upstream segment of oil & gas. This includes pipeline projects, primarily submarine pipelines and EPC of offshore platforms.

The Company went into the year with a fairly low order book. Consequently, the focus in

2010-11 was to generate new orders and utilise the high investments it has made in offshore equipment like marine pipe-laying barges. There have been some successes on this front during 2010-11. The emphasis on business development will continue in the near future.

During 2010-11, the following orders were secured:

- EPCI contract for MM Complex compressor reconfiguration of APN E/F new field development project in Indonesia. The client is Pertamina Hulu Energy ONWJ and the contract value is Rs. 67 crore.
- EPCI contract for 3 NUI (Normally Unmanned Installation) platforms and pipeline of APN E/F new field development project, also ordered by Pertamina Hulu Energy ONWJ, with a contract value is Rs. 204 crore.
- Composite work for laying of pipeline (onshore and offshore) for an LPG pipeline project from BPCR/HPCR to Uran over 30 km. This project is for Bharat Petroleum Limited in India and is valued at Rs. 107 crore.

On the execution front, the Company continued to work on its project for the installation of three compressor units for the platform compressor station on the PTT Riser Offshore Platform in Thailand. Most procurement orders have been completed, while around 40% of the fabrication of modules has been undertaken. The marine work cum accommodation barge – 'Madhwa' – has been mobilised to Thailand for this project.

The market is very competitive and margins continue to be under pressure. In this environment, and with a focus on improving capital utilisation, Punj Lloyd is pursuing newer markets. The Company has bid for several new projects, especially in South-East Asia and Middle East.

POWER

Power is an important vertical in Punj Lloyd's energy portfolio. Today, the Company has gone up the value chain from being a pure construction player to a total solution provider for complete thermal power plants on EPC basis. Given the strong market demand, Punj Lloyd has been aggressively pushing this business. In addition, it has also made a foray on nuclear power where it is starting to gain market traction.

THERMAL POWER

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

During 2010-11, the Company secured the following new orders:

- EPC project for BOP work including civil and structural work, for the entire plant, erection, testing and commissioning services for boiler, turbine and generators for a 2x300 MW thermal power plant, for CESC (Haldia Energy Limited) located in Haldia, India. The order value of the project is Rs. 1,195 crore.

The major projects under active implementation include:

- Design, EPC and testing of Balance of Plant for 2x270 MW Goindwal Sahib Power Project, Tarn Taran, Punjab. Punj Lloyd's contract for this project, promoted by GVK Power, is

THE FOCUS in 2010-11 was to generate new orders and utilise the high investments the Company has made in offshore equipment like marine pipe-laying barges.

THE COMPANY is also aggressively pursuing the less capital intensive, yet profitable buildings construction business, which includes hospitals, education institutions, IT parks, residential building and commercial centres.

valued at Rs. 1,005 crore . Around 30% work has been completed on this project and it is expected to be completed by December 2012.

- EPC for complete BOP systems, including civil and structural work, for the entire plant, erection, testing and commissioning services for boiler, turbine and generators for a 2x300 MW thermal power plant, near Chandrapur (Maharashtra) for Dhariwal Infrastructure Private Limited, an RPG Group company. The order is valued at Rs. 1,023 crore. The project is progressing reasonably with around 20% of the work already completed.
- Execution of civil BTG (Boiler Turbine Generator) 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.
- In March 2011, the Company completed the engineering, supply, erection and commissioning of Balance of Plant for 2X250 MW Chhabra Thermal Power Plant for the Rajasthan Rajya Vidyut Utpadan Limited.

NUCLEAR POWER

India has a flourishing and largely indigenous nuclear power programme. The Government of India has a phased plan for developing nuclear power. At the first phase, the target is to have 20,000 MW nuclear power generation capacities on line by 2020. Then it will be increased to 63,000 MW by 2032. And, by 2050 the aim is to supply 25% of the country's total electricity requirements from nuclear power.

20 reactors with a generation capacity of 4,780 MW are operating in the country today. For augmenting generation capacities, the first four indigenous PHWR (Pressurised Heavy Water Reactor) of 700 MW capacity will be built at Kakrapar and Rajasthan. Work has started on all four reactors and they are due on line by 2017 — after 60 months from first pour of concrete to criticality. Kumharia in Haryana and Chuttka in Madhya Pradesh are earmarked for six more indigenous 700 MW PHWR units.

Recent access to foreign technology and fuel are expected to considerably boost India's nuclear power development plan. All plants will have high indigenous engineering content. Russia's Atomstroyexport is building the country's first large nuclear power plant, comprising two VVER-1000 reactors. Three more pairs of Russian VVER units are planned at Kudankulam. Areva has signed an agreement with the Nuclear Power Corporation of India Limited (NPCIL) for the first two EPR reactors, to be commissioned in 2017-18, along with 25 years supply of fuel. US technology is supporting twelve units that are planned at Mithi Virdi, Gujarat and Kovvada in Andhra Pradesh. Pre-project activities have already initiated and groundbreaking is planned for 2012.

Clearly, the opportunities in nuclear power for project related work is immense and expected to grow.

The Group's nuclear power initiatives had several achievements to their credit during 2010-11. Some of these are listed below:

- PL Engineering is currently executing the Engineering Design and Analysis project for Rajasthan Atomic Power Project (RAPP), Plant 7 and 8, of the NPCIL involving engineering design and modelling of structures.
- PL Engineering has received Letter of Approval for Engineering Services Consultancy work from Department of Atomic Energy (DAE).
- As an EPC contractor, Punj Lloyd has been qualified for the Plant Water package of the 2x700 MW Units 3 and 4 of the Kakarpara Atomic Power Plant (KAPP) for NPCIL.
- Punj Lloyd is the lowest bidder for Primary Piping Package of KAPP's 2x700 MW Units 3 and 4 and Rajasthan Atomic Power Plant RAPP's 2x700 MW Units 7 and 8 of NPCIL.
- The Company has submitted bid for Common Services Package of KAPP's 2x700 MW (Units 3 and 4) and RAPP's 2x700 MW RAPP's (Units 7 and 8).

Nuclear Power Corporation of India Limited (NPCIL) is in the process of announcing some more EPC Packages for the 2x700 MW KAPP (units 3 and 4) in Gujarat; and for 2x700 MW RAPP (Units 7 and 8). Punj Lloyd is bidding for major packages like Balance of Turbine Island Package for KAPP (3 and 4): Field Instrumentation Package for KAPP (3 and 4) and RAPP (7 and 8); UGP (Heavy Water Upgrading Plant & WMP Package (Waste Management Plant) for KAPP (3 and 4) as well as RAPP (7 and 8).

Punj Lloyd is also exploring other potential areas like technical services, as well as operations and maintenance services with prospective clients.

4 THE CIVIL AND INFRASTRUCTURE SECTOR

	SOUTH ASIA	MENA	SOUTH EAST ASIA	OTHERS	TOTAL
Revenue	1127	115	1457	1	2700
% of total	42%	4%	54%	0%	
Order Backlog	2991	0	2829	3284	9104
% of total	33%	0%	31%	36%	

CIVIL AND INFRASTRUCTURE

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

During 2010-11, Punj Lloyd Limited's infrastructure business generated Rs. 2700 crore of revenues. Table 4 gives the details of revenue and order backlog of Punj Lloyd Limited's civil and infrastructure business across the different regions.

INDIA

Highway Projects

The Company's core strength is in the highway sector where it has a large and specialised equipment base. Unfortunately, after considerable promise in the first quarter, highway development in India has slowed down. Several issues — such as land acquisition problems and the slow pace of new contract awards by the National Highways Authority of India (NHAI) — have adversely affected new projects. The emergence of a number of small contractors has led to intense competition and softening of prices at lowered margins. In this difficult environment, Punj Lloyd Infrastructure Ltd, a wholly owned subsidiary of Punj Lloyd, managed to secure one new project: the two-laning of the Purnea-Khagaria section of NH-31 over a 140 km stretch. This project in Bihar is on a BOT (annuity) basis under NHDP-III, and is valued at approximately Rs. 735 crore.

In addition, the following projects were under execution in 2010-11:

- Four/Six laning of Hyderabad-Vijayawada Section of NH-9 on a BOT (toll) basis under NHDP Phase-III in Andhra Pradesh.
- Four-laning of the Silchar to Balachera section from 275 km to 306.54 km of NH-54 in Assam (AS-1).
- Widening and strengthening of the existing national highway from two-lane to four-lane from 1,093 km to 1,121 km of the Guwahati to Nalbari section in NH-31 in Assam (AS-4).
- Widening and strengthening of existing national highway from two-lane to four-lane from 1,065 km to 1,093 km of the Guwahati to Nalbari section in NH-31 in Assam (AS-5).
- Widening and strengthening of existing national highway from two-lane to four-lane from 983 km to 1,013 km of the Nalbari to Bijni section in NH-31 in Assam (AS-8).
- Widening and strengthening of existing national highway from two-lane to four-lane from 961.5 km to 983 km of the Nalbari to Bijni section in NH-31 in Assam (AS-9).
- Widening and strengthening of existing national highway from single lane to four-lane from 2.4 km to 22 km of the Lanka to Daboka section in NH-54 and the Daboka Bypass in Assam (AS-16).

  Projects in Assam are behind schedule owing to delay in release of sections of ROW by the client.

In November 2010, to add to its technical capabilities, Punj Lloyd signed an MoU with Hopetech Sdn Bhd (Malaysia), a leading provider of integrated solutions in automated revenue collection, to offer cost effective and robust integrated solutions for automated electronic road toll collection and a central road toll clearing house in India.

Building Projects

The Company is also aggressively pursuing the less capital intensive, yet profitable buildings construction business, which includes hospitals, education institutions, IT parks, residential building and commercial centres.

Punj Lloyd is executing the following building projects:

INDIA Assam Road Project

- Construction of AIIMS, Raipur, including college and hostels complex, valued at Rs. 115 crore.
- Civil, structural, waterproofing work, including site development, for the Rajiv Gandhi Institute of Petroleum Technology at Jais, in the district of Rae Bareli (UP), valued at Rs. 180 crore.
- Planning, design and construction of three medical colleges in West Bengal with ancillary requirement like hostels, staff quarters and OPD. These include the Murshidabad State General Hospital at Berhampore; Malda District Hospital at Malda; and Sagardutta State General Hospital at Kamarhati. The work is valued at Rs. 183 crore.
- Construction of IT Park, SEZ at the Hiranandani Place Gardens (Panvel), valued at Rs. 241 crore.
- Civil work for housing project, La Montana (Phase I), at Pune valued at Rs. 50 crore.
- Construction of Ascendas IT Park of Pune valued at Rs. 122 crore.

Metro Projects

For Delhi Metro, Punj Lloyd has executed the following projects –

- Elevated viaduct (Barakhamba Road – Connaught Place – Dwarka section): a length of 6.3 km
- Part design and construction of elevated viaduct including structural work of four elevated stations (Nangloi-Mundka section): a length of 4.8 km valued at Rs. 185 crore

As of now, Punj Lloyd is executing projects in the Bangalore Metro Project across different lines and phases. This includes construction of two elevated metro stations, i.e. M.G.Road and Trinity Circle Terminals in Reach-1; 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. The combined value of these projects is Rs. 325 crore.

Urban Infrastructure Projects

Punj Lloyd has executed a project for MCD, which involved covering of Sunehri and Kushak Nalla for providing parking facilities for Commonwealth Games 2010. The value of the project was Rs. 303.95 crore.

Railway Projects

Punj Lloyd has also gained entry into the Railways sector, by winning a contract for 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.

Going forward, the Company is looking to widen its portfolio by pursuing opportunities in water supply, civil work in power plants, railways and offshore breakwaters. It is also exploring overseas projects in Middle East, South East Asia and Africa.

MENA

In the MENA region, Punj Lloyd has been undertaking infrastructure development projects in Libya. Mobilisation in five projects was completed and certain milestones achieved including drainage, water lines, roads, electrical lines and landscaping. Given the political turmoil in the region from early 2011, the Company had to stop work and demobilise its workforce from Libya. Once stability returns to the region, this business will be restored — as there is an intrinsic need for infrastructure development in the country, irrespective of who is in power.

SEMBAWANG ENGINEERS AND CONSTRUCTORS PTE LIMITED

Sembawang (including its subsidiaries) is a project development and delivery underwriter catering to both the private and public sectors. Sembawang has been involved in a large number of notable civil infrastructure and building projects in Singapore. In addition, it has also undertaken environmental projects as well as power projects.

As a project delivery underwriter, Sembawang is the principal contractor for the projects that it undertakes and underwrites the risk of delivering the underlying project to its clients. The company offers a comprehensive range of EPC solutions which include master planning, concept design, engineering design, development management, and construction management.

Historically, most of its revenues have come from project delivery underwriting. To diversify its earnings, Sembawang has decided to undertake project development underwriting in addition to the existing project delivery underwriting business. In this business, Sembawang intends to take significant ownership interests in projects in which it is involved. Project development underwriting is intended to provide recurring cash flows from the operation of a project upon completion, or proceeds from the eventual sale of a completed project.

In relation to project development underwriting, the Company intends to focus on coal mining in Indonesia, ownership of commercial properties which will predominantly retail in Singapore and mainland China and PPP, BOO and BOT-type projects across its business segments.

Sembawang's subsidiary, Sembawang Development Pte. Ltd. signed an agreement to acquire a 50% stake in a thermal coal mine company in Central Kalimantan, Indonesia. The mining company holds a coal [IUP] license and is located in Barito Utara District, Central Kalimantan, Indonesia.

On the operations front, revenues increased by 16.2% from S$368.9 million in 2009-10 to S$428.6 million in 2010-11. Profits for 2010-11 were S$43.5 million. Sembawang focuses on the following business segments:

CIVIL INFRASTRUCTURE AND BUILDINGS

This involves building civil infrastructure such as tunnels, bridges, roads, rail, mass rapid transit (MRT) and light rail transit systems, airport facilities, docks & jetties and residential, commercial, healthcare and hospitality buildings.

During the year, the Company secured and commenced work on one new project in this business segment:

- In June, 2010 it was awarded a contract worth Rs. 1,394 crore (S$419 million) from Singapore's Resorts World at Sentosa, a subsidiary of Genting Group. The project entails the construction of a hotel, a spa resort with adjoining villas, a marine life park and a water theme park in the West Zone of the Resorts Word at Sentosa.

Revenues from this business segment increased by 14.6% from S$354.8 million in 2009-10 to S$406.5 million in 2010-11.The increase in revenues was primarily due to higher revenues from the Downtown Line (Stage 1) project and the Circle Line project of the MRT network in 2010-11 compared to 2009-10 and commencement of work at the West Zone, Resorts World at Sentosa. This was partially offset by a decrease in revenue from the project relating to the Bayfront Station of the Downtown Line (Stage 1) of the MRT network which neared

PUNJ LLOYD is looking to widen its portfolio by pursuing opportunities in water supply, civil work in power plants, railways and offshore breakwaters. It is also exploring overseas projects in Middle East, South East Asia and Africa.

SINGAPORE Kallang/Paya Lebar Expressway Project

completion in 2010-11 and the completion of the Marina Bay Sands project in 2010-11.

ENVIRONMENTAL

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

During the year, the Company secured and commenced work on one new contract in this segment

- In October, Sembawang clinched a major contract worth Rs. 614 crore (S$180.3 million) from PUB, the national water agency of Singapore. This project called the Lower Seletar Waterworks (LSWW), was awarded through a public tender by PUB, and involves the construction, testing and commissioning services for a 22,700 m^3 new waterworks at Lower Seletar.

Revenues from this segment increased by 166.3% from S$8.3 million in 2009-10 to S$22.1 million in 2010-11. This increase was primarily due to the commencement of work at the LSWW in 2010-11 and the recognition of revenues from the Changi Water Reclamation Plant projects which were substantially completed in 2009-2010. This was partially offset by a reduction in turnover from the project relating to the tunnel ventilation and environmental control system of the Marina Line of the MRT network as the project neared completion in 2010-11.

In addition, Sembawang also focuses on the following business segments:

- Power which includes power plants
- Property which includes ownership of commercial (predominantly retail) real estate
- Mining which includes infrastructure and mines for coal and other resources
- Industrial and process which includes production and receiving facilities, control stations and transfer stations

As at 31 March 2011, Sembawang has an order book of S$820.9 million (excluding secured contracts in the MENA region which amount to S$1.8 billion). Sembawang does not intend to continue its business operations in the MENA region at this time due in part to its assessment of the legal risks and uncertainties associated with operating in this region. Work has yet to commence on these secured contracts in the MENA region as the relevant counter parties have yet to pay the agreed deposits.

ENGINEERING

As an EPC major, engineering has always been a core function for the Company. Over the years, Punj Lloyd has developed considerable expertise from the experience of providing engineering inputs to its projects. Consequently, the Company has extended the scope of its engineering activity to becoming a revenue generating business for providing third party engineering services. This business is carried out from India by group company – PL Engineering. Sembawang, too, had a focused UK based engineering subsidiary called Simon Carves, which became part of the Punj Lloyd Group when it acquired Sembawang.

PL ENGINEERING

2010-11 was a difficult year for PL Engineering. While markets were recovering, several developers revisited the financial and technical aspects of new projects. PL Engineering had entered the year with a low order book. The first and second quarters were difficult. From the third quarter, there has been a reasonable recovery, and the second half saw improved market conditions. Revenues grew by 15% from Rs. 108 crore in 2009-10 to Rs. 124 crore in 2010-11. PL Engineering also focused on developing its engineering team. Today it has a dedicated team of around 720 people.

While traditionally, the business was focused on the oil & gas segment, given the inherent risks of the business cycles of this industry, PL Engineering has taken steps on diversifying its business. The strategy is now focused on the following key aspects:

- Enter new sectors and services with a thrust on building capacity in high growth sectors
  - Horizontal areas (such as process plants) for diversification: nuclear, thermal, poly-silicon (material for solar power).
  - Vertical areas for diversification, such as auto, aerospace, e-learning, electronics and embedded systems.
- Geographic diversification
  - Tap high growth markets like MENA, as the markets improve.
- Promote external client base
  - Grow in areas of PLE expertise (pipelines, refinery units, field development, nuclear, poly-silicon).
  - Leverage Group expertise of Simon Carves, UK, in chemicals, petrochemicals and bio fuels.
- Increase high margin businesses
  - Reduce exposure to low margin businesses like roads.
  - Promote exports.
  - Focus on project jobs which give qualifications and entry into new geographies and new competencies.

In 2010-11, there were successes on the diversification front, especially in nuclear energy. PL Engineering won a nuclear power design contract with NPCIL for its project RAPP 7 and 8 in Rajasthan. It also secured a three-year research project in engineering design for new generation nuclear power plants with the Government of India's nuclear R&D organisation. PL Engineering also continued its thrust into the MENA region. In the Middle East, there were successful bids in Qatar, which includes a project for Qatar Petroleum that involves oil and gas separation at the pumping point and a poly-silicon project - where the front end engineering design (FEED) has been completed. For ADCO, Abu Dhabi, the company is undertaking field development work for oil and gas separation.

In India, PL Engineering has been carrying out engineering for projects in the pipeline segment through EPC players like Kalpataru, which is executing projects for Oil India and Indian Oil Corporation (IOC). The Company is also undertaking engineering work for BOP projects in the power sector.

In addition, it is pursuing inorganic growth. It has laid emphasis on developing JVs or alliances with companies having complementary skills and qualifications. It has already signed MoU for JV with:

- GECI, a French major providing engineering service in the transportation sector, mainly aeronautics and space. This JV, based out of Bangalore, will focus on the aerospace sector.

The company has also established teaming and agency arrangements for business development with firms globally.

In a development that demonstrates the strength of PL Engineering's business model, the global private equity player, Fidelity Partners, has picked up 16% stake in the Company. This is a step towards establishing PL Engineering as a 'third party' engineering and design service provider, operating within the Punj Lloyd Group.

SIMON CARVES LIMITED, UK

Simon Carves has delivered over 130 years of proven innovative engineering across a broad spectrum of process sectors. In alliance and partnering arrangements with global organisations, it delivers a complete range of turnkey services. Using advanced project methodologies, SCL adds value to projects from the concept to handover, including detail design, procurement, construction and commissioning.

In terms of business, Simon Carves was affected adversely by the global economic downturn of 2008. Consequently, the company has gone through re-sizing and consolidation. Today, it is well positioned to execute a sustainable growth plan for engineering activities over the near future. The stress of the new growth plan is on:

- Developing new and emerging markets, while maintaining its strengths in low density polyethylene (LDPE) through plant life extensions and asset integrity services.
- Diversification and growth through the acquisition of new customers in new markets as well as exploiting existing markets such as bio-fuels, polymers, chemicals, and the nuclear fuel cycle.
- Introduction of best practices which should enable improved performance across all areas of the business through consistency and commercial robustness.
- Re-establishing Simon Carves as a global brand in process engineering and technology through increased marketing efforts that leverage the best-in-class engineering work

IN **2010-11**, there were successes on the diversification front, especially in nuclear energy. PL Engineering won a nuclear power design contract with NPCIL for its project RAPP 7 and 8 in Rajasthan.

INDIA Barauni Refinery

performed in the past.

As a result of the re-organisation, Simon Carves has divided its projects into two groups: legacy projects (old EPC contracts) and new companies or contracts (contracts secured in 2010-11). Legacy contracts generated revenues of £ 6.8 million with losses at the gross profit level of £ 11.3 million in 2010-11. The new company business generated revenues of £ 5.3 million with significant gross margin. With the new company contracts, SCL is moving towards improvements in profits.

Some of the key milestones achieved by SCL during 2010-11 include:

- Successful execution of FEED engineering for an oil & gas major generating revenues of approximately £ 2.5 m with significant gross margin. Awards of other engineering services contracts for FEED will be awarded in the first half of 2011-12, amounting to £ 1 million each.
- Master framework agreement signed with an international chemical conglomerate for provision of on-going engineering design services, with Simon Carves as a preferred supplier. In 2010-11, work was executed of around £ 1 million, with significant gross margin.
- New contract secured with GS E&C of Korea to deliver basic engineering services for a new LDPE plant in Saudi Arabia, with a lump sum value of £ 5.8 million and a reimburseble element of £ 1.8 million. In the year, this earned revenues of £ 1.6 million.
- MoU received from TPE in Thailand to carry out shutdown engineering work at £ 1.2 million.
- Successful closure of the Saudi Kayan project.

Simon Carves began the year with an order backlog worth £ 8.6 million. During 2010-11, it secured new businesses worth £ 12.9 million, executed orders and booked revenues of £ 9.9 million. The unexecuted order book at the end of the year is valued at £ 11.6 million. In terms of value of bids submitted, Company had a success rate of around 30%. Some of the major projects secured during 2010-11 are listed in Table 5.

Going forward, there are healthy signs of recovery in the market as a whole, and particularly in the company's established areas of polymers, sulphuric acid and chlor alkali. LDPE continues to be one of its core strengths, and as the world's leading high pressure polyethylene

5 PROJECTS SECURED BY SIMON CARVES LIMITED IN 2010-11

PROJECT TITLE	PROJECT LOCATION	CATEGORY OF WORK	FORM OF CONTRACT	PROJECTED INCOME (£000'S)
De-bottlenecking	North America	E	Re	£ 130
LDPE FEED	North America	E	Re	£ 2,615
Extended FEED	North America	E	Re	£ 320
Plant debottlenecking Study +- 30% Estimate	North America	E	Re	£ 70
Plant debottlenecking Early Engineering and Control Estimate	North America	E	Re	£ 345
Operator Training for SAR Plant	UK	E	Re	£ 58
Asset Integrity Life Extension Survey	Belgium	E	LS	£ 40
Plant debottlenecking Detailed Engineering	North America	E	Re	£ 1,152
LDPE-EVA plant Detailed Eng	South Korea	E	LS	£ 5,880
Plant Modifications	Thailand	EPC	LS	£ 1,200
Total				£ 11,526

Note: E-Engineering Services; EPC-Engineering Procurement & Construction; Re-Reimburseble; LS: Lump-sum

engineering specialist, it is leveraging 60 years' experience in LDPE to provide customers with innovative, value-driven solutions.

Renewables, specifically bio-fuels, are a rapidly developing market, and Simon Carves is well positioned to exploit growth globally. It is also looking to re-invigorate its long history in nuclear engineering. With the current nuclear decommissioning spend in the UK expected to be £ 4.5 billion over the next three years, as well as nuclear new builds, where the UK will see investment in at least two new nuclear power plants in the period, typically £ 3-5 billion per power plant.

Plant life extensions and asset integrity within Simon Carves installed capacity will be pursued as a new market opportunity. Thus, the company is now well positioned to develop long term sustainable growth through a balanced market portfolio.

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 but are still in a developmental and incubation stage. Together, these have been classified as 'other businesses' and include defence, renewable energy and upstream operations.

DEFENCE

The Punj Lloyd Group is emerging as a credible player for defence equipment, with focus on adoption of state-of-the-art technology. The objective is to indigenously develop capability and infrastructure so as to produce genuine force multipliers that will provide a decisive edge to the Indian armed forces.

The Group has a multi-pronged defence strategy with an objective to:

- Become a supplier of choice to the Indian armed forces.
- Be a preferred partner for transfer of technology from global majors.
- Be a part of the global defence equipment supply chain.
- Undertake maintenance, repair and overhaul of defence equipment.
- Work in partnership with global majors to meet offset requirements as per the Indian Defence Procurement Procedure.

Punj Lloyd has responded to several Requests for Information of the Indian armed forces and has submitted a bid for an air gun up-grade programme. It has also been shortlisted by the Ministry of Defence for several other projects. It has established long term relationships with several global defence majors and is undertaking portions of the work share for future programmes.

PUNJ LLOYD Delta Renewables's strategy is to provide water treatment plants that will provide clean drinking water supply to both urban and rural India.

LAND SYSTEMS

The Punj Lloyd Group was among the select few private companies that were granted licences by the Government of India for:

- Manufacture of guns, rockets, artillery and missile systems.
- Manufacture of electro-optical systems, fire control systems, C3I systems and power packs associated with armoured fighting vehicles (tanks and infantry carrier vehicles)
- Assembly and manufacture of small arms.

The Group has agreements with leading global players for collaboration in Indian programmes for a wide range of products including artillery systems, air defence gun systems, armoured vehicle technology, assault rifles and carbines.

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

In addition, plans are being finalised for manufacture and assembly of small arms for supply to the Indian armed forces, paramilitary and police forces. As of date, approximately Rs. 105 crore has been invested in this facility. Over 60 staff and team members are working at the plant.

DEFENCE AVIATION

The Group holds a licence for conversion of commercial aircraft for defence applications and for manufacture of aero structures, sub-assemblies and composite components for the defence sector.

Punj Lloyd has access to hangars and a runway near Bangalore, which is capable of:

- Handling Airbus/ Boeing platforms; and
- Retrofitting and integrating of sub-systems on to defence aircraft platforms.

To further develop the defence aviation business, the Group has invested in 25 acres of land in the Hyderabad SEZ.

DESIGN AND ENGINEERING CAPABILITY

PL Engineering, the Group's standalone engineering arm with over 720 qualified personnel, is augmenting its capability to provide design support, engineering animation, analysis support, manufacturing support and miscellaneous engineering services to the defence and aerospace sector.

OTHER INITIATIVES

These include:

- Developing capability in defence electronics and avionics.
- Potential investment in facilities for manufacture of precision aero components.

RENEWABLES

Punj Lloyd's foray into renewable energy is through its subsidiary, Punj Lloyd Delta Renewables. Its mission is to be a global developer of renewable resource based projects. It strives to provide integrated turnkey solutions for sustainable development, with special emphasis on water and power from clean energy sources. To achieve this objective, Punj Lloyd Delta Renewables has built on Punj Lloyd's capabilities and track record in the engineering and construction of large scale power plants and process facilities.

The Company is focusing on renewable energy opportunities across the Group's markets. As of today, the active sectors where Punj Lloyd Delta Renewables operates include:

- Solar utility scale grid tied power plants (photo-voltaic, concentrated photo-voltaic and concentrated solar power).
- Rooftop grid tied and off-grid power plants.
- Rural decentralised distributed solar powered water treatment plants.
- Urban water treatment plants.

NATIONAL SOLAR MISSION

The Jawaharlal Nehru National Solar Mission (JNNSM) has set a target of 20,000 MW of new solar based power generation capacity, to be achieved in a phased manner. The first phase is till 2012-13; the second phase is from 2013 to 2017; and the third phase is from 2017 to 2022.

The mission provides for National Thermal Power Corporation's (NTPC) and National Vidyut Vyapar Nigam Ltd (NVVN) to be the designated nodal agencies for procuring solar power. This is to be done by entering into a Power Purchase Agreement (PPA) with project developers of solar power generation who propose to set up solar projects before March 2013. These projects will be connected to the grid at a voltage level of 33 kV and above.

The total capacity of solar photo-voltaic projects that were selected in the first batch in 2010-11 was limited to 150 MW, where 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. The EPC of this project will be carried out by Punj Lloyd Delta Renewables and is expected to be commissioned by December 2011.

The Company plans to continue to participate in the next phase of allocations both as a developer and EPC contractor and also explore opportunities to expand abroad.

WATER IN INDIA

Unsafe water and lack of basic sanitation cause up to 80% of diseases. The UN predicts that one-tenth of the global disease burden can be prevented simply by improving water supply and sanitation. In India, at least 60% of people hospitalised are on account of sicknesses related to water borne diseases.

While accessing drinking water continues to be a problem, assuring that it is safe is a challenge by itself. Water quality problems are caused by pollution and over-exploitation. It is affected by both point and non-point sources of pollution. These include sewage discharge, discharge from industries, run-off from agricultural fields and urban run-off. Water quality is also affected by floods, droughts and can also arise from lack of awareness and education among users. Consequently, there is a massive need for water treatment initiatives in India.

Punj Lloyd Delta Renewables's strategy is to provide water treatment plants that will provide clean drinking water supply to both urban and rural India. Rural areas are often not electrified. Thus, the idea is to provide turnkey solutions where solar power is used as the energy source for distributed water purification plants. The company is currently executing India's largest project for solar powered water treatment plants in Bihar.

PROJECTS

During 2010-11, some of the major projects secured by Punj Lloyd Delta Renewables include:

- In April 2010, it secured India's largest solar based EPC contract with combined value of Rs 232 crore from the Public Health Engineering Department of the Government of Bihar. The solar water treatment plants, designed and constructed by the company,

INDIA East West Gas Pipeline

INDIA Sources of Renewable Energy

THE ENTRY INTO THE OILFIELD DRILLING business added to the Punj Lloyd Group's skill sets in the oil & gas sector–which now cover the entire spectrum of services from the extraction and production of hydrocarbons to its transport, storage, refining, and oil to market infrastructure.

will resolve the severe groundwater contamination that result in many diseases, including skin and lung cancer. The scope of work includes design, construction and commissioning of 850 solar powered water treatment plants across Bihar.

- In August 2010, it secured five prestigious solar power contracts from Punjab Energy Development Agency (PEDA) on a turnkey EPC basis. These solar power plants will be set up at five different locations in Punjab including Golden Temple and Durgiana Mandir in Amritsar, Punjab State Assembly, Punjab Raj Bhawan and Punjab Civil Secretariat in Chandigarh. The scope of work involves design, supply, erection, testing and commissioning of solar power plants, including operation and maintenance for 10 years at all locations.
- In January 2011, it was awarded an EPC contract for a centralised water treatment plant at Kharagpur, district Munger in Bihar. The project, awarded on a turnkey basis by the Public Health Engineering Department of the Bihar Government, will have a capacity of supplying 6.224 million litres of drinking water per day (MLD) to the fluoride affected village of Khaira and its adjoining areas.

During 2010-11, the Company has completed several of its solar and water projects in the states of UP, Bihar, Punjab and Rajasthan.

UPSTREAM OPERATIONS

The entry into the oilfield drilling business added to the Punj Lloyd Group's skill sets in the oil & gas sector — which now cover the entire spectrum of services from the extraction and production of hydrocarbons to its transport, storage, refining, and oil to market infrastructure. International Finance Company (IFC) has made investments in Punj Lloyd's subsidiary, Punj Lloyd Upstream, and has helped devise global standards and practices.

Punj Lloyd Upstream has invested in two brand new AC VFD 1500 HP onshore rigs with drilling capacity of 5,000 m from Le Tourneau Technologies Drilling Systems International. While the business is capital intensive, the drilling units earn health returns and enjoy a short payback period.

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 first drill site was 500 km inside the Sahara desert. Moving the rig and auxiliary equipment was done by 150 truckloads over 10 days. The company has drilled a total of 125,000 feet in complicated geological structures. Efficient and safe drilling of these oil wells has been included in the "Contract of Excellence" category by the National Oil Company.

Unfortunately, the political and civil turmoil in Libya in 2011 has led to the demobilisation of the work force and stopping of all operations. The positive is that all the company's rigs are insured for political unrest so the financial losses have been minimised. Punj Lloyd Upstream believes that once the condition stabilises, the country will need to focus on restarting drilling operations as the production of hydrocarbons is the mainstay of the Libyan economy. Punj Lloyd Upstream is also in an advanced stage of developing contracts in other countries including those in the MENA region, Sub Saharan Africa, India, and Indonesia. All the contracts under development are for oil & gas majors.

Apart from increasing the drilling rig fleet, Punj Lloyd Upstream is working on graduating from a standalone drilling contractor to undertaking turnkey oilfield development and management of projects for the oilfield majors and National Oil Companies in the medium term. This will be a significant graduation towards executing integrated projects in the upstream space.

OPERATIONS' SUPPORT SERVICES

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

PROCUREMENT

The procurement function is a key strategic function for any EPC company. In the current environment, influenced by increasing commodity prices, requirement for effective purchasing becomes even more critical.

While projects also play a critical role in purchasing, Punj Lloyd has regional procurement departments to develop and execute procurement strategies across all its operations. Some of the major initiatives undertaken by the procurement department during 2010-11 are:

- Greater emphasis on implementing 'Best Practices in Procurement'.

LIBYA Punj Lloyd's Upstream Drilling Rig

INDIA LNG Storage Tank Expansion, Dahej

- Better documentation. Various procurement documents were reviewed, updated and improved, such as Contract Agreements, Purchase Order terms and conditions, Request for Quotation documents and others to ensure greater clarity and understanding with suppliers.
- After detailed evaluation, regional procurement is being implemented for cement, steel, ready-mix concrete and pre-fabrication structures, to leverage Group buying power and improve operational efficiencies.
- The Company has initiated an e-procurement strategy to improve the efficiency and productivity.

INFORMATION TECHNOLOGY (IT)

The key objectives for IT initiatives in 2010-11 were: (i) creating business alignment, (ii) promoting new technology; (iii) putting process and IT controls in place; (iv) greater automation; and (v) global expansion.

- Alignment with business: To reduce manual intervention and create a seamless Procure to Pay system, a shared services initiative covering account payables and electronic payments was put in place. This process aims at improving controllership, productivity, cost deflation and vendor satisfaction. Other initiatives like Enterprise Asset Management allow use of technology like RFID and hardware sensors communicating over a GPRS network with Oracle ERP. This initiative is targeted at bringing down fuel loss, controlling maintenance costs and reducing unscheduled downtime of the large plant and equipment fleet.
- New technology: Punj Lloyd is exploring how both public and private cloud architecture can be leveraged. As a first step, it is moving from a legacy based mailing system to a cloud based system. This solution also provides a real time collaboration platform for business to jointly work on globally distributed projects. Subsequent phases will involve moving onto newer applications on Punj Lloyd's private cloud. In addition, Documentum has become the Document Management System for the entire group. New projects have been defined in the system, and it will act as the central repository for all project data. The solution brings in version control of documents, advanced search criteria and collaborative working for users.
- Controls: A number of compliance and process controls were put in place to ensure that industry best practices are followed to increase efficiency and productivity. Key initiatives ranged from implementing Encumbrance Controls on project budgets and spending to creating Business Intelligence dashboards to help senior leadership making strategic decisions. IT Systems and Security Audits are conducted based on ISO 27001 Standard across the Group companies to ensure information security compliance.
- Automation: Improvement in productivity by eliminating non-value added activities was another focus area. Initiatives like electronic funds transfer for vendor payments and automatic purchase transactions by project teams helped in reduction of manual activities. E-bidding (reverse auctions) performed in real-time via the internet, has created a transparent competitive process and brought in cost savings.
- Expansion: Punj Lloyd has its presence across 20 countries. A major focus area

in 2010-11 was to bring all entities, geographies and business divisions on the same IT platform. Geographies like Libya, Saudi Arabia, the UK and business entities like Defence were ERP enabled, so that standardised practices could be leveraged by these entities.

Overall, 2010-11 was a year where IT at Punj Lloyd evolved from being a service provider to a business enabler.

HUMAN RESOURCE (HR)

The Human Resource function is playing an active role as a strategic partner supporting the Company in meeting its business challenges.

Today, as a business enabler, HR initiatives are focused on addressing critical business level challenges. These 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 a well rounded capability development programme that stresses on training as well as talent management. The training initiatives are both at the management level as well as at the skilled workmen level. During 2010-11, across the Group around 14,000 man days of training was provided. This covered a wide variety of subjects like project management, finance, negotiation skills, planning, quality management systems, presentation skills, team building and risk management. At its training centre in Banmore, Madhya Pradesh for skilled workmen, about 28,000 manhours of training was imparted for welders & fitters. It intends to provide skilled hands not only for Punj Lloyd but also for the industry.

  In addition, the Company has adopted an Industrial Training Institute (ITI) in Narela, Delhi – under PPP scheme. This was done to bridge the perceived skill gap in the labour force at various project sites. The aim is to upgrade the ITI and align the courses to the modern day needs of industry. This will provide dedicated supply of skilled manpower to Punj Lloyd and improve quality, efficiency and on-time completion of projects resulting in competitive advantage.

  While most of these capability building programmes are classroom based, the Company also launched an e-learning initiative called 'Gyandhara'. This platform is aimed at providing a learning environment on real time basis for employees located in various geographies in conditions where learning resources are very limited. It covers topics like quality management, health, safety and environment, process manuals, planning, scheduling, monitoring and cost control. This is continuously upgraded with new modules.
- Talent Development: In its bid to build a leadership pipeline, the company launched a structured programme for identification and development of talent. Development centres were conducted to provide a detailed feedback to high potential employees and creation of individual development plans.
- Employee Engagement: Several HR activities are focused on improving employee engagement. This includes the employee handbook, where all policies of the Company are listed. The HR helpdesk, which is an email support desk, functions as a single point of contact for employee query resolution. In addition, various forums for employee communication have been created including Employee Voice Meetings, RCM Meet, Departmental Meets and Lecture Series. There are also 'high reach' reward and recognition programmes conducted during the year including 'thank you' cards, 'pride@pll', CEO's award, and 'Team of the Year' awards.
- HR Process Integration: In addition, the Company has launched an Oracle based HRMS tool called MIDAS. This is a web based self service module for employee related transactions like leave management, payroll and performance management. The initiatives aim at implementing global best practices and standardising processes. It is a repository of all HR related documents and a single source of employee information.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

As a leading EPC organisation that caters to global customers, Punj Lloyd takes its health, safety and environment initiatives seriously. Punj Lloyd's vision is to protect people's health, ensure zero injuries and avoid or minimise any environmental impact that can occur due to its operations. And the HSE objectives form an integral part of overall corporate strategy. Importantly, the Company follows IFC standards for worker camps at all its sites.

During 2010-11, the focus was on improving

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.

INDIA Workers on site

INDIA Tool Box Training in Progress

execution by strengthening the existing processes through more frequent audits, reports and meetings on HSE related matters. A qualification criterion was created for selection of HSE managers, so that the person on the job had all the necessary skills to best execute HSE initiatives. A structured set of meetings, feedback and action plan execution was implemented during the years. This included regular residential construction manager (RCM) meetings where HSE issues were discussed. Also, managers and engineers meetings were held at the head office to share the corporate ethos and priority regarding HSE activities. In addition a regular HSE audit mechanism is implemented along with quality management systems. Some of the other initiatives during the year include:

- Audio-visual protection training module was developed in Hindi and in English
- A scaffolder's competency certification programme was launched
- Successful re-certification audit of EMS as per ISO 14001-2004 was carried out
- Near miss incident reporting, analysis and action plan based on NMI was implemented
- 20 HSE personnel qualified as integrated management system internal auditors
- The Company has its own ambulances deployed at every site

The Company's HSE initiatives secured several awards. It won the GREENTECH safety award 2010. In addition, at various forums, awards were secured by the Punj Lloyd teams working on GVK power project, MRPL, Bina refinery, KSK project, Haldia refinery HCU and HGU.

FINANCIAL PERFORMANCE

Table 6 summarises Punj Lloyd's financial performance for the year ended 31 March 2011.

STAND-ALONE RESULTS

Total Revenue of your Company decreased by 40.6% from Rs 7541.6 crore in FY 2009-10 to Rs 4480.20 crore in FY 2010-11. Profit before interest, depreciation and tax (PBIDT) decreased by 41% from Rs 809.17 crore in FY 2009-10 to Rs 477.35 in FY 2010-11.

Profit Before Tax (PBT) of the Company decreased from Rs 412.69 crore in FY 2009-10 to Rs 10.72 crore in FY 2010-11 and Profit After Tax (PAT) decreased from Rs 367.40 crore in FY 2009-10 to Rs 12.38 crore in FY 2010-11.

6 SUMMARISED PROFIT AND LOSS

RS. CRORE	STAND ALONE		CONSOLIDATED	
	2010-11	2009-10	2010-11	2009-10
Sales / Income from Operations	4193.24	7,116.70	7849.58	10,447.83
Total Income	4480.20	7,541.60	8187.00	10,874.78
Earnings before Interest, Depreciation & Taxes	477.35	809.17	641.91	554.34
Cash Profit before Taxes	167.24	545.37	285.08	248.02
Profit Before Tax	10.72	412.69	15.89	20.99
Profit After Tax	12.38	367.4	(50.43)	(116.25)

CONSOLIDATED RESULTS

Total Revenue of your Company decreased by 24.72% from Rs 10874.78 crore in FY 2009-10 to Rs 8187 crore in FY 2010-11. Profit before interest, depreciation and tax (PBIDT) increased by 15.80% from Rs 554.34 crore in FY 2009-10 to Rs 641.91 in FY 2010-11.

Profit Before Tax (PBT) of the Company decreased from Rs 20.99 crore in FY 2009-10 to Rs 15.89 crore in FY 2010-11 and Profit /(Loss) After Tax (PAT) reduced from Rs (116.25) crore in FY 2009-10 to Rs (50.43) crore in FY 2010-11.

RISK

Given the diversified business model, both in terms of geographies and industry segments, a structured risk management system is integral to the Company's operations. The risk management system followed at Punj Lloyd ensures a balance between people, process and technology to ensure a business risk portfolio that can maximise revenues and profits over a sustainable period of time.

Risk management teams are responsible for managing and reporting of risks to senior management – each of whom has clearly defined roles in terms of timely identification, mitigation and optimisation of risks. The Company's risk management process extends across three stages of the 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:

POLITICAL RISKS

The MENA region, 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. There is a civil war in Libya. Unrests continue in Algeria, Bahrain, Yemen and, now, Syria.

This outbreak of unprecedented unrest has put pressure on the region's sovereign ratings; and will continue to do so even as new political arrangements emerge. Punj Lloyd exposure in the countries affected by political crises is limited to Libya.

The impact of this political turmoil and higher inflation in India on Punj Lloyd could be:

- Increase in cost of executing existing projects in the region.
- Heightened political risk could lead to deteriorating economic conditions and tighter access to credit — thus raising payment risks of dealing with MENA.
- In the wake of the crisis in the MENA region coupled with the disaster in Japan, lenders and insurance companies are likely to increase the risk premium attached to dealing with certain emerging markets, thus raising operating costs.
- New opportunities may not emerge until stability is restored in the region.

In response, Punj Lloyd is putting more emphasis on managing risks such as sovereign default, counterparty and geopolitical risks, in addition to project specific risks such as commercial, design, sourcing and construction risks. This has prompted a re-modelling and re-balancing of the Company's project portfolio over a period of time to minimise exposure to any single country that has high exposure to such risks. A process of careful selection of projects is being institutionalised to ensure adequate contractual

INDIA Engineers at grass root refinery in Bina

remediation for counterparty and geopolitical risks. For the residual uncovered geopolitical risk, sufficient risk transfer strategies are being sought, such as insurance cover, third party guarantee, local financing and JVs.

COMMODITY RISKS

Driven by supply side constraints and speculative activity, there has been unprecedented volatility in commodity prices in the last couple of years. Recent geopolitical events across MENA and its effects on higher oil prices have put further pressure. Prices of various commodities used directly or indirectly such as copper, aluminium, crude oil, steel have increased two to three times from their lows at the end of 2008. The upward pressure is likely to continue till the global demand-supply imbalance is restored.

Punj Lloyd continues to manage some of this risk by focusing on projects that have adequate escalation clauses. On others, the Company examines opportunities to transfer part or all of such risk on to the vendors. Adequate contingency is provided to cover the residual risk by using credible external commodity price forecasts.

INTERNAL CONTROLS & THEIR ADEQUACY

The Company has a proper and adequate system of internal controls commensurate with its size and business operations. These ensure:

- Timely and accurate recording of financial transactions and adherence to applicable accounting standards.
- Proper 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.
- 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. It has also implemented an IT based Statutory Compliance tracking tool to monitor compliance with applicable laws and regulations at various project sites and at the Head Office. The Internal Audit division conducts audits across the Company throughout the year to test check the internal control system. It reports observations to the Audit Committee of the Board and tracks the compliance status of the audit observations. Project reviews are also carried out by the

Internal Audit team as a part of internal control process.

FUTURE OUTLOOK

Clearly, over the last few years Punj Lloyd is in recovery mode. While the worst is over, the road ahead is also fairly challenging. The positive is that Punj Lloyd is well positioned across countries in the emerging markets and with experience across a wide variety of sectors to cater to the intrinsic need for infrastructure development in these countries. There continue to be uncertainties in North Africa and one is not sure when normalcy will return. Also, there may be some slowdown in economic growth in India in the near term with high interest rates slowing down investments in an environment of high inflation.

While these concerns exist, the macro-economic trends in terms of growth parameters are positive across the developing and emerging markets. As a Company, Punj Lloyd has entered 2011-12 with a healthy order book with a backlog of Rs. 20,557 crore worth of projects to be executed. There has been a good flow of new orders in 2010-11, not only in the Company's traditional areas of strength in pipelines but also in civil and infrastructure projects, and in new businesses like renewables. Simon Carves, which was going through a very difficult period has secured new orders with much better margins and is poised for a turnaround. The opportunities are there, but the Company has to focus on its internal capabilities and excel on the execution front. Punj Lloyd remains cautiously optimistic about its prospects in 2011-12.

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.

PUNJ LLOYD is well positioned across countries in the emerging markets and with experience across a wide variety of sectors to cater to the intrinsic need for infrastructure development in these countries.

Directors' Report

Your Directors are pleased to present the Twenty Third Annual Report and the audited accounts for the financial year ended March 31, 2011:

FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2011 is summarized below:

PARTICULARS	2010-11	2009-10
		RS. CRORE
Total Revenue	4480.20	7541.60
Profit Before Interest, Depreciation & Tax (PBIDT)	477.35	809.17
Less: Interest	310.11	263.80
Gross Profit	167.24	545.37
Less: Depreciation	156.52	132.68
Profit Before Tax (PBT)	10.72	412.69
Less: Provision for Taxation including Deferred Tax Charge	(1.66)	45.29
Profit After Taxation (PAT)	12.38	367.40
Add: Profit Brought Forward	910.81	648.47
Transfer from Foreign Project Utilised Reserve	-	0.75
Surplus Available for appropriation	923.19	1016.62
Appropriation		
Dividend on Equity Shares	4.98	4.99
Corporate Tax on Dividend	0.81	0.82
Amount transferred to General Reserve	-	40.00
Amount transferred to Debenture Redemption Reserve	-	60.00
Profit carried to Balance Sheet	917.40	910.81

CAPITAL STRUCTURE

During the year under review, the share capital of your Company was changed/ altered by further allotment of 9,450 equity shares of Rs. 2/- each to employees under ESOP 2005 and ESOP 2006 of the Company.

DIVIDEND

Your Directors have recommended a dividend of Re. 0.15 per equity share for the financial year ended March 31, 2011 amounting to Rs.5.79 crore (inclusive of tax of Rs.0.81 crore).

OPERATIONS REVIEW

During the year, your Company's operations were under pressure as a result of inflationery pressures on account of steep hike of commodities and oil prices, being critical inputs to the operations. The inflationery pressures forced Central Banks to adopt tight monetary policies, resulting into higher interest rates. The infrastructure sector was badly hit as a result thereof.

Total Revenues of your Company decreased from Rs. 7541.60 crore in FY 2009-10 to Rs. 4480.20 crore in FY 2010-11. Profit before interest, depreciation and tax (PBIDT) decreased by 41% from Rs. 809.17 crore in FY 2009-10 to Rs. 477.34 crore in FY 2010-11.

During the year, the unsecured loans of your Company have decreased from Rs. 472 crore to Rs. 336 crore. The secured loans have decreased during the year from Rs. 3031 crore to Rs. 2972 crore. During the year, the Company issued 10.50% Secured Redeemable Non Convertible Debentures aggregating to Rs. 300 crore.

Profit Before Tax (PBT) of the Company decreased from Rs. 412.69 crore in FY 2009-10 to Rs. 10.72 crore in FY 2010-11 and Profit After Tax (PAT) decreased from Rs. 367.40 crore in FY 2009-10 to Rs.12.38 crore in FY 2010-11.

BUSINESS REVIEW

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

SUBSIDIARY COMPANIES AND JOINT VENTURES

During the year, 14 new subsidiaries/ step down subsidiaries were added; these are Punj Lloyd Engineering Pte LTD, PLI Ventures Advisory Services Private Limited (formerly Vasuda Investment Advisory Services Private Limited), Punj Lloyd Solar Power Limited, Khagaria Purnea Highway Project Limited, Dayim Punj Lloyd Construction Contracting Company Limited, Punj Lloyd SDN BHD, Indtech Trading FZ LLC, Punj Lloyd Infrastructure PTE LTD (formerly Fullally PTE LTD), PLI Ventures Limited, Punj Llyod Kenya LTD, Sembawang Mining (kekal) PTE LTD, Sembawang International Limited, Sembawang (Tianjin) Investment Management Co. Ltd and PT Sembawang Indonesia.

Four step down subsidiaries viz. Spectra ISP Networks Private Limited, Construction Technology Pte Ltd, Sembawang (Hebei) Building Material Co. Ltd and Technodyne International Ltd. ceased to be subsidiaries of the Company.

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 am to 1.00 pm 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)

During the year 2010-11, the Company's focus was on improving execution by strengthening the existing processes through frequent audits, reports and meetings on HSE related matters. A regular HSE audit mechanism is implemented along with quality management systems. Safe work environment is established and being sustained through a united effort by all. Environmental management is promoted by managing our operations in a responsible way.

The Company's objective is to protect people's health, ensure zero injuries and avoid or minimise any environmental impact that can occur due to the operations. A detailed note on HSE practices and initiatives is included in Management Discussion and Analysis.

DIRECTORS

Mr. Luv Chhabra and Mr. Niten Malhan retire by rotation, and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. Necessary resolutions for reappointment have been included in the notice convening Annual General Meeting.

During the year, Mr. Scott R Bayman ceased to be a director of the Company with effect from July 2, 2010. Ms. Ekaterina A Sharashidze was appointed as an Additional Director of the Company with effect from December 28, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956. Ms. Ekaterina A Sharashidze would hold office till the date of the Annual General Meeting of the Company scheduled to be held on August 12, 2011. The Company has received requisite notice in writing from a member proposing her candidature for the office of Director liable to retire by rotation.

Mr. Luv Chhabra was appointed as a Whole-time Director of the Company for a period of five years with effect from July 1, 2006 and his term of office ends on June 30, 2011. In view of the contribution made by Mr. Luv Chhabra in the overall progress of the Company, it is proposed to re-appoint Mr. Luv Chhabra as Whole-time Director for a period of five years with effect from July 1, 2011.

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 regard to the Employee Stock Option Plan 2005 and Employee Stock Option Plan 2006 of the Company as on March 31, 2011 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.

ESOP

SL. NO	PARTICULARS	ESOP 2005		ESOP 2006
		NOV. 17, 2005	MAY 10, 2006	OCT. 30, 2006
1	Total No. of options granted	3,217,445	771,040	1,491,050
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)	Rs. 154.46 (being the market price as defined in SEBI guidelines)
3	Number of options vested	3,217,445	771,040	1,491,050
4	Number of options exercised	1,017,108	10,132	214,135
5	Total no. of shares arising as a result of exercise of options	1,017,108	10,132	214,135
6	Number of options lapsed	1,600,737	535,933	583,480
7	Number of options forfeited	Nil	Nil	Nil
8	Variation in terms of options	None	None	The remuneration committee had in its meeting held on Marc 30, 2009 revised the period of exercise of stock options from 1 months to three years.
9	Money realized by exercise of options (Rs. '000)	128,156	2,391	33,075
10	Total No. of options in force as on 31st March, 2011	599,600	224,975	693,435
11	Grant to Senior Management			
	- Number of options	1,850,545	352,935	1,002,800
	- Vesting period	4 Yrs	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	Mr. V. K. Kaushik*, Options granted - 75,000
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	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 employmen

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 of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from the statutory auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

The observations of the Auditors have been fully explained in Notes 12 and 13 in Annexure 1 to the Abridged Financial Statements and also Notes 29 and 30 in Schedule M to the complete set of Financial Statements.

	SEPT. 27, 2007	MAY 30, 2008	MARCH 30, 2009	JANUARY 22,2010	AUGUST 03,2010
	30,000	40,000	30,000	30,000	30,000
	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)
	9,000	6,000	9,000	Nil	Nil
	Nil	Nil	3000	Nil	Nil
	Nil	Nil	3000	Nil	Nil
	21,000	34,000	Nil	30,000	Nil
	Nil	Nil	Nil	Nil	Nil
ch 18	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
	Nil	Nil	271	Nil	Nil
	9,000	6,000	27,000	Nil	30,000
	30,000	40,000	30,000	30,000	30000
	4 Yrs	4 Yrs	4 Yrs	4 Yrs	4 Yrs
	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
nt w.e.f 31.08.2010		****Ceased to be in employment w.e.f 30.04.2010			

INTERNAL CONTROL SYSTEM

The Company's internal control system is commensurate to the size and nature of its business and it:

- Ensures timely and accurate financial reporting in accordance with applicable accounting standards;
- Ensures optimum utilization, efficient monitoring, timely maintenance and safety of assets;
- Compliance with applicable laws, regulations, listing agreements and management policies;
- Effective management information system and review of other systems.

The Company has an Oracle based ERP System across business units and all processes like Procurement, Inventory Management, Vendor Payments, Accounts Receivables, Fixed Assets and Financial Accounting are on this platform. ERP ensures greater uniformity, swift exchange of information and alignment of business units in different geographies.

During the year Legal Tracker was implemented through intranet to capture status and cost of legal cases, process of e-payment and e-bidding were also implemented for increased automation and control. For test checks on the Internal Controls, the Internal Audit Division conducts audits across the Company throughout the year, reports the observations to the Audit Committee and tracks the compliance status of the audit observations. Data Analysis through Computer Assisted Auditing Techniques (CAAT) is an integral part of Internal Audit. Project reviews covering various aspects of project are carried out by the Internal Audit team as part of internal control on a regular basis.

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 take this opportunity to thank the customers, shareholders, business associates, banks, financial institutions, various statutory authorities and Central & State Governments for their consistent support and encouragement to the Company. Your Directors also place on record their sincere appreciation for the dedication and committed services rendered by the employees at all levels.

For and on Behalf of the Board

Atul Punj
Chairman

Place : Gurgaon
Date : May 30, 2011

Corporate Governance

Punj Lloyd Limited (Punj Lloyd) believes that the essence of corporate governance is transparency, accountability, investor protection, better compliance of statutory laws and regulations leading to value creation for stakeholders.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good Corporate Governance practices are crucial for enhancement and retention of stakeholders' trust. The Company has always been committed to the principles of good Corporate Governance to promote the effective functioning of the Board and its Committees. The Board is also responsible for ensuring that the Company's management and employees operate with the highest degree of ethical standards. 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

On March 31, 2011, Punj Lloyd's 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 2010-11, the Board of the Company met 5 times on May 13, 2010, May 28, 2010, August 03, 2010, November 01, 2010 and February 07, 2011. 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.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

1 COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2011

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	7	3	4	5	5	Yes
Mr. Luv Chhabra	Executive	5	3	2	5	5	Yes
Mr. Pawan Kumar Gupta	Executive	7	4	1	5	5	Yes
Mr. Scott R. Bayman[3]	Independent	-	-	-	2	0	No
Dr. Naresh Kumar Trehan	Independent	3	-	-	5	5	Yes
Mr. Sanjay Gopal Bhatnagar	Independent	-	-	-	5	3	No
Mr. Niten Malhan	Non-Executive	6	5	-	5	4	No
Mr. Phiroz A Vandrevala	Independent	2	-	-	5	5	Yes
Ms. Ekaterina A Sharashidze[4]	Independent	-	-	-	1	1	N.A.

Notes

1.The Directorships held by Directors as mentioned above do not include alternate directorships and directorships in 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) have been considered.

3.Mr. Scott R Bayman resigned from the directorship of the Company w.e.f. July 2, 2010.

4.Ms. Ekaterina A Sharashidze was appointed as an Additional Director w.e.f. December 28, 2010.

DIRECTORS WITH MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

As mandated by Clause 49, the independent Directors on Punj Lloyd's Board:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executives of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
  - Statutory audit firm or the internal audit firm that is associated with the company
  - Legal firm(s) and consulting firm(s) that have a material association with the company
- Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect independence of the Director.
- Are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares.
- Are not less than 21 years of age.

The Company does not have any pecuniary relationship with any non-executive or independent director except for payment of commission, sitting fee of Rs. 10,000 per meeting 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, 2011.

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 segments
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Information on recruitment and remuneration

2 REMUNERATION PAID OR PAYABLE TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2011

RS. '000

NAME OF THE DIRECTOR	SALARY	SITTING FEES	PERQUISITES	DEFERRED BENEFITS (PF & SUPERANNUATION)	PERFORMANCE INCENTIVES	TOTAL
Mr. Atul Punj	-	-	-	-	-	-
Mr. Luv Chhabra	12,000	-	13,642	1,440	-	27,082
Mr. Pawan Kumar Gupta	12,000	-	7,103	1,440	-	20,543
Mr. Scott R. Bayman[1]	-	-	-	-	-	-
Dr. Naresh Kumar Trehan	-	50	-	-	-	50
Mr. Sanjay Gopal Bhatnagar	-	30	-	-	-	30
Mr. Niten Malhan	-	-	-	-	-	-
Mr. Phiroz A Vandrevala	-	50	-	-	-	50
Ms. Ekaterina A Sharashidze[2]	-	10	-	-	-	10

Notes

1.Mr Scott R Bayman, Independent Director, ceased to be a director w.e.f July 2, 2010.

2.Ms. Ekaterina A Sharashidze was appointed as an Additional Director w.e.f December 28, 2010.

3.None of the Directors is related to each other.

3 DETAILS OF STOCK OPTION TO DIRECTORS AS ON MARCH 31, 2011

NAME OF THE DIRECTOR	TOTAL NO. OF OPTIONS *	OPTIONS VESTED TILL 31 MARCH 2011	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	-

Notes

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

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 department/ projects regarding compliance with 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.

4 DETAILS OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31,2011

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	-

As on March 31, 2011, none of the Non-Executive Directors held any convertible instruments of the Company.

5 ATTENDANCE RECORD OF AUDIT COMMITTEE MEMBERS FOR 2010-11

NAME OF MEMBER	STATUS	CATEGORY	NO. OF MEETINGS	
			HELD	ATTENDED
Dr. Naresh Kumar Trehan	Chairman	Independent	5	5
Mr. Sanjay Gopal Bhatnagar	Member	Independent	5	2
Mr. Phiroz A Vandrevala	Member	Independent	5	5
Mr. Niten Malhan	Member	Non-Executive	5	4

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on March 31, 2011, Punj Lloyd's 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 5 times during the course of the year on: April 21, 2010, May 28, 2010, August 3, 2010, November 1, 2010 and February 7, 2011. 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:

- 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 Directors' 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 agreement 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 its 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

Punj Lloyd's Remuneration Committee is responsible for recommending the fixation and periodic revision of remunerations of the Directors, subject to 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.

6 ATTENDANCE RECORD OF REMUNERATION COMMITTEE MEMBERS FOR 2010-11

NAME OF MEMBER	CATEGORY	STATUS	NO. OF MEETINGS	
			HELD	ATTENDED
Dr. Naresh Kumar Trehan	Independent	Member	3	3
Mr. Sanjay Gopal Bhatnagar	Independent	Member	3	2
Mr. Phiroz A Vandrevala	Independent	Member	2	2
Mr. Niten Malhan	Non-Executive	Member	3	2

The payment to Non-Executive Directors is made in the form of sitting fees for attending the Board Meetings and commission on profits. The shareholders of the Company have in the annual general meeting held on July 27, 2007 approved the payment of commission to Non-Executive Directors upto 1% of net profits of the Company for each year, calculated as per the provisions of the Companies Act, 1956. Actual commission to be paid to Non-Executive Directors for the year is decided by the Board of Directors, taking into consideration, inter alia the performance of the Company and attendance of Non-Executive Directors at the board meetings.

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 3 times during the year: on May 28, 2010, August 3, 2010 and February 7, 2011. Table 6 gives the attendance details.

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

7 ATTENDANCE RECORD OF SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE MEMBERS FOR 2010-11

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

Company and/or to the Registrar and Share Transfer Agents appointed by the Company. 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 May 28, 2010 and February 7, 2011, as detailed in Table 7.

During the year 2010-11, the Company received a total of 88 queries/complaints from various shareholders relating to change of address, non-receipt of dividend, annual report, change of bank account details, transfer/ dematerialisation of shares etc. The same were attended to the satisfaction of the shareholders. At the end of the year March 31, 2011 no complaint was pending for redressal and no shares were pending for transfer/ dematerialisation.

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:

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 2010-11.

for Punj Lloyd Limited

Atul Punj
Chairman

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.

As on March 31, 2011, Punj Lloyd had no material non-listed Indian subsidiary.

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.

CEO/ CFO CERTIFICATION

The CEO and CFO certification of the financial statements for the year is enclosed at the end of the report.

SHAREHOLDERS

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

MR. LUV CHHABRA

Mr. Luv Chhabra is retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Brief resume of Mr. Luv Chhabra is as under: Mr. Luv Chhabra is an engineering graduate from Indian Institute of Technology, Delhi and an MBA from the Faculty of Management Studies, Delhi University. He joined Punj Lloyd in 2000 with his rich experience of around three decades in the oil & gas and construction sectors.

Mr. Chhabra started his career with Bharat Petroleum, moving to join Bharat Shell in 1996 as Deputy Managing Director. In Bharat Shell, he played a key role in major projects, besides being responsible for the Finance and Accounts for the company and operations of the lubricants blending plant.

In 1997, Mr. Chhabra joined Petronet India Ltd as Managing Director where he was responsible for setting it up as a financial holding company for joint ventures that constructed

and operated liquid hydrocarbon pipelines on the principle of common carrier. Before joining Punj Lloyd, Mr. Chhabra was the Managing Director of KEC International Ltd, a global leader in turnkey design, engineering and construction of high voltage transmission system, where he supervised the company's projects in over 10 countries in the Middle East, South East Asia, Indian subcontinent and African region.
Mr. Chhabra is responsible for Corporate Affairs and plays a key role in furthering the Company's business. Mr. Chhabra's vast experience stands the Company in good stead while closing financing arrangements and strategic ventures.

MR. NITEN MALHAN

Mr. Niten Malhan is retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Brief resume of Mr. Niten Malhan is as under: Mr. Niten Malhan is an engineering graduate from the Indian Institute of Technology, Delhi and an MBA from the Indian Institute of Management, Ahmedabad. Mr. Malhan is currently the Managing Director of Warburg Pincus India Private Limited, focusing on the firm's investment activities in India.

Earlier in his career, Mr. Malhan was an Engagement Manager with McKinsey & Company and consulted clients across a range of industries on strategic, operational and organizational issues. He worked across several offices of McKinsey, including Delhi, Mumbai, Jakarta and Boston. Mr. Malhan also had an entrepreneurial stint at a technology start-up in Silicon Valley, Stratum8, where he led business development activities.

MS. EKATERINA A SHARASHIDZE

Ms. Ekaterina A Sharashidze holds a Bachelor's Degree in Economics, English and Art History from Saint Joseph's University and University of Pennsylvenia, a Master's Degree in Public Policy from Harvard Kennedy School of Government and an MBA from MIT Sloan School of Management.

Ms. Ekaterina is an Executive Director and a Board Member of Samena Capital as well as a Board Member of Renaissance Services SAOG. Previously, Ms. Ekaterina has served in the Government of Georgia for over 5 years and has held high-level cabinet posts such as the Minister of Economic Development, the Head of the Administration of the President (twice) and the Chief Advisor to the President on Economic Development and Foreign Direct Investments.

As the Minister of Economy, Georgia, Ms. Ekaterina spearheaded major economic reforms in the country coupled with aggressive privatisation and liberalisation policies, deregulation and elimination of trade barriers, leading Georgia to 11th place worldwide according to the World Bank 'Ease of Doing Business' ranking, achieved unprecedented economic growth and attracted record foreign direct investments.

Ms. Ekaterina was instrumental in creating Financial Services Authority of Georgia and served as the Vice Chairperson of the Board. Moreover, Ms. Ekaterina played a major role in the debut of the Sovereign Eurobond and the inception of the Sovereign Wealth Fund and Future Generations Fund.

With over 15 years of hands-on business experience in North America, Europe, developed and emerging markets, ranging from management consulting at Booz & Co. to poverty alleviation and private sector development at the United Nations, from investment banking to venture capital, Ms. Ekaterina brings a wide variety of skills and in-depth knowledge.

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.

During the year, the quarterly results of the Company's performance have been published in leading newspapers such as 'Hindu Business Line' in English and 'Rashtriya Sahara' in Hindi.

The Company's quarterly results are generally published in the newspapers detailed above and also posted on its website www.punjlloyd.com.

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.

GENERAL BODY MEETINGS

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

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 12 and 13 in Annexure 1 to the Abridged Financial Statements and also Notes 29 and 30 in schedule M to the complete set of Financial Statements. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

8 DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

FINANCIAL YEAR	DATE	TIME	VENUE	NO. OF SPECIAL RESOLUTIONS PASSED
2007-08	July 28, 2008	10.30 A.M.	Air Force Auditorium, Subroto Park New Delhi 110010	1
2008-09	July 28, 2009	12 Noon.	FICCI Golden Jubilee Auditorium Federation House, Tansen Marg New Delhi 110001	2
2009-10	August 2, 2010	10.30 A.M.	Air Force Auditorium, Subroto Park New Delhi 110010	Nil

During the year no resolution was passed through postal ballot.

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 practices.

CEO/CFO CERTIFICATION

The Board of Directors,
Punj Lloyd Limited
Corporate Office 1, 78,
Institutional Area, Sector 32,
Gurgaon 122 001

Dear Sirs,

We, the undersigned hereby certify to the Board that:

- We have reviewed financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
  - 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.
- 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.
- 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.
- We have indicated to the auditors and Audit Committee
  - Significant changes in internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - 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, Chairman
Predeep Kumar Gupta, President-(Finance & Accounts)

Place: Gurgaon
Date: May 30, 2011

Additional Shareholder Information

ANNUAL GENERAL MEETING

Date	August 12, 2011
Time	10:30 A.M.
Venue	Air Force Auditorium, Subroto Park,New Delhi 110 010

FINANCIAL CALENDAR

April 1 to March 31

For the year ended March 31, 2011, results were announced on:

First quarter	August 3, 2010
Second quarter	November 1, 2010
Third quarter	February 7, 2011
Fourth quarter and annual	May 30, 2011

For the year ending March 31, 2012, results will be announced by:

First quarter	Second week of August 2011
Second quarter	Second week of November 2011
Third quarter	Second week of February 2012
Fourth quarter / Annual	Second week of May 2012 / Last week of May 2012

BOOK CLOSURE

The Register and Share Transfer Books will be closed from Friday, August 5, 2011 to Friday, August 12, 2011 (both days inclusive) as annual closure for the Annual General Meeting.

LISTING

Equity shares of Punj Lloyd Limited are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

STOCK CODES

Bombay Stock Exchange	532693
National Stock Exchange	PUNJLLOYD
ISIN No.	INE701B01021

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

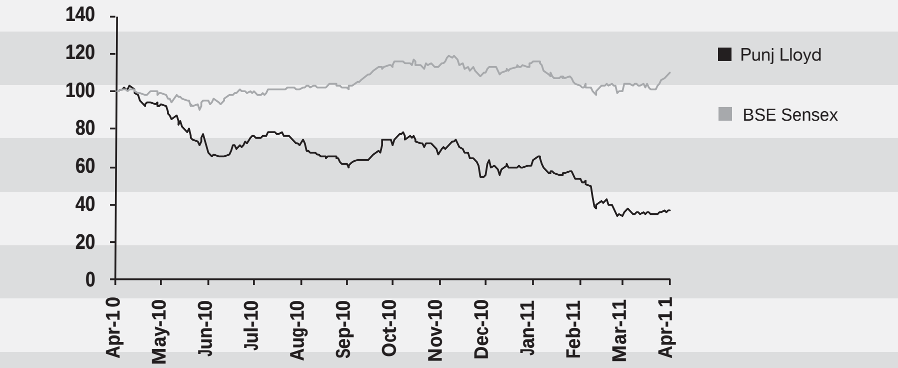
STOCK DATA

Table 9 gives the monthly high and low prices and volumes of Punj Lloyd Limited's equity shares at BSE and NSE for the financial year 2010-11.

9 HIGH AND LOW PRICES, AND TRADING VOLUMES AT THE BSE AND NSE

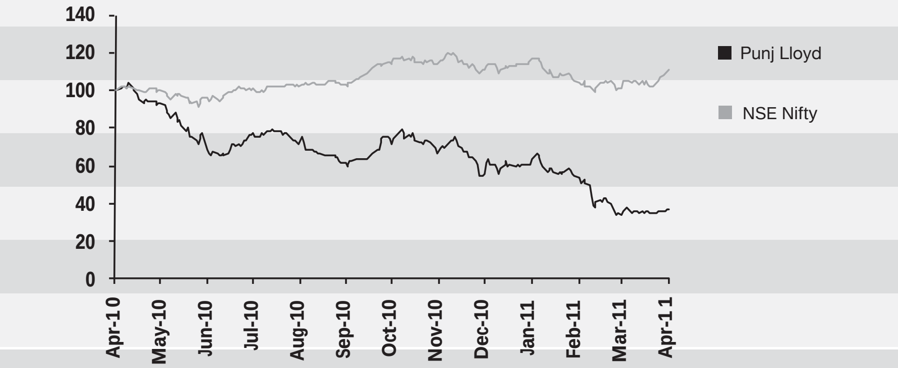
MONTH	BSE			NSE		
	HIGH (RS.)	LOW (RS.)	VOLUME (NUMBER)	HIGH (RS.)	LOW (RS.)	VOLUME (NUMBER)
APR 2010	185.00	162.10	1,23,60,438	184.15	162.05	45,904,250
MAY 2010	166.50	118.85	1,95,44,677	165.95	118.75	61,348,818
JUN 2010	136.90	112.90	3,20,32,042	136.80	112.85	103,453,865
JUL 2010	141.95	126.00	1,27,12,637	142.00	125.80	48,202,971
AUG 2010	134.40	104.50	1,77,83,238	150.10	104.60	71,037,449
SEP 2010	135.00	105.80	3,02,29,797	135.20	105.60	98,552,395
OCT 2010	142.30	115.35	2,43,74,583	142.25	114.80	90,086,581
NOV 2010	134.80	81.00	2,27,79,944	134.70	79.15	77,946,002
DEC 2010	114.00	95.00	2,14,65,982	114.20	93.00	74,139,119
JAN 2011	117.40	92.60	1,50,17,980	117.40	90.00	53,600,523
FEB 2011	95.60	58.50	5,16,67,226	95.50	58.30	163,417,455
MAR 2011	67.40	59.95	2,74,38,049	67.45	59.90	90,749,319

A SHARE PRICES OF PUNJ LLOYD LIMITED VS BSE SENSEX



Punj Llyod share price & BSE Sensex are indexed to 100 as on April 1, 2010

B SHARE PRICES OF PUNJ LLOYD LIMITED VS NSE NIFTY



Punj Llyod share price & NSE Nifty are indexed to 100 as on April 1, 2010

STOCK PERFORMANCE

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

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

SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

The Company effects 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
T+91-040-44655000
F +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 Comapny has established connections with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its Share Transfer Agent.

Shares received in physical form for transfer/ split etc. 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.

10 NUMBER AND NATURE OF COMPLAINTS RECEIVED DURING THE YEAR 2010-11

PARTICULARS	COMPLAINTS				
	NON-RECEIPT OF CERTIFICATES	CHANGE OF ADDRESS	NON-RECEIPT OF DIVIDEND	OTHERS (NON-RECEIPT OF ANNUAL REPORTS/ NON RECEIPT OF DEMAT CREDIT, ETC.	TOTAL
Received during the year	4	1	62	21	88
Attended during the year	4	1	62	21	88
Pending as on March 31, 2011	Nil	Nil	Nil	Nil	Nil

11 DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011

CATEGORY		TOTAL NO. OF SHARES	PERCENTAGE
A.	Shareholding of Promoter & Promoter Group		
a.	Indian Promoters	46,151,755	13.90
b.	Foreign Promoters	77,121,970	23.22
	Total shareholding of Promoter & Promoter Group	123,273,725	37.12
B.	Public Shareholding		
1	Institutions		
a.	Mutual Funds and UTI	22,644,481	6.82
b.	Banks/ Financial Institutions	22,208,053	6.69
c.	FIIs	32,634,319	9.83
2	Non - institutions		
a.	Bodies Corporate	28,019,306	8.44
b.	Resident individuals	96,430,834	29.03
3	Others		
a.	Non resident Indians	5,012,401	1.50
b.	Trusts	294,135	0.09
c.	Clearing Members	1,578,491	0.48
	Total Public shareholding	208,822,020	62.88
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

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded at the Stock Exchange. 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.

As on March 31, 2011, there were 4,64,942 shareholders holding 332,078,139 equity 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 Comapny on any share transfer matter. Table 10 gives details about the nature of complaints and their status as on March 31, 2011.

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, 2011 shall remain frozen till the rightful owner of such shares claims the shares.

SHAREHOLDING PATTERN

Table 11 & 12 gives the pattern of shareholding.

OUTSTANDING GDRs/WARRANTS AND CONVERTIBLE BONDS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company had issued five years and one day Zero Coupon US$ denominated Foreign Currency Convertible Bonds (FCCB) for an aggregate value of USD 125 million during the year 2006-07. Of this, FCCB amounting to USD 75.30 million (60.24%) were converted into equity shares on exercise of option by the bond holders. The balance FCCB were redeemed by the Company on the maturity date (April 8, 2011) at the redemption value of USD 62.55 (Rs. 275.21 Crore).

PLANT LOCATION

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.

COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

Mr. Dinesh Thairani, Group Head - Legal & Company Secretary, is the Compliance Officer for investor redressal matters of the Company.

12 SHAREHOLDING PATTERN BY SIZE AS ON MARCH 31, 2011

SHAREHOLDING CLASS	NO OF SHAREHOLDERS	% OF SHAREHOLDERS	NO OF SHARES HELD	SHAREHOLDING %
1-5000	462432	99.03%	80185561	24.15%
5001-10000	2680	0.57%	9661721	2.91%
10001-20000	977	0.21%	7118038	2.14%
20001-30000	239	0.05%	2947807	0.89%
30001-40000	137	0.03%	2439722	0.73%
40001-50000	84	0.02%	1899071	0.57%
50001-100000	183	0.04%	6509585	1.96%
100001 & Above	219	0.05%	221334240	66.65%
Total	466951	100%	332095745	100%

INVESTOR CORRESPONDENCE ADDRESS

Company	Dinesh Thairani Group Head - Legal & Company Secretary Punj Lloyd Ltd. Corporate Office 1, 78, Institutional Area, Sector 32, Gurgaon 122001 Tel. No. +91-124-2620493; Fax No. +91-124-2620111 e-mail: dthairani@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: investor@cdslindia.com

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.

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, 2011, 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
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028
Place: Gurgaon
Date: May 30, 2011

SUBSIDIARY COMPANIES' PARTICULARS

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

Amount in INR' 000

Name of Subsidiary	% holding of Group as on March 31, 2011	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2011	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	5.1110	170,900	672,778	2,596,853	1,753,175	-	1,529,653	42,322	24,251	18,071	-
Punj Lloyd Kazakhstan LLP	100.00%	Kazakhastan	KZT	0.3063	362,798	31,356	2,403,244	2,009,090	-	1,835,855	72,930	16,239	56,692	-
Punj Lloyd International Ltd	100.00%	British Virgin Islands	USD	45.2400	4,452	18,811	53,724	30,461	25,355	-	(10,156)	-	(10,156)	-
Spectra Punj Lloyd Ltd	100.00%	India	INR	1.0000	50,000	21,544	143,601	72,057	-	49,431	1,857	8,419	(6,562)	-
Punj Lloyd Industries Ltd	100.00%	India	INR	1.0000	115,002	1,615	117,586	969	5,000	1,781	1,073	431	642	-
Atna Investments Ltd	100.00%	India	INR	1.0000	50,422	(46,556)	19,718	15,851	386	1,756	(11,734)	74	(11,808)	-
PLN Construction Ltd	100.00%	India	INR	1.0000	20,000	163,802	536,495	352,693	-	260,597	20,219	6,531	13,688	-
PL Engineering Ltd (formely Known as Simon carvs India Ltd.)	80.32%	India	INR	1.0000	262,300	518,156	998,028	217,572	-	1,236,090	202,253	65,262	136,991	-
Technodyne Engineers Ltd	80.32%	India	INR	1.0000	500	(55)	487	42	-	-	(55)	-	(55)	-
Punj Lloyd Infrastructure Ltd	100.00%	India	INR	1.0000	151,500	(53,744)	857,438	759,683	-	11	(10,271)	-	(10,271)	-
Punj Lloyd Upstream Ltd	100.00%	India	INR	1.0000	626,940	26,030	2,283,392	1,630,422	-	772,583	9,708	2,818	6,890	-
Punj Lloyd Aviation Ltd	100.00%	India	INR	1.0000	637,987	(247,694)	1,319,592	929,299	459,392	68,004	(48,265)	-	(48,265)	-
Sembawang Infrastructure (India) Pvt. Ltd.	100.00%	India	INR	1.0000	95,750	(77,039)	365,266	346,555	-	278,043	(9,952)	-	(9,952)	-
Indtech Global Systems Ltd (formerly known as Punj Lloyd Systems Pvt Ltd)	99.99%	India	INR	1.0000	8,243	17,433	25,870	194	-	373	(9,174)	50	(9,224)	-
Punj Lloyd SKIL Marine Systems Ltd	51.00%	India	INR	1.0000	2,000	(88)	1,926	14	-	-	(17)	-	(17)	-
Spectra ISP Networks Pvt Ltd (formerly known as PL Engineering Pvt Ltd) @	0.00%	India	INR	1.0000	-	-	-	-	-	-	-	-	-	-
Punj Lloyd Pte Ltd	100.00%	Singapore	SGD	36.0800	2,997,139	5,840,840	26,672,582	17,834,603	1,423,216	5,867,366	943,074	125,768	817,306	-
PLI Ventures Advisory Services Pvt Limited (formely Vasuda Investment Advisory Services Pvt. Ltd.)	51.00%	India	INR	1.0000	101	(9,380)	6,643	15,922	-	-	(9,380)	-	(9,380)	

SUBSIDIARY COMPANIES' PARTICULARS

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

Amount in INR' 000

Name of Subsidiary	% holding of Group as on March 31, 2011	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2011	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
Dayim Punj lloyd Construction Contracting Company Limited	51.00%	India	SAR	12.3900	24,072	(217,081)	2,180,697	2,373,706		183,267	(61,129)	-	(61,129)	
Punj Lloyd Engineers and Constructors Pte Ltd. (formerly known as Abu Dhabi Engineers and Constructors Pte Ltd)	100.00%	Singapore	SGD	36.0800	-	(119,840)	12,287	132,127	-	-	(51,790)	-	(51,790)	-
PT Sempec Indonesia	100.00%	Indonesia	USD	45.2400	302,418	(163,863)	523,232	384,676	-	195,899	4,444	6,059	(1,615)	-
Punj Lloyd Oil & Gas (Malaysia) Sdn Bhd	100.00%	Malaysia	MYR	14.7030	11,027	1,253,033	6,589,219	5,325,159	-	9,348,534	765,363	240,875	524,488	-
Buffalo Hills Ltd	100.00%	Gibraltar	USD	45.2400	45	11,872	67,928	68,651	67,860	13,936	11,386	-	11,386	-
Technodyne International Ltd	0.00%	United Kingdom	GBP	72.9700	7	92,754	130,038	37,276	-	148,416	13,710	4,217	9,493	-
Simon Carves (Singapore) Pte Ltd.	100.00%	Singapore	SGD	36.0800	18,040	28,589	716,097	669,469	-	1,225,434	154,744	6,952	147,792	-
Simon Carves Ltd	100.00%	United Kingdom	GBP	72.9700	27,736	(15,692,549)	3,975,055	19,639,869	-	2,051,073	(759,890)	-	(759,890)	-
Sembawang Simon Carves De Mexico S.A. De C.V.	100.00%	Mexico	MXN	3.6561	- Reported under Simon Carves Ltd -					-	-	-	-	-
Punj Lloyd Delta Renewables Pte Ltd	51.00%	Singapore	USD	45.2400	18,458	(9,633)	19,687	10,862	-	-	(4,332)	-	(4,332)	-
Punj Lloyd Delta Renewables Pvt Ltd	51.00%	India	INR	1.0000	1,868	35,226	479,416	442,322	-	538,514	46,401	13,907	32,494	-
Delta Solar (Bangladesh) Ltd	51.00%	Bangladesh	BDT	0.6151	185	(435)	10	261	-	-	(80)	-	(80)	-
Sembawang Engineers & Constructors Pte. Ltd	96.78%	Singapore	SGD	36.0800	6,726,209	(1,934,903)	14,706,478	9,915,172	5,464	15,714,174	171,972	183,223	(11,251)	-
Sembawang UAE Pte Ltd.	96.78%	Singapore	SGD	36.0800	559,240	(559,708)	54,638	55,106	-	-	(120,591)	(11,389)	(109,202)	-
Sembawang Development Pte Ltd.	96.78%	Singapore	SGD	36.0800	36,080	(240,556)	634,651	839,127	97,785	745	(226,144)	-	(226,144)	-
PT Indo Precast Utama	96.78%	Indonesia	SGD	36.0800	33,411	(114,382)	15,116	96,087	-	-	-	-	-	-
Construction Technology Pte Ltd	0.00%	Singapore	SGD	36.0800	-	-	-	-	-	58,518	(43,064)	-	(43,064)	-
Contech Trading Pte Ltd	96.78%	Singapore	SGD	36.0800	180,400	16,872	199,494	2,222	-	-	(153)	-	(153)	-
PT Contech Bulan	58.07%	Indonesia	IDR '000	5.1110	5,111	(8,047)	3	2,938	-	-	-	-	-	-

SUBSIDIARY COMPANIES' PARTICULARS

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

Amount in INR' 000

Name of Subsidiary	% holding of Group as on March 31, 2011	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2011	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
Construction Technology (B) Sdn. Bhd.	96.78%	Brunei	SGD	36.0800	18,040	(333,589)	1,883	317,429	-	-	1,372	-	1,372	-
Sembawang Infrastructure (Mauritius) Ltd	96.78%	Mauritius	USD	45.2400	12,215	1,628	14,051	209	-	-	90	(27)	117	-
SC Architects & Engineers Pte. Ltd.	96.78%	Singapore	SGD	36.0800	18,040	(1,097)	17,130	188	-	-	(26)	-	(26)	-
Sembawang (Malaysia) Sdn Bhd	96.78%	Malaysia	MYR	14.7030	11,027	(50,143)	5,093	44,209	-	-	(598)	552	(1,150)	-
Jurubina Sembawang (M) Sdn Bhd	96.78%	Malaysia	MYR	14.7030	-	-	-	-	-	-	-	-	-	-
Sembawang Engineers and Constructors Middle East FZE	96.78%	United Arab Emirates	AED	12.6400	12,640	(1,904,586)	173,230	2,065,175	-	-	(23,018)	-	(23,018)	-
Sembawang Bahrain SPC	96.78%	Bahrain	BHD	120.9787	72,587	(35,353)	45,217	7,982	-	-	39,468	-	39,468	-
PT Indo Unggul Wasturaya	64.85%	Indonesia	IDR '000	5.1110	5,672	(11,970)	3,072	9,370	-	-	-	-	-	-
Sembawang (Tianjin) Construction Engineering Co Ltd	67.75%	China	RMB	6.9613	173,145	(36,726)	225,901	89,483	-	11,983	(41,924)	-	(41,924)	-
Sembawang (Hebei) Building Material Co Ltd	0.00%	China	RMB	6.9613	-	-	-	-	-	-	(5,682)	-	(5,682)	-
Sembawang Caspi Engineers and Constructors LLP	48.39%	Kazakhastan	KZT	0.3063	-	-	-	-	-	-	-	-	-	-
Sembawang Libya General Contracting & Investment Company	62.91%	Libya	LYD	36.9042	22,143	(44,706)	2,287	24,850	-	-	(40,614)	-	(40,613)	-
Sembawang Hong Kong Ltd	96.78%	Hong Kong	HKD	5.8334	-	(960)	54,177	55,138	-	-	6,548	-	6,548	-
Punj Lloyd Solar Power Limited	100.00%	India	INR	1.0000	151,000	(762)	150,265	28		362	(762)		(762)	
Khagaria Purnea Highway Project limited	100.00%	India	INR	1.0000	-	-	-	-	-	-	-	-	-	-
Indtech Trading FZ LLC	100.00%	United Arab Emirates	AED	12.6400	12,640	(701)	13,884	1,945	-	82	(701)	-	(701)	-
Sembawang (Tianjin) Investment Management Co. Ltd	96.78%	China	RMB	6.9613	3,438	(304)	224,134	220,999	-	-	(294)	-	(294)	-

SUBSIDIARY COMPANIES' PARTICULARS

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

Amount in INR' 000

Name of Subsidiary	% holding of Group as on March 31, 2011	Country of Incorporation	Reporting Currency	Exchange rate as on March 31, 2011	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 Mining(Kekal) Pte Ltd	96.78%	Singapore	SGD	36.0800	-	984,456	2,600,246	1,615,791	-	-	925,246	-	925,246	-
PLI Ventures Limited	100.00%	Mauritius	USD	45.2400	452	(11,757)	151,993	163,298	-	-	(11,274)	-	(11,274)	-
PT Sembawang Indonesia	96.78%	Indonesia	IDR '000	5.1110	-	-	-	-	-	-	-	-	-	
Punj Lloyd Kenya Ltd.	100.00%	Kenya	KES	0.5356	-	-	-	-	-	-	-	-	-	-
Punj Lloyd Infrastructure Pte Ltd (formally Fullally Pte Limited)	100.00%	Singapore	SGD	36.0800	-	(230)	-	230	-	-	(216)	-	(216)	-
Punj Lloyd Engineering Pte limited (formely Vilia Pte Limited)	80.32%	Singapore	SGD	36.0800	-	-	-	-	-	-	-	-	-	-
Punj Lloyd Sdn Bhd	100.00%	Malaysia	MYR		3,676	615	3,124	(1,166)		11,958	596	-	596	-
Sembawang Equity Capital Pte Ltd	96.78%	Singapore	SGD	36.0800	-	(6,926)	-	6,926	-	-	(6,509)	-	(6,509)	-

@ These entities are held with an intention of disposal in near future, hence excluded from consolidation.
# 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 : May 30, 2011

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 as at March 31, 2011 and the abridged profit and loss account and 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. 25,733,173 thousand as at March 31, 2011, total revenue of Rs. 13,273,095 thousand and cash flows amounting to Rs. 2,025,443 thousand 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. 1,160,918 thousand as at March 31, 2011, total revenue of Rs. 1,979,803 thousand and cash flows amounting to Rs. 373,499 thousand 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 12 of Annexure I to the abridged financial statements (Corresponding to note 30 of schedule 'M' to the complete set of financial statements). The Company during the previous year had taken credit for a claim of Rs. 2,430,300 thousand on a contract and had also not accounted for liquidated damages amounting to Rs. 654,891 thousand deducted by the customer in view of the reasons stated in the said note. Further, there are other debtors outstanding of Rs. 844,527 thousand and unbilled work in progress inventory of Rs. 1,603,397 thousand relating to the said contract as at March 31, 2011. Due to the uncertainty over ultimate collection of the said amounts, we are unable to comment on the same. Our previous year ended March 31, 2010 audit report was also qualified in respect of the same matter.*

   (b) *Attention is invited to note 13 of Annexure I to the abridged financial statements (Corresponding to note 31 of schedule 'M' to the complete set of financial statements). The Company during the year has taken credit for a claim of Rs. 897,346 thousand on two contracts, which are pending acceptance by the customers. Due to the uncertainty over ultimate collection of the said amounts, we are unable to comment on the same.*

4. *As stated in note 8 of Annexure I to the abridged financial statements (Corresponding to note 18 of schedule 'M' to the complete set of financial statements), due to civil and political disturbances and unrest in Libya, the work on all the projects in Libya has stopped. There are aggregate assets of Rs. 9,909,622 thousand, aggregate revenues of Rs. 1,954,565 thousand, profits before tax of Rs. 96,816 thousand, and cash flows of Rs.1,803,620 thousand for the year then ended in Libya Branch, which have been audited by another auditor in Libya. However, we were unable to perform certain procedures that we considered necessary under the requirements of Statement on Auditing SA600 (Using the work of another auditor) issued by the Institute of Chartered Accountants of India, including obtaining corroborative information and/ or audit evidence, in relation to certain components of financial statements of Libya Branch. The ultimate outcome of above matters cannot presently be ascertained in view of the uncertainty as stated above. Accordingly, we are unable to comment on the consequential effects of the foregoing on the financial statements.*

5. Without qualifying our opinion, we draw attention to note 5 of Annexure I to the abridged financial statements (Corresponding to note 11(a) of schedule 'M' to the complete set of financial statements), regarding deductions made/ amounts withheld by some customers aggregating to Rs. 725,128 thousand on various accounts which are being carried as sundry debtors. Due to dispute 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.

6. *Subject to the effects of our observation in paragraph 3 and 4 above, the impact whereof on the Company's profits is not presently ascertainable,* 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, 2011 prepared in accordance with Schedule VI to the Companies Act, 1956 and covered by our report dated May 30, 2011 to the members of the Company, which report is attached.

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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, 2011 and also the Profit and Loss account 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. 25,733,173 thousand as at March 31, 2011, total revenue of Rs. 13,273,095 thousand and cash flows amounting to Rs. 2,025,443 thousand 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. 1,160,918 thousand as at March 31, 2011, total revenue of Rs. 1,979,803 thousand and cash flows amounting to Rs. 373,499 thousand 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 30 of schedule 'M' to the financial statements. The Company during the previous year had taken credit for a claim of Rs. 2,430,300 thousand on a contract and had also not accounted for liquidated damages amounting to Rs. 654,891 thousand deducted by the customer in view of the reasons stated in the said note. Further, there are other debtors outstanding of Rs. 844,527 thousand and unbilled work in progress inventory of Rs. 1,603,397 thousand relating to the said contract as at March 31, 2011. Due to the uncertainty over ultimate collection of the said amounts, we are unable to comment on the same. Our previous year ended March 31, 2010 audit report was also qualified in respect of the same matter.*

   (b) *Attention is invited to note 31 of schedule 'M' to the financial statements. The Company during the year has taken credit for a claim of Rs. 897,346 thousand on two contracts, which are pending acceptance by the customers. Due to the uncertainty over ultimate collection of the said amounts, we are unable to comment on the same.*
6. *As stated in note 19 of schedule 'M' to the financial statements, due to civil and political disturbances and unrest in Libya, the work on all the projects in Libya has stopped. There are aggregate assets of Rs. 9,909,622 thousand, aggregate revenues of Rs. 1,954,565 thousand, profits before tax of Rs. 96,816 thousand and cash flows of Rs.1,803,620 thousand for the year then ended in Libya Branch, which have been audited by another auditor in Libya. However, we were unable to perform certain procedures that we considered necessary under the requirements of Statement on Auditing SA600 (Using the work of another auditor) issued by the Institute of Chartered Accountants of India, including obtaining corroborative information and/ or audit evidence, in relation to certain components of financial statements of Libya Branch. The ultimate outcome of above matters cannot presently be ascertained in view of the uncertainty as stated above. Accordingly, we are unable to comment on the consequential effects of the foregoing on the financial statements.*
7. Without qualifying our opinion, we draw attention to note 11 (a) of schedule 'M' to the financial statements regarding deductions made/ amounts withheld by some customers aggregating to Rs. 725,128 thousand on various accounts which are being carried as sundry debtors. Due to dispute 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.
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 *except to the extent stated in paragraph 6 above*. The branches and unincorporated joint ventures Auditor's Reports have been forwarded to us and have been appropriately dealt with;
   iii. The balance sheet, profit and loss account 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. In our opinion, the balance sheet, profit and loss account 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, *except to the extent of our comments in paragraph 5 above.*
   v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   vi. *Without considering our observations in paragraph 5 and 6 above, the impact whereof on the Company's profits is not presently ascertainable,* in our opinion and on consideration of reports of other auditors on separate financial statements and on the other financial information 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, 2011;
      b) in the case of the profit and loss account, 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 Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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 during the year in accordance with a phased programme of verifying all fixed assets once in three years, is under progress and has not been completed. The Management is confident that no material discrepancies shall exist therein as compared to fixed assets records. In the absence of complete physical verification, we are unable to comment on the discrepancies therein, if any.*

(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) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(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.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(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 in Rs.' 000	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.	6,987	1998-1999, 2000-2001 and 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.	22,248	2001-2002 to 2003-2004	High Court, Hyderabad, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for use of G Form against material purchases	18,688	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	42,333	2002-2003 to 2004-2005	Appellate Deputy Commissioner, Vizag, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for suppression of Turnover	3,248	2003-2004 to 2004-2005	Sales Tax Appellate Tribunal, Vizag, Andhra Pradesh

Name of the statute	Nature of dues	Amount in Rs.' 000	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1956	Penalty for suppression of Turnover	2,872	2004-2005	Appellate Deputy Commissioner, Vizag, Andhra Pradesh
Uttar Pradesh Central Sales Tax Act, 1956	Penalty against Form C usage for purchase of machinery	2,847	1998-1999	Allahabad, High Court, Uttar Pradesh
Uttar Pradesh Central Sales Tax Act, 1956	Penalty against Form C usage for purchase of machinery	2,140	1998-1999	Sales Tax Appellate Tribunal, Agra, Uttar Pradesh
Uttar Pradesh Trade Tax Act, 1948	Entry tax demand	499	1999-2000 to 2000-2001	Joint Commissioner, Appeal, Mathura, Uttar Pradesh
Uttar Pradesh Trade Act, 1948	Entry tax demand	196	2004-2005	Allahabad, High Court, Uttar Pradesh
Uttar Pradesh Trade Act, 1948	Entry tax demand	65	2002-2003 and 2004-2005	Commercial tax tribunal, Agra
Uttar Pradesh Trade Act, 1948	Sales tax form not accepted by the department	1,140	2010-2011	Allahabad, High Court, Uttar Pradesh
Gujarat Sales Tax Act, 1969	Differential Sales Tax for non submission of statutory forms.	62,087	1998-1999 to 1999-2000	Sales Tax Appellate Tribunal, Ahmedabad, Gujarat.
Gujarat Sales Tax Act, 1969	CST against sales in transit	720	2002-2003	Dy. Commissioner (Appeals), Baroda
Haryana Local Area Development Tax Act, 2000	Entry Tax demand	3,995	2003-2004	Supreme Court, New Delhi
Maharashtra VAT Act, 2002	VAT on Transportation, Travelling Charges & Penalty	4,560	2006-2007	Joint Commissioner Appeal, Nasik, Maharashtra
Madhya Pradesh Entry Tax Act, 1976	Entry Tax demand	588	2003-2004	High court, Gwalior bench, Madhya Pradesh
Haryana Value Added Tax Act, 2003	Disallowance of deduction	53,985	2003-2004 & 2004-2005	Sales Tax Appellate Tribunal Chandigarh, Haryana
Kerala VAT Act, 2003	Disallowance of deduction	85,997	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	9,107	2005-2006	High Court, Jodhpur, Rajasthan
Chattisgarh Entry Tax Act, 1976	Entry tax demand on material component	2,279	2005-2006	Supreme Court, New Delhi
Karnataka Sales Tax Act, 1957	Interest on Entry Tax imposed by DCCT, Bangalore	2,347	2003-2004	Joint Commissioner (Appeals), Bangalore
West Bengal Vat Act, 2003	Disallowance of deduction	11,492	2007-2008	Sr. Joint Commissioner, Midnapur Circle, West Bengal
Central Excise Act, 1944	Non-Payment of Excise duty	9,567	2006-2007	Commissioner of Customs and Excise
The Finance Act, 2004 and the Service Tax Rules	Penalty for late deposit of Service Tax	108,068	2005-2006 to 2006-2007	CESTAT, Delhi
The Finance Act, 2004 and the Service Tax Rules	Penalty for late deposit of Service Tax	64,728	2003-2004 to 2006-2007	CESTAT, Delhi
The Finance Act, 2004 and the Service Tax Rules	Disallowance of deduction for value of goods sold	15,915	2003-2004 to 2006-2007	CESTAT, Delhi

(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, the Company had issued 3,000 debentures of Rs. 1,000,000 each during the period covered by our audit report. The Company has created charge in respect of debentures so issued.

(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 No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

ABRIDGED BALANCE SHEET as at March 31,2011

Amount in INR' 000

	Particulars	As at March 31, 2011		As at March 31, 2010	
A	**SOURCES OF FUNDS**				
I	**Shareholders Funds**				
	Equity Share Capital		664,191		664,173
	Reserves and Surplus				
	Capital Reserve		256,138		256,138
	Securities Premium Reserve		24,649,379		24,909,695
	Asset Revaluation Reserve		42,322		47,151
	General Reserve		981,818		981,818
	Foreign Currency Monetary Items Translation Difference Account		-		2,319
	Foreign Currency Translation Reserve		(1,149,881)		(1,173,708)
	Debenture Redemption Reserve		975,000		975,000
	Profit and Loss Account Balance		9,174,031		9,108,087
II	**Loan Funds**				
	Secured Loans		19,869,278		22,806,962
	Non Convertible Debentures		9,850,000		7,500,000
	- Rs. 1,500,000 thousand (Previous year Rs. 1,500,000 thousand), 12% Secured redeemable in 10 equal half yearly installments after a moratorium of 5 years from the date of allotment viz, December 22, 2008.				
	- Rs.1,750,000 thousand (Previous year Rs.1,750,000 thousand) 9.5% Secured redeemable after three years of deemed date of allotment i.e. September 10, 2009.				
	- Rs. 3,600,000 thousand (Previous year Rs. 4,250,000 thousand) 10% Secured redeemable in four semi-annual instalments at the end of 3.5,4,4.5,5 years in the ratio of 20:20:30:30 from the deemed date of allotment i.e. September 10, 2009.				
	- Rs. 3,000,000 thousand (Previous year Rs. Nil) 10.50% Secured redeemable in five years from the deemed date of allotment i.e. October 08, 2010.				
	Unsecured Loans		3,362,240		4,723,043
III	**Deferred Tax Liabilities**		1,123,942		1,200,134
Total			**69,798,458**		**72,000,812**
B	**APPLICATION OF FUNDS**				
I	**Fixed Assets**				
	Net Block		12,462,043		11,799,849
	Capital work-in-progress including Capital Advances		1,723,775		1,343,808
II	**Investments**				
	1 Investment in Subsidiary Companies				
	Unquoted		4,854,457		5,024,457
	2 Others				
	Quoted		990		990
	(Market Value Rs. 5,583 thousand (Previous year Rs. 3,692 thousand))				
	Unquoted		1,699,572		1,737,212
III	**Deferred Tax Assets**		5,928		2,142
IV	**Current Assets, Loans and Advances**				
	Inventories (Also refer notes 5,6,12 & 13 in annexure I)	36,964,269		35,060,942	
	Sundry Debtors (Also refer notes 5,6 & 12 in annexure I)	12,677,993		14,975,760	
	Cash and Bank Balances	4,011,242		1,812,414	
	Other Current Assets	828,848		3,408,593	
	Loans and Advances				
	To Subsidiary Companies (Also refer notes 7 & 10 in annexure I)	15,680,951		12,135,516	
	To Others (Also refer note 11 in annexure I)	5,974,356		5,213,380	
		76,137,659		**72,606,605**	
V	**Less :Current Liabilities and Provisions**				
	Current Liabilities (Also refer note 9 in annexure I)	26,385,419		19,042,594	
	Provisions	700,547		1,471,657	
		27,085,966		**20,514,251**	
	Net current assets (IV-V)		49,051,693		52,092,354
Total			**69,798,458**		**72,000,812**

Annexure I form an integral part of the Abridged Financial Statements
As per our report on the abridged financial statements of even date

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj	Chairman
P. K. Gupta	Whole Time Director
Luv Chhabra	Director (Corporate Affairs)
Predeep Kumar Gupta	President (Finance & Accounts)
Dinesh Thairani	Group Head - Legal & Company Secretary

ABRIDGED PROFIT AND LOSS ACCOUNT for the Year Ended March 31, 2011

Amount in INR' 000

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
I. Income		
Contract Revenue (Also refer notes 12 & 13 in annexure I)	40,297,624	70,756,698
Income from Hire Charges	474,944	398,684
Management Services	898,014	-
Sales - Others	261,781	11,577
Dividend on Non Trade Long Term Investment	68	204
Interest	211,094	260,865
Other Income	2,658,480	3,987,971
Total	**44,802,005**	**75,415,999**
II Expenditure		
Project Materials Consumed	14,208,754	32,532,358
Contractor Charges	9,409,205	11,933,997
Other Operating Expenses	4,305,925	7,021,083
Salaries, Wages and other Employee Benefits	6,159,525	6,982,963
Managerial Remuneration	47,625	63,258
Interest	3,101,107	2,637,995
Depreciation	1,565,159	1,326,788
Auditor's Remuneration	15,463	14,673
Bad debts/ Advances written off/ Provisions for diminution in value of non-trade long term investments	94,292	132,889
Other Expenses	5,787,703	8,643,074
Total	**44,694,758**	**71,289,078**
III Profit Before Tax	**107,247**	**4,126,921**
IV Provision for Tax		
Current Tax	63,409	565,000
Less : MAT Credit Entitlement	-	(126,000)
Deferred Tax Charge/(Credit)	(80,000)	13,900
V Profit After Tax	**123,838**	**3,674,021**
Balance brought forward from previous year	9,108,087	6,484,711
Transfer from Foreign Project Utilised Reserve	-	7,500
Profit available for Appropriation	9,231,925	10,166,232
VI Appropriation		
Transfer to General Reserve	-	400,000
Transfer to Debenture Redemption Reserve	-	600,000
Proposed Dividend for Equity Shares	49,814	49,872
Tax on Proposed Dividend	8,080	8,273
VII Transfer to Reserves and Surplus	**9,174,031**	**9,108,087**

Annexure I form an integral part of the Abridged Financial Statements
As per our report on the abridged financial statements of even date

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj Chairman
P. K. Gupta Whole Time Director
Luv Chhabra Director (Corporate Affairs)
Predeep Kumar Gupta President (Finance & Accounts)
Dinesh Thairani Group Head - Legal & Company Secretary

CASH FLOW STATEMENT for the Year Ended March 31, 2011

Amount in INR' 000

		Year ended March 31, 2011	Year ended March 31, 2010
A.	**Cash flows from/ (used in) operating activities**		
	Net Profit Before Taxation	107,247	4,126,921
	Adjustments for -		
	Depreciation/ Amortization	1,565,159	1,326,788
	Foreign Currency Monetary Items Translation Difference	(2,319)	465,261
	Loss / (Profit) on Sale / Discard of Fixed Assets (Net)	(12,142)	22,120
	(Profit) on Sale of Non Trade Long Term Investments	-	(3,072,066)
	Interest Income	(211,094)	(260,865)
	Profit on Sales of Beneficial Rights in Investment in Shares	-	(38,877)
	Dividend on Trade Long Term Investments	(68)	(204)
	Diminution in Value of Long Term Investments	18,240	5,985
	Unrealised Foreign Exchange Fluctuation (Net)	(1,223,451)	997,368
	Interest Expense	3,101,107	2,637,995
	Bad Debts/ Advances Written off	76,052	126,904
	Unspent Liabilities and Provisions Written Back	(464,589)	(124,785)
	Operating Profit Before Working Capital Changes	**2,954,142**	**6,212,545**
	Movements in Working Capital:		
	(Increase)/ Decrease in Inventories	(1,903,324)	(5,558,069)
	Decrease/ (Increase) in Sundry Debtors	2,223,004	(82,247)
	Decrease/ (Increase) in Other Current Assets	2,701,928	41,508
	(Increase) in Margin Money Deposits	(175,320)	(197,776)
	(Increase) in Loans and Advances	(2,436,832)	(6,649,207)
	Increase/ (Decrease) in Current Liabilities and Provisions	7,547,240	(5,346,517)
	Cash From/ (Used In) Operations	**10,910,838**	**(11,579,764)**
	Direct Taxes Paid (Net of Refunds)	(1,515,937)	(1,129,053)
	Net Cash From/ (Used In) Operating Activities	**9,394,901**	**(12,708,817)**
B.	**Cash Flows From/ (Used In) Investing Activities**		
	Purchase of Fixed Assets (Including Capital Work in Progress)	(2,642,098)	(2,817,487)
	Purchase of Investments in Subsidiaries & Others	(209,569)	(327,914)
	Proceeds from Sale of Investments	398,969	4,066,228
	Proceeds from Sale of Fixed Assets	81,029	61,972
	Dividend Received on Long Term Investments	68	204
	Interest Received	94,361	272,267
	Net Cash From/ (Used In) Investing Activities	**(2,277,240)**	**1,255,270**
C.	**Cash Flows From/ (Used In) Financing Activities**		
	Increase In Share Capital	18	57,208
	Share/ Debentures Issue Expenses	(120,105)	(239,794)
	Increase in Premium on Issue of Share Capital	1,078	6,736,860
	Increase in Short-Term Working Captial Loans (Net)	(1,244,560)	(2,159,735)
	Repayment of Long-Term Borrowings	(10,498,515)	(2,430,358)
	Proceeds from Long-Term Borrowings	9,829,831	10,515,406
	Interest Paid	(3,015,237)	(2,269,542)
	Dividend Paid	(49,813)	(91,045)
	Tax on Dividend Paid	(8,273)	(15,473)
	Net Cash From/ (Used In) Financing Activities	**(5,105,576)**	**10,103,528**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	2,012,085	(1,350,019)
	Exchange Fluctuation Translation Difference	11,423	(624,600)
	Total	**2,023,508**	**(1,974,619)**
	Cash and Cash Equivalents at the Beginning of the Year	1,565,216	3,539,835
	Cash and Cash Equivalents at the end of the Year	**3,588,724**	**1,565,216**
	Components of Cash and Cash Equivalents		
	Cash On Hand	36,406	35,917
	Balance With Scheduled Banks		
	On Current Accounts	648,273	304,115
	On Cash Credit Accounts	53,559	82,145
	On EEFC Accounts	11,628	93,028
	On Fixed Deposits	1,051,470	113,117
	Less : Margin Money Deposits	(237,613)	(113,117)
	Balances With Non Scheduled Banks		
	On Current Accounts	1,599,901	1,050,011
	On Fixed Deposits	610,005	134,081
	Less : Margin Money Deposits	(184,905)	(134,081)
		3,588,724	**1,565,216**

Notes : The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard-3 of the Companies (Accounting Standard) Rules, 2006.

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj Chairman
P. K. Gupta Whole Time Director
Luv Chhabra Director (Corporate Affairs)
Predeep Kumar Gupta President (Finance & Accounts)
Dinesh Thairani Group Head - Legal & Company Secretary

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, 2011.

2. [6] Capital Commitments

Rs. in'000

	2010-11	2009-10
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,293,657	2,121,100

3. [7] Contingent liabilities not provided for :

Amount in INR'000

		2010-11	2009-10
a)	i) Bank Guarantees given by the Company	8,321,696	7,303,547
	ii) Bank Guarantees given on behalf of subsidiaries and joint ventures	179,500	179,000
b)	Liquidated damages deducted by customers not accepted by the Company and pending final settlement. (Also refer notes 5, 6 and 12 below)*	2,206,562	2,709,427
c)	Corporate Guarantees given on behalf of subsidiaries, joint ventures and associates	48,292,915	61,874,700

* 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) Estimated future investments in joint venture & other companies in terms of respective shareholder agreements amount in aggregate to Rs. 249,870 thousand (Previous year Rs. 289,919 thousand).

e) (i) Sales tax demand of Rs. 298,408 thousand (Previous year Rs. 285,948 thousand) on disallowance of deduction on labour and services of the works contracts pending with Sales Tax Authorities and High Court.*

(ii) Sales tax demand of Rs. 66,969 thousand (Previous year Rs. 66,006 thousand) for non submission of statutory forms.*

(iii) Sales Tax liability of Rs. 86,086 thousand (Previous year Rs. 84,946 thousand) for purchases against sales tax forms not accepted by department.*

(iv) Entry Tax liability of Rs. 42,649 thousand (Previous year Rs. 32,806 thousand) against entry of goods into the local area not accepted by department.*

(v) Sales Tax liability of Rs. 720 thousand (Previous year Rs 720 thousand) against the Central Sales Tax demand on sales in transit.*

(vi) Demand for nonpayment of excise duty on coating of pipes Rs. 9,567 thousand (Previous year Rs. Nil).*

(vii) Sales tax demand of Rs. 27,710 thousand (Previous year Rs. Nil) for non-admissible of deduction of supply turnover.*

(viii) Penalty for late deposit of Service Tax of Rs. 172,796 thousand (Previous year Rs. 172,796 thousand) and Rs. 15,915 thousand (Previous year Rs. 15,915 thousand) as disallowance of deduction of supply turnover.*

(ix) Sales tax demand in respect of erstwhile Internet Service Division regarding taxability of internet services Rs. Nil (Previous year Rs. 39,877 thousand).*

* 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. Important Performance Ratios

Sl. No.	Ratio	2010-11	2009-10
1.	Income / Total Assets Ratio*	0.46 : 1.00	0.81 : 1.00
2.	Profit before Interest and Tax / Capital Employed ** (%)	4.67	9.56
3.	Profit after Tax / Income (%)	0.28	4.87
4.	Return on Net Worth (%) ***	0.35	10.28

* Total Assets = Fixed Assets + Investments + Deferred Tax Assets + Current Assets, Loans and Advances

** Capital Employed = Equity Share Capital + Reserves & Surplus + Secured Loan + Unsecured Loan – Revaluation Reserve

*** Net Worth = Equity Share Capital + Reserves & Surplus – Revaluation Reserve

5. [11(a)] The following note has been referred to by the Auditors in their report on the complete set of financial statements dated May 30, 2011:

The Company had executed certain projects for some customers in earlier years. These customers have withheld amounts aggregating to Rs. 725,128 thousand (Previous year Rs. 587,863 thousand) on account of liquidated damages and other deductions, which are being carried as sundry debtors. Some of these customers had also not certified the final bills amounting to Rs. Nil (Previous year Rs. 31,455 thousand), which are being carried forward under Work in Progress inventory. 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 as liquidated damages & other deductions and for claims lodged by the Company. Pending outcome of arbitration/ legal proceedings, amounts withheld for liquidated damages & other deductions are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of liquidated damages and other deductions by these customers and hence the above amounts are considered good of recovery.

6. [31] On certain projects which are completely executed/ nearing completion, the Company has unbilled work-in-progress inventory of Rs. 10,846,042 thousand. Further, Rs. 1,449,754 thousand are withheld by these customers on account of liquidated damages and other deductions. The Company is of the view that the unbilled work in progress will be billed after completion of some pending work/ completion of certain pending formalities. Also, it is of the view that there is no justification in imposition of liquidated damages and other deductions by these customers. Accordingly, the above amounts are considered good of recovery.

7. [17] The Company has an investment in the equity and preference capital amounting to Rs. 2,997,139 thousand in its subsidiary at Singapore and has loans & advances outstanding amounting to Rs. 13,290,431 thousand as at March 31, 2011 from the said subsidiary. The subsidiary has accumulated losses of Rs. 8,081,096 thousand as at March 31, 2011. 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 permanent diminution in the value of investment and accordingly, no provision is considered necessary in the financial statements at this stage on the above account.

8. [18] The following note has been referred to by the Auditors in their report on the complete set of financial statements dated May 30, 2011:

   The Company's branch at Libya has fixed assets (net) and current assets aggregating to Rs. 9,909,622 thousand as at March 31, 2011 in relation to certain projects being executed in that country. The Branch has also received advances from customers of Rs. 5,133,940 thousand against bank guarantee outstanding of Rs. 6,046,331 thousand. Due to civil and political disturbances and unrest in Libya, the work on all the projects has stopped, the resources have been demobilised and necessary intimation has been given to the customers. The Company has also filed the details of the outstanding assets with the Ministry of External Affairs, Government of India. Pending the outcome of the uncertainty, the aforesaid amounts are being carried forward as realizable.

9. [19] 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 MSMED Act, 2006 are as follows:

Sl. No.	Particulars	2010-11	2009-10
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year - Principal amount - 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

10. [23] 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, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Punj Lloyd Kazakhstan LLP	496,530	341,167	496,530	359,864
Punj Lloyd Pte Limited	13,290,431	7,626,083	13,290,431	8,178,350
Simon Carves Limited	-	2,178,908	2,178,908	2,178,908
Punj Lloyd Aviation Limited	150,688	150,688	150,688	150,688
Punj Lloyd Infrastructure Limited	901,003	899,938	1,050,938	899,938
Punj Lloyd Upstream Limited	102,800	102,800	102,800	132,800
Atna Investments Limited	-	77,059	77,059	132,059
Punj Lloyd International	31,668	-	31,948	-
PLI Ventures Advisory Services Private Limited	9,949	-	9,949	-
Sembawang Infrastructure (India) Private Limited	25,000	-	25,000	-

All the above loans are repayable on demand

11. [26] On March 17, 2010, 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 Company is of the view that the above statements were made under undue mental pressure and physical exhaustion and it 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 and the assessment proceedings are going on. In view of the above, tax liability, if any, that may arise on this account is presently unascertainable.

12. [29] The under mentioned note has been referred to by the Auditors in their report on the complete set of financial statements dated May 30, 2011:

    The Company had during the previous year accounted for a claim of Rs. 2,430,300 thousand (Previous year Rs. 2,430,300 thousand) on Heera Redevelopment Project (HRP) 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. 654,891 thousand (Previous year Rs. 654,891 thousand) deducted by the customer since it is of the view that the delay in execution of the project is attributable to the customer. Further, there are other debtors outstanding of Rs. 844,527 thousand and unbilled work in progress inventory of Rs. 1,603,397 thousand relating to the said project as at March 31, 2011. The Company has initiated arbitration proceedings against the customer during the year. The management, based on the expert inputs, is confident of recovery of amounts exceeding the recognized claim and waiver of liquidated damages and is also confident of recovery of other debtors and unbilled work in progress inventory.

13. [30] The under mentioned note has been referred to by the Auditors in their report on the complete set of financial statements dated May 30, 2011:

    The Company had during the year accounted for claims of Rs. 897,346 thousand 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. The management, based on its assessment, is confident of recovery of amounts exceeding the recognized claims.

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

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj	Chairman
P. K. Gupta	Whole Time Director
Luv Chhabra	Director (Corporate Affairs)
Predeep Kumar Gupta	President (Finance & Accounts)
Dinesh Thairani	Group Head - Legal & Company Secretary

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956

I Registration details:

Registration No. : L74899DL1988PLC033314   State Code : 55

Balance Sheet Date : 310311

II Capital raised during the year (Rupees in thousand)

Public Issue	Right Issue
18	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III Position of Mobilization and Deployment of Funds (Rupees in thousand)

	Total Liabilities	Total Assets
	96,884,424	96,884,424
Sources of Funds :	Paid-up Capital	Total Reserves & Surplus
	664,191	34,928,807
	Secured Loans	Unsecured Loans
	29,719,278	3,362,240
	Deferred Tax Liability	
	1,123,942	
Application of Funds :	Net Fixed Assets	Capital Work in Progress
	12,462,043	1,723,775
	Investments	Deferred Tax Assets
	6,555,019	5,928
	Misc Expenditure	Net Current Assets
	NIL	49,051,693

IV Performance of Company (Rupees in thousand)

Turnover	Total Expenditure
44,802,005	44,694,758
Profit/(Loss) before Tax and Extraordinary items	Profit/(Loss) after Tax and Extraordinary items
107,247	123,838
Basic Earnings Per Share (Rs.)	Dividend Rate (%)
0.37	7.50

V Generic Name of Three Principal Products/Services of Company as per monetary terms

Item Code No.   I.T.C. Code

Product Description   Construction, project related activities and engineering services

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

Atul Punj	Chairman
P. K. Gupta	Whole Time Director
Luv Chhabra	Director (Corporate Affairs)
Predeep Kumar Gupta	President (Finance & Accounts)
Dinesh Thairani	Group Head - Legal & Company Secretary

Place : Gurgaon
Date : May 30, 2011

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, 2011, and also the consolidated profit and loss account 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. 70,570,831 thousand as at March 31, 2011, the total revenue of Rs. 49,293,206 thousand and cash flows amounting to Rs. 5,979,595 thousand 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. 2,660,412 thousand as at March 31, 2011, total revenue of Rs. 3,648,279 thousand and cash flows amounting to Rs. 259,654 thousand for the year then ended. These financial statements and other financial information of branches, subsidiaries, unincorporated joint ventures and 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, subsidiaries, unincorporated joint ventures and joint ventures, is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Punj Lloyd Group's management in accordance with the requirements of 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 notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

5. (a) *Attention is invited to note 21 of schedule 'M' to the financial statements. The Company during the previous year had taken credit for a claim of Rs. 2,430,300 thousand on a contract and had also not accounted for liquidated damages amounting to Rs. 654,891 thousand deducted by the customer in view of the reasons stated in the said note. Further, there are other debtors outstanding of Rs. 844,527 thousand and unbilled revenue of Rs. 1,603,397 thousand relating to the said contract as at March 31, 2011. Due to the uncertainty over ultimate collection of the said amounts, we are unable to comment on the same. Our previous year ended March 31, 2010 audit report was also qualified in respect of the same matter.*

   (b) *Attention is invited to note 22 of schedule 'M' to the financial statements. The Company during the year has taken credit for a claim of Rs. 897,346 thousand on two contracts, which are pending acceptance by the customers. Due to the uncertainty over ultimate collection of the said amounts, we are unable to comment on the same.*

6. *As stated in note 14 of schedule 'M' to the financial statements, due to civil and political disturbances and unrest in Libya, the work on all the projects in Libya has stopped. There are aggregate assets of Rs. 12,190,743 thousand, aggregate revenues of Rs. 2,728,848 thousand, profits before tax of Rs. 106,524 thousand and cash flows of Rs.1,795,012 thousand for the year then ended in Libya branch and subsidiary, which have been audited by another auditor in Libya. However, we were unable to perform certain procedures that we considered necessary under the requirements of Statement on Auditing SA600 (Using the work of another auditor) issued by the Institute of Chartered Accountants of India, including obtaining corroborative information and/ or audit evidence, in relation to certain components of financial statements of Libya Branch and subsidiary. The ultimate outcome of above matters cannot presently be ascertained in view of the uncertainty as stated above. Accordingly, we are unable to comment on the consequential effects of the foregoing on the financial statements.*

7. Without qualifying our opinion, we draw attention to note 9 of schedule 'M' to the financial statements regarding deductions made/ amounts withheld by some customers aggregating to Rs. 725,128 thousand on various accounts which are being carried as sundry debtors. Due to dispute 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.

8. *Without considering our observations in paragraph 5 and 6 above, the impact whereof on the Company's losses is not presently ascertainable,* 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 Group as at March 31, 2011;

   (b) in the case of the consolidated profit and loss account, of the loss 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 No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

CONSOLIDATED BALANCE SHEET As At March 31,2011

Amount in INR' 000

Schedules		As at March 31, 2011		As at March 31, 2010	
Sources of funds					
Shareholders funds					
Share Capital	A	664,191		664,173	
Reserves and Surplus	B	29,123,527		29,619,243	
			29,787,718		30,283,416
Minority Interest			743,703		415,004
Loan Funds	C				
Secured Loans		41,947,928		39,827,535	
Unsecured Loans		3,476,985	45,424,913	4,726,888	44,554,423
Deferred Tax Liabilities (Also refer note 25 in schedule 'M')			1,559,668		1,841,960
Total			**77,516,002**		**77,094,803**
Application of Funds					
Fixed Assets	D				
Gross Block		33,649,938		31,202,795	
Less : Accumulated Depreciation / Amortisation		11,129,098		9,425,573	
Net Block		22,520,840		21,777,222	
Capital work in progress including capital advances (also refer note 24 in schedule 'M')		2,129,269	24,650,109	1,604,593	23,381,815
Investments	E		3,837,227		3,817,653
Deferred Tax Assets (Also refer note 25 in schedule 'M')			43,908		37,885
Current Assets, Loans and Advances	F				
Inventories		48,425,081		46,495,717	
Sundry Debtors		22,038,165		21,846,632	
Cash and Bank Balances		12,149,505		6,110,329	
Other Current Assets		924,179		3,411,789	
Loans and Advances		10,131,382		10,417,338	
I		93,668,312		88,281,805	
Less: Current Liabilities and Provisions	G				
Current Liabilities		42,904,635		36,337,561	
Provisions		1,778,919		2,086,794	
II		44,683,554		38,424,355	
Net Current Assets (I-II)			**48,984,758**		**49,857,450**
Total			**77,516,002**		**77,094,803**

Notes to Consolidated Accounts M

The Schedules refer to above form an integral part of the Consolidated Balance Sheet

As per our Report of Even Date

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj	Chairman
P. K. Gupta	Whole Time Director
Luv Chhabra	Director (Corporate Affairs)
Predeep Kumar Gupta	President (Finance & Accounts)
Dinesh Thairani	Group Head - Legal & Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended March 31,2011

Amount in INR' 000

Schedules		As at March 31, 2011		As at March 31, 2010	
Income					
Sales & Contracts Revenue	H		78,495,756		104,478,348
Other Income	I		3,374,253		4,269,465
			81,870,009		**108,747,813**
Expenditure					
Project Materials Consumed	J		23,275,933		37,700,963
Operating and Administrative Expenses	K		51,108,403		63,131,958
Financial Expenses	L		4,634,824		5,434,710
Depreciation / Amortisation		2,694,573		2,273,130	
Less : Transfer from Revaluation Reserve		2,652		2,893	
			2,691,921		2,270,237
			81,711,081		**108,537,868**
Profit before Tax			**158,928**		**209,945**
Provision for Tax					
Current Tax		755,455		1,096,333	
Less: MAT Credit Entitlement		(1,800)		(129,630)	
Deferred Tax		(90,452)		405,755	
Total Tax Expense			663,203		1,372,458
Loss after Tax			**(504,275)**		**(1,162,513)**
Share In Profits of Associates (Net)			22,981		95,113
Loss before Minority's Share			**(481,294)**		**(1,067,400)**
Share of Profit Transferred to Minority			(30,337)		(16,654)
Preacquisition Losses Adjusted on Conversion of Joint Venture into Subsidiary			(83,612)		-
Loss for the Year			**(595,243)**		**(1,084,054)**
Balance Brought forward from Previous Year		2,144,863		4,279,562	
Transfer from Foreign Project Utilised Reserve		-	2,144,863	7,500	4,287,062
Profit Available For Appropriation			**1,549,620**		**3,203,008**
Appropriations					
Transfer to General Reserve		-		400,000	
Transfer to Debenture Redemption Reserve		-		600,000	
Proposed Dividend		49,815		49,872	
Tax on Proposed Dividend		8,080		8,273	
			57,895		1,058,145
Transfer to Reserves And Surplus			**1,491,725**		**2,144,863**
Earning Per Share (Nominal Value Per Share Rs. 2 Each) (Also Refer Note 15 of Schedule 'M')					
Basic (In Rupees)			(1.79)		(3.37)
Diluted (In Rupees)			(1.79)		(3.37)

Notes to Consolidated Accounts M

The Schedules refer to above form an integral part of the Consolidated Profit and Loss Account

As per our Report of Even Date

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj	Chairman
P. K. Gupta	Whole Time Director
Luv Chhabra	Director (Corporate Affairs)
Predeep Kumar Gupta	President (Finance & Accounts)
Dinesh Thairani	Group Head - Legal & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT For the Year Ended March 31,2011

Amount in INR' 000

		As at March 31, 2011	As at March 31, 2010
A.	**Cash Flows from/ (Used in) Operating Activities**		
	Net Profit before Taxation	158,928	209,945
	Adjustments for -		
	Depreciation/Amortization	2,691,919	2,270,237
	Loss on Sale / Discard of Fixed Assets (Net)	62,642	33,244
	(Profit)/ Loss on Sale of Non Trade Long Term Investments (Net)	327,641	(3,223,565)
	(Profit) on Disposal of Subsidiaries	(266,743)	-
	Interest Income	(200,351)	(130,549)
	Dividend on Trade Long Term Investments	(6,677)	(3,554)
	Diminution in Value of Long Term Investments	-	59,215
	Unrealised Foreign Exchange Fluctuation (Net)	(632,483)	371,092
	Interest Expense	3,568,255	3,063,205
	Foreign Currency Monetary Items Translation Differences	2,319	(223,638)
	Bad Debts/ Advances Written Off	172,312	137,519
	Unspent Liabilities and Provisions Written Back	(607,827)	(124,797)
	Provision for Doubtful Receivables	172,312	-
	Operating Profit before Working Capital Changes	**5,442,247**	**2,438,354**
	Movements in Working Capital:		
	(Increase) in Inventories	(1,929,363)	(9,774,825)
	Decrease in Sundry Debtors	96,815	4,070,847
	(Increase) / Decrease in other Current Assets	2,259,577	(41,508)
	Decrease in Margin Money Deposits	171,271	286,102
	(Increase)/ Decrease in Loans and Advances	567,751	(1,309,030)
	(Decrease) / Increase in Current Liabilities and Provisions	6,852,237	(9,412,694)
	Cash from/ (Used in) Operations	**13,460,535**	**(13,742,754)**
	Direct Taxes Paid	(1,206,970)	(1,616,738)
	Net Cash from/ (Used in) Operating Activities	**12,253,565**	**(15,359,491)**
B.	**Cash Flows from/ (Used in) Investing Activities**		
	Purchase of Fixed Assets (including Capital Work in Progress)	(3,617,319)	(3,160,906)
	Proceeds from Disposal of Subsidiaries	523,593	-
	Purchase of Investments	(499,482)	(261,962)
	Payment on Acquisition of Subsidiaries	-	(4,575)
	Proceeds from Sale of Investments	623,154	4,171,593
	Proceeds from Sale of Fixed Assets	72,743	7,572
	Dividend Received	6,677	3,554
	Interest Received	84,361	140,310
	Net Cash from/ (Used in) Investing Activities	**(2,806,273)**	**895,587**
C	**Cash Flows from/ (Used in) Financing Activities**		
	Increase in Share Capital	18	57,209
	Share/ Debentures Issue Expenses	(120,105)	(239,794)
	Increase in Premium on Issue of Share Capital	190,278	6,738,960
	Increase in Short-Term Working Captial Loans (Net)	(553,189)	(1,835,466)
	Repayment of Long-Term Borrowings	(1,390,346)	(3,497,212)
	Proceeds from Long-Term Borrowings	4,063,928	15,271,494
	Decrease in Unsecured Borrowings (Net)	(1,249,903)	-
	Interest Paid	(3,331,174)	(2,690,390)
	Dividend Paid	(49,812)	(90,979)
	Tax on Dividend Paid	(8,273)	(15,473)
	Net Cash from/ (Used in) Financing Activities	**(2,448,578)**	**13,698,350**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	6,998,714	(765,554)
	Exchange Fluctuation Translation Difference	(744,502)	(956,499)
	Total	**6,254,212**	**(1,722,053)**
	Cash and Cash Equivalents at the beginnIng of the Year	5,266,439	6,992,036
	Cash Outflow due to disposal of a Subsidiary	(43,765)	-
	Cash inflow due to acquisition of Subsidiaries	-	(3,544)
	Cash and Cash Equivalents at the end of the Year	**11,476,886**	**5,266,439**
	Components of Cash and Cash Equivalents		
	Cash on Hand (including cheque on Hand Rs. Nil)	65,098	65,750
	Balances with Banks		
	On Current Accounts	7,005,322	3,649,528
	On Cash Credit Accounts	94,936	82,145
	On EEFC Accounts	11,631	93,028
	On Fixed Deposits	4,972,518	2,219,878
	Less :: Margin Money Deposits	(672,619)	(843,891)
		11,476,886	**5,266,439**

Notes : The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard-3 of the Companies (Accounting Standard) Rules, 2006
As per our Report of Even Date

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj Chairman
P. K. Gupta Whole Time Director
Luv Chhabra Director (Corporate Affairs)
Predeep Kumar Gupta President (Finance & Accounts)
Dinesh Thairani Group Head - Legal & Company Secretary

Amount in INR' 000

Schedules A : Share Capital	As at March 31, 2011		As at March 31, 2010	
Authorised				
450,000,000 (Previous year 350,000,000) Equity Shares of Rs. 2 each	900,00		900,000	
10,000,000 (Previous year 10,000,000) Preference Shares of Rs. 10 each	100,000		100,000	
		1,000,000		1,000,000
Issued, Subscribed and Paid Up				
332,095,745 (Previous year 332,086,295) equity shares of Rs. 2 each fully paid up. of the above		664,191		664,173
i) 136,700 equity shares of Rs. 10 each were allotted as fully paid up pursuant to a contract for consideration other than cash.				
ii) 28,615,239 equity shares of Rs. 10 each were alloted as fully paid up bonus shares by capitalisation of profits				
iii) During the earlier years, the Company had converted 917,928 zero percent convertible preference shares of Rs. 10 each into 3,098,296 equity shares of Rs. 10 each.				
iv) The Company had sub- divided nominal value of its equity shares from Rs. 10 each to Rs. 2 each on April 6, 2007. Consequently, the number of authorised, issued, subscribed and paid up equity shares have increased accordingly during the year ended March 31, 2007.				
Also refer note 16 in schedule 'M')				
Total		**664,191**		**664,173**

Schedules B : Reserves and Surplus	As at March 31, 2011		As at March 31, 2010	
Capital Reserve				
Balance as per last account	264,175		264,326	
Addition during the Year	-		849	
Less: Adjusted Against Sale of Investment	-		1,000	
		264,175		264,175
Securities Premium Account				
Balance as per last account	24,913,745		18,495,534	
Additions during the year	190,278		6,738,960	
(Also Refer Note 26 in Schedule 'M')	25,104,023		25,234,494	
Less : Utilisation during the Year				
Shares/ Debenture Issue Expenses	125,954		239,794	
Premium on Redemption of Foreign Currency Convertaible Bonds	141,290		80,955	
(Also Refer Note 17 In Schedule 'M')		24,836,779		24,913,745
Asset Revaluation Reserve				
Balance as per last account	47,151		50,044	
Less: Adjustment on Account of Depreciation on Revalued Amount of Assets	2,652		2,893	
Less: Adjustment on Account of Sale / Disposal of Revalued Assets	2,177		-	
		42,322		47,151
General Reserve				
Balance as per last account	989,259		589,259	
Add : Transfer from Profit and Loss Account	127		400,000	
		989,386		989,259
Foreign Project Utilized Reserve				
Balance as per last account	-		7,500	
Less : Transfer to Profit and Loss Account	-		7,500	
		-		-
Foreign Currency Monetary Items Translation Difference Account				
Balance as per last account	2,319		(496,929)	
Foreign Currency Monetary Items Translation Difference Account Related to Current Year	-		273,847	
Less : Amortisation during the year (Also Refer Note 18 in Schedule 'M')	2,319		225,401	
		-		2,319
Debenture Redemption Reserve				
Balance as per last account	975,000		375,000	
Add: Transfer from Profit & Loss Account	-		600,000	
		975,000		975,000

Amount in INR' 000

Schedules B : Reserves and Surplus (continued)	As at March 31, 2011		As at March 31, 2010	
Foreign Currency Translation Reserve				
Balance as per last account	282,731		673,768	
Add: Exchange Difference during the year on Net Investment in Non-Integral Operations / Entities	241,409		(391,037)	
		524,140		282,731
Profit and Loss Account Balance		1,491,725		2,144,863
Total		**29,123,527**		**29,619,243**

Schedules C : Loan Funds	As at March 31, 2011		As at March 31, 2010
Secured Loans:			
A) Short Term Working Capital Loans			
I From Banks		14,872,437	15,425,626

Out of the above :

i) Rs. 6,621,007 thousand is secured by way of first pari passu charge on current assets (excluding receivables) and second pari passu charge on movable fixed assets of the project division of the Company.

ii) Rs. 2,031,971 thousand is secured by way of exclusive charge on the receivables of the specific projects, first pari passu charge on the current assets of the project division (excluding receivables of project division) and second pari passu charge on the moveable fixed assets of the project division of the Company.

iii) Rs. 1,789,967 thousand is secured by way of first pari passu charge on current assets (excluding receivables),first pari passu charge on the receivables of the project and second pari passu charge on movable fixed assets of the project division of the Company.

iv) Rs. 1,467,555 thousand is secured by way of subservient charge on the current assets of the project division of the Company.

v) Rs 81,383 thousand in respect of an Indian Subsidiary is secured by charge on the entire Current Assets of that Subsidiary and furthur secured by corporate guarantees of Holding Company.

vi) Rs 97,356 thousand in respect of Indian Subsidiaries is secured by pari passu charge over entire Current Assets of those Subsidiaries.

vii) Rs. 58,398 thousand in respect of a foreign subsidiary is secured by hypothecation of Plant and Machinery of that subsidiary. The loan is further secured by corporate guarantee of Holding Company.

viii) Rs 2,084,588 thousand in respect of certain Foreign Subsidiaries is secured by charge on movable assets including receivables of those subsidiaries and further secured by corporate guarantee of Holding Company.

ix) Rs.161,835 thousand in respect of a joint venture is secured by charge on current assets of that joint venture and further secured by corporate guarantee of the joint venturer.

x) Rs. 478,374 thousand in respect of a joint venture is secured by

- tangible and movable properties (including plant and machinery) both present and future.
- annuity revenues and receivables (excluding bonus for early completion).
- all project agreements, all guarantees, performance guarantees or bonds, letters of credit, applicable permits, plant rights, titles, approvals, permits, clearances and interest under the project agreement.
- rights, interest, benefits and claims under the insurance contracts and insurance proceeds

II From others		18,098	35,192

Rs. 18,098 thousand in respect of an Indian subsidiary is secured by charge on entire current assets of that subsidiary and further secured by corporate guarantee of parent company.

B. Term Loans			
I From Banks		13,681,617	14,014,590

Out of the above :

i) Rs. 647,426 thousand is secured by way of exclusive charge on the equipment purchased out of the proceeds of loan.

ii) Rs. 2,590,757thousand is secured by way of first pari passu charge on movable fixed assets of the project division of the Company.

iii) Rs. 412,030 thousand is secured by way of first pari passu charge on the existing and future movable fixed assets of the project division of the Company, second pari passu charge on current assets of the project division of the Company (excluding receivables of the projects).

Amount in INR' 000

Schedules C : Loan Funds (continued)	As at March 31, 2011	As at March 31, 2010
iv) Rs. 928,570 thousand is secured by way of equitable mortgage on corporate office of the Company. The same is further secured by subservient charge on the current assets of the project division of the Company.		
v) Rs. 340,713 thousand is secured by way of second pari passu charge on the fixed assets of the project division of the Company.		
vi) Rs. 797,823 thousand is secured by way of subservient charge on the current assets of the project division of the Company.		
vii) Rs 7,680,976 thousand in respect of certain foreign subsidiaries is secured by first pari passu charge over current assets of those Subsidiaries and furthur secured by corporate guarantee of Holding Company.		
viii) Rs.283,319 thousand in respect of an Indian subsidiary is secured by hypothecation of the fixed assets of that subsidiary.		
II From Others	1,661,033	699,216
i) Rs. 319,992 thousand is secured by first and exclusive charge by way of hypothecation on certain specific equipments.		
ii) Rs. 1,016,666 thousand is secured by way of subservient charge on the current assets of the project division of the Company.		
iii) Rs 324,374 thousand in respect of an Indian subsidiary is secured by lien over the subsidiary's Aircraft and further secured by corporate guarantee of the Holding Company.		
III Hire Purchase Loans		
From Others	5,406	38,128
Secured by exclusive charge by way of hypothecation on certain specific equipments of certain Indian Subsidiaries.		
IV Non Convertible Debentures	9,850,000	7,500,000
Rs. 1,500,000 thousand, 12% Secured redeemable in 10 equal half yearly installments after a moratorium of five years from the date of allotment viz., December 22, 2008. Secured by first pari passu charge on movable fixed assets of the project division of the Company and further secured by exclusive charge on the Juhu Property at Mumbai Rs. 1,750,000 thousand 9.5% Secured redeemable after three years of deemed date of allotment i.e. September 10, 2009. Rs.3,600,000 thousand 10% Secured redeemable in four semi-annual instalments at the end of 3.5,4,4.5,5 years in the ratio of 20:20:30:30 from the deemed date of allotment i.e. September 10, 2009. Secured by pari passu first charge on the immovable land situated at Jarod Dist. Vadodara, Gujarat. pari passu first charge on the moveable fixed assets of the project division of the Company (only upto Rs. 1,500,000 thousand), subservient charge on movable fixed assets and current assets of project division of the Company (only upto Rs.4,500,000 thousand only). The above debentures are further secured by charge on some of the investments of the Company. Rs.3,000,000 thousand 10.50% Secured redeemable in five years from the deemed date of allotment i.e. October 08, 2010. First charge on Flat no.201, Satyam Apartment, Saru Section Road, Jamnagar and subservient charge on the movable fixed assets and current assets of the Company.		
V External Commercial Borrowings		
From Others	1,470,300	1,469,000
i) Rs. 904,800 thousand is secured by first pari passu charge on the movable fixed assets of the project division of the company.		
ii) Rs. 565,500 thousand in respect of an Indian subsidiary is secured by first pari passu charge on the fixed assets of that subsidiary.		
VI Buyers' Line Of Credit From A Bank	389,037	645,783
Secured by charge on the equipments of an Indian subsidiary.		
Total (A)	**41,947,928**	**39,827,535**
Unsecured Loans:		
I) Intercorporate Deposits	114,745	203,845
Ii) Zero Coupon Foreign Currency Convertible Bonds (Also Refer Note 17 In Schedule 'M')	2,248,428	2,246,440
Iii) Buyers' Line Of Credit From A Bank	313,812	26,603
Iv) Commercial Papers From Banks And Others	800,000	2,250,000
Total (B)	**3,476,985**	**4,726,888**
Total (A+B)	**45,424,913**	**44,554,423**

SCHEDULES TO THE ACCOUNT For the Year Ended March 31, 2011

Amount in INR' 000

Schedule D : Fixed Assets	Gross Block						Depreciation / Amortisation						Net Block	
Particulars	As At April 1, 2010	Other Additions/ Re-classifications	Deletions/ Adjust-ments	Disposal Of Division/ Subsidiary	Foreign Currency Translation Adjustment	As At March 31, 2011	As At April 1, 2010	For The Year	Dele-tions/ Adjust-ments	Disposal of Division/ Subsidiary	Foreign Currency Translation Adjustment	As At March 31, 2011	As At March 31, 2011	As At March 31, 2010
Tangibles														
Land	341,832	62,535	-	-	1,194	405,561	710	2,460	-	-	-	3,170	402,391	341,122
Buildings	911,258	23,585	12,541	-	6,348	928,650	141,248	37,984	1,080	-	1,798	179,950	748,700	770,010
Leasehold Improvements	650,525	-	12,699	412,683	40,716	265,859	375,413	19,801	12,699	280,306	85,571	187,780	78,079	275,112
Plant & Machinery	24,122,513	2,893,310	281,462	581,610	325,336	26,478,087	7,491,923	2,257,188	229,324	565,482	66,580	9,020,885	17,457,202	16,630,590
Furniture, Fixtures and Office Equipments	832,777	104,155	42,097	14,685	35,952	916,102	386,463	93,885	20,984	14,216	36,300	481,448	434,654	446,314
Tools	105,666	8,586	-	-	-	114,252	27,872	5,260	-	-	-	33,132	81,120	77,794
Project Road	549,782	2,182	-	-	-	551,964	86,708	39,042	-	-	-	125,750	426,214	463,074
Vehicles	1,361,276	205,668	67,225	8,010	8,845	1,500,554	560,087	204,078	40,783	7,613	(20,492)	695,277	805,277	801,189
A) Sub Total	**28,875,629**	**3,300,021**	**416,024**	**1,016,988**	**418,391**	**1,161,029**	**9,070,424**	**2,659,698**	**304,870**	**867,617**	**169,757**	**10,727,392**	**20,433,637**	**19,805,205**
Intangibles														
Software	425,017	45,194	15,838	-	35,441	489,814	355,149	34,875	15,838	-	27,520	401,706	88,108	69,868
Goodwill	1,902,149	-	-	111,415	208,361	1,999,095	-	-	-	-	-	-	1,999,095	1,902,149
B) Sub Total	**2,327,166**	**45,194**	**15,838**	**111,415**	**243,802**	**2,488,909**	**355,149**	**34,875**	**15,838**	**-**	**27,520**	**401,706**	**2,087,203**	**1,972,017**
Total Assets (A+B)	**31,202,795**	**3,345,215**	**431,862**	**1,128,403**	**662,193**	**33,649,938**	**9,425,573**	**2,694,573**	**320,708**	**867,617**	**197,277**	**11,129,098**	**22,520,840**	**21,777,222**
Capital Work In Progress													2,129,269	1,604,593
Grand Total	**31,202,795**	**3,345,215**	**431,862**	**1,128,403**	**662,193**	**33,649,938**	**9,425,573**	**2,694,573**	**320,708**	**867,617**	**197,277**	**11,129,098**	**24,650,109**	**23,381,815**
Previous Year	26,527,486	5,812,625	555,541	-	(581,775)	31,202,795	7,774,474	2,273,130	400,935	-	(221,096)	9,425,573	23,381,815	

Notes:

a) Gross block of Plant & Machinery includes Rs.248,180 thousand on account of revaluation of assets carried out in earlier years.The said revaluation was carried 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." Consequent to the said revaluation, there is an additional charge of depreciation of Rs.2,652 thousand and equivalent amount has been withdrawn from revaluation reserve and credited to the Profit and Loss Account.

b) Gross block of land includes Rs 20,973 thousand on account of revaluation of assets carried out in earlier years.

c) Plant and Machinery of the cost of Rs. 1,311,967 thousand are acquired on hire purchase basis. accumulated depreciation there on is Rs. 316,610 thousand.

d) In compliance with the notification dated March 31, 2009 (as amended) issued by Ministry of Corporate Affairs the Company has excersied the option available under newly inserted paragraph 46 to the Accounting Standards, AS-11 "The effect of changes in foreign exchange rates". Accordingly the foreign exchange gain (net) of Rs. 96,787 thousand has been adjusted to fixed assets.

e) Capital work in progress includes capital advances of Rs.1,347,414 thousand.

f) Land includes Leasehold land for Rs. 126,649 thousand.

Amount in INR' 000

Schedule E : Investments	As at March 31, 2011		As at March 31, 2010	
Long Term				
Quoted (Non Trade)				
JCT Electronics Limited 600 Equity Shares of Rs. 10 each, fully paid up.		13		13
Continental Construction Limited 3,000 Equity Shares of Rs. 10 each, fully paid up.		34		34
Max India Limited 2500 Equity Shares of Rs. 2 each, fully paid up.		9		9
Kirloskar Pneumatics Company Limited 1,000 Equity Shares of Rs. 10 each, fully paid up.		20		20
Hindustan Oil Exploration Company Limited 6,133 Equity Shares of Rs. 10 each, fully paid up.		307		307
Panasonic Energy India Company Limited 1,300 Equity Shares of Rs.10 each, fully paid up.		45		45
Triton Corporation Limited 6,000 Equity Shares of Rs. 10 each, fully paid up.		60		60
Quoted (Trade)				
Pipavav Shipyard Limited 1,000 Equity Shares of Rs. 10 each, fully paid up.		27		27
Berger Paints Limited 61,600 Equity Shares of Rs. 2 each, fully paid up.		963		963
SBI SHF - Ultra Short Term-Institutional Plan - Daily Dividend 11,021,183.81 Units of Rs. 10.0060 each.		110,278		-
Unquoted (Non- Trade)				
Roxul Rockwool Insulation India Private Limited 1,790,625 Equity Shares of Rs. 10 each, fully paid up.		35,096		23,643
RFB Latex Limited 200,000 Equity Shares of Rs.10 each, fully paid up.		5,200		5,200
Thai Industrial Estate Corporation Limited 107,500 Equity Shares of THB 25 each, fully paid up.	11,155		44,622	
Add / (Less) : Foreign Currency Translation Differences	1,332	12,487	(15)	44,607
Arooshi Enterprises Private Limited 598,500 Equity Shares of Rs. 10 each, fully paid up.		5,985		5,985
Vireol PLC Nil Equity Shares of GBP 1 each, fully paid up.		-		1,504
Samena Capital 3,500,000 Class "A" Shares of USD 1 each, fully paid up.	177,550		106,138	
Add / (Less) : Foreign Currency Translation Differences	(19,005)	158,545	12,771	118,909
Samena Capital Investor Company 1,500,000 Class "B" Shares of USD 1 each, fully paid up.	76,093		60,650	
Add / (Less) : Foreign Currency Translation Differences	(8,145)	67,948	7,298	67,948
Samena Capital Special Situations Fund 10,000,000 Equity Shares of USD 1 each, fully paid up.	499,598		200,733	
Add / (Less) : Foreign Currency Translation Differences	29,589	529,187	24,245	224,978
Samena Japan Fund Nil Units of USD 100 each, fully paid up.		-		139,182
Global Health Private Limited 8,000,000 Equity Shares of Rs. 10 each, fully paid up. Of the above, 8,000,000 Equity Shares are under first pari passu charge with debenture trustee.		1,380,000		1,380,000
Unquoted (Trade)				
Rajahmundry Expressway Limited 1,885,000 Equlty Shares of Rs. 10 each, fully paid up.		18,850		36,975
Andhra Expressway Limited 1,885,000 Equity Shares of Rs. 10 each, fully paid up.		18,850		36,975
North Karnataka Expressway Limited 3,860,456 Equity Shares of Rs.10 each, fully paid up.		38,605		75,724
GMR Hyderabad Vijayawada Expressways Private Limited 500,000 Equity Shares of Rs. 10 each, fully paid up.		5,000		26

Amount in INR' 000

Schedule E : Investments (continued)	As at March 31, 2011		As at March 31, 2010	
Spectra ISP Networks Private Limited				
Nil Equity Shares of Rs. 10 each, fully paid up.	-		5,600	
Nil Preference Shares of Rs. 10 each, fully paid up.	-	-	320,000	325,600
Investments in Associates				
Olive Group India Private Limited		7,500		5,000
750,000 Equity Shares of Rs. 10 each, fully paid up.				
Realand Pte Limited	-		25,712	
Nil Equity Shares of SGD 1 each, fully paid up.				
Less: Share in opening accumulated losses	-		(22,735)	
Less: Disposed off during the year	-	-	(2,977)	-
Reliance Contractors Private Limited	84,214		75,200	
15,000 Equity Shares of SGD 1 each, fully paid up.				
Less: Share in opening accumulated losses	76,640		76,640	
Add: Foreign currency translation differences	(1,661)	5,913	6,323	4,883
Ventura Developments (Myanmar) Pte Limited	1,263		1,128	
35,000 Equity Shares of SGD 1 each, fully paid up.				
Less: Share in opening accumulated losses	961		961	
Add: Foreign currency translation differences	(302)	-	(167)	-
Reco Sin Han Pte Limited	361		322	
10,000 Equity Shares of SGD 1 each, fully paid up.				
Add: Share in opening accumulated profits	(333)		(333)	
Add: Foreign currency translation differences	28	-	(11)	-
Olive Group B.V.	710,812		634,727	
17,112,205 Convertible Ordinary Shares Of Eurocent 1 each, fully paid up. (including goodwill of Rs. 432,943 thousand)				
Add: Share in opening accumulated profits	227,599		58,507	
Add: Share in profits for the current year	22,099		169,092	
Add: Foreign currency translation differences	27,559	988,069	(1,823)	860,503
Ethanol Ventures Grimsby Limited	153,160		136,765	
21 Equity Shares Of GBP 1 each, fully paid up.				
Add: Share in opening accumulated profits	(130,693)		(130,693)	
Add: Foreign currency translation differences	573		(93)	
Less: Disposed off during the year	23,040	-	-	5,979
Air Works India (Engineering) Private Limited	529,988		529,988	
175,161 Equity Shares of Rs. 100 each, fully paid up. (Including goodwill of Rs. 94,634 thousand)				
Add : Share in opening accumulated losses	(71,477)		(37,707)	
Add: Share in profits/ (losses) for the current year	882	459,393	(33,770)	458,511
Hazaribagh Ranchi Expressway Limited		130		130
13,000 Equity Shares of Rs. 10 each, fully paid up.				
		3,848,514		**3,823,740**
Less: Diminution in the value of investments		**11,287**		**6,087**
Total		**3,837,227**		**3,817,653**
a) Aggregate cost of quoted investments		111,756		1,478
b) Aggregate cost of unquoted investments		3,736,755		3,822,262
c) Aggregate market value of quoted investments		7,704		6,118
(Also Refer Note 12 In Schedule 'M')				

Amount in INR' 000

Schedule F : Current Assets, Loans and Advances	As at March 31, 2011		As at March 31, 2010	
A. Current Assets				
i) Inventories:				
Project Materials	2,385,675		1,794,459	
Scrap	28,319		11,465	
Work in Progress Projects (Also Refer Notes 9, 21 and 22 in Schedule 'M')	46,011,087	48,425,081	44,689,793	46,495,717
ii) Sundry Debtors (Unsecured)				
Debts Outstanding for a Period Exceeding Six Months				
Considered Good	8,163,410		6,205,418	
Considered Doubtful	2,003		142,201	
Other Debts				
Considered Good	13,874,755		15,641,214	
	22,040,168		21,988,833	
Less : Provision for Doubtful Debts				
(Also Refer Note 9 & 21 in Schedule 'M')	2,003	22,038,165	142,201	21,846,632
iii) Cash & Bank Balances				
a) Cash on Hand	65,098		65,750	
b) Balances with Banks				
- On Current Accounts	7,005,322		3,649,528	
- On EEFC Accounts	11,631		93,028	
- On Fixed Deposits	4,972,518		2,219,878	
- On Cash Credit Accounts	94,936	12,149,505	82,145	6,110,329
Iv) Other Current Assets				
Unsecured, Considered Good				
a) Interest Receivable	125,385		9,395	
b) Insurance Claims Receivable	66,413		94,377	
c) Export Benefit Receivable	728,156		766,343	
d) Receivable Against Sale of Investments (Also Refer Note 11 in Schedule 'M')	4,225	924,179	2,541,674	3,411,789
B. Loans and Advances: (Unsecured, Considered Good)				
a) Loans to Employees	37,121		50,728	
b) Intercorporate Deposits	3,400		71,835	
c) Advances Recoverable in Cash or in Kind or for Value to be Received	5,970,412		6,302,209	
d) Advances for Proposed Investments	-		2,501	
e) Balances with Customs / Excise Department	217,631		435,689	
f) Advance Income Tax / Tax Recoverable (Net of Provisions) (Also Refer Note 19 in Schedule 'M')	2,312,260		1,975,945	
g) MAT Credit Entitlement	127,800		129,630	
h) VAT/Sales Tax Receivable	1,172,620		1,131,138	
i) Sundry Deposits	290,138	10,131,382	317,663	10,417,338
Total		**93,668,312**		**88,281,805**

Schedule G : Current Liabilities and Provisions	As at March 31, 2011		As at March 31, 2010	
A. Current Liabilities				
Acceptances	160,874		54,397	
Sundry Creditors	21,713,828		22,044,928	
Advance Billings	1,490,245		1,121,317	
Advances from Clients	17,292,640		11,429,219	
Book Overdraft	-		12,076	
Security Deposits	437,364		218,561	
Interest accrued but not due on Foreign currency convertible bonds	592,690		451,400	
Interest accrued but not due on loans	562,328		466,537	
Advance against share capital from JV Partner	-		20,151	
Others	654,666	42,904,635	518,975	36,337,561
B. Provisions				
For Tax (Net of Taxes Paid)	1,436,309		1,650,033	
For Fringe Benefit Tax (Net of Taxes Paid)	73,667		73,674	
For Employee Benefits	211,049		305,001	
For Proposed Dividend (Including Tax on Dividend)	57,894	1,778,919	58,086	2,086,794
Total		**44,683,554**		**38,424,355**

Amount in INR' 000

Schedule H : Sales & Contractors Revenue	Year ended March 31, 2011	Year ended March 31, 2010
Contracts Revenue (Also Refer Notes 21 and 22 in Schedule 'M')	76,984,543	103,502,606
Annuity Income (in respect of City Road Improvements)	57,129	57,138
Income from Hire Charges	1,192,529	913,039
Others	261,555	5,565
Total	**78,495,756**	**104,478,348**

Schedule I : Other Income	Year ended March 31, 2011	Year ended March 31, 2010
Rent	433	2,228
Interest on Fixed Deposits	74,695	58,071
Interest on Others	125,656	72,478
Dividend on Trade Long Term Investments	6,677	3,554
Insurance Claims	57,610	59,885
Profit on Sale of Non Trade Long Term Investments	267,643	3,184,688
Income on Transfer of Beneficial Rights in Investment in Shares	-	38,877
Profit on Sale of Fixed Assets	4,639	-
Unspent Liabilities and Provisions Written Back	607,827	124,797
Export Benefits	254,793	254,274
Exchange difference (Net)	1,221,202	
Miscellaneous Income	753,078	470,613
Total	**3,374,253**	**4,269,465**

Schedule J : Project Materials Consumed	Year ended March 31, 2011	Year ended March 31, 2010
Project Materials Consumed	23,235,166	37,654,595
Amortisation / Depletion in the value of Scaffolding Inventory	40,767	46,368
Total	**23,275,933**	**37,700,963**

Schedule K : Operating and Administrative Expenses	Year ended March 31, 2011		Year ended March 31, 2010	
Operating				
Contractor Charges	23,392,218		29,213,217	
Site Expenses	1,208,121		2,695,028	
Liquidated Damages to a Customer	-		1,637,038	
Diesel and Fuel	1,803,003		1,552,116	
Repair and Maintenance				
-Buildings	45,510		13,240	
-Plant and Machinery	1,109,238		268,580	
-Others	109,003		119,539	
Freight & Cartage	856,329		1,103,326	
Hire Charges	2,576,324	31,099,746	3,971,028	40,573,112
Personnel				
Salaries, Wages and Bonus	9,997,210		11,989,860	
Contribution to Provident & Other Funds	208,925		188,501	
Retirement Benefits	209,409		319,495	
Workmen and Staff Welfare	844,594	11,260,138	953,923	13,451,779
Administration and Establishment				
Bad Debts / Advances/Receivables Written off	328,574		144,057	
Add: Provision made during the year	2,003		-	
Less: Provision made in previous year, now reversed	142,201	188,376	9,304	134,753
Rent	506,390		674,757	
Rates & Taxes	1,113,292		1,378,224	
Insurance	489,841		450,021	
Directors' Sitting Fees	140		130	
Travelling and Conveyance	995,344		1,123,910	
Consultancy/ Professional Charges	2,041,004		3,209,319	
Provision for Diminution in Value of Non-Trade Long Term Investments	5,200		5,985	
Loss on Sale of Non Trade Long Term Investments	328,541		-	
Loss on Sales / Discard of Fixed Assets	67,281		33,244	
Donations (Also Refer Note 13 in Schedule 'M')	96,475		44,383	
Others	2,916,635	8,560,143	2,052,341	8,972,314
Total		**51,108,403**		**63,131,958**

Schedule L : Financial Expenses	Year ended March 31, 2011		Year ended March 31, 2010	
Interest on: Term Loans	1,694,882		1,428,178	
Debentures	871,231		559,839	
Working Capital Loans	975,476		877,901	
Others	26,666		197,287	
		3,568,255		3,063,205
Exchange difference (Net)		-		1,561,046
Bank / Financial Charges		978,659		632,532
Discounting Charges of Commercial Papers		87,910		177,927
Total		**4,634,824**		**5,434,710**

1. Nature of Operations

Punj Lloyd Limited (hereinafter referred to as the "Company") is a Company registered under 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 primarily engaged in the business of engineering, procurement & construction in the field of oil & gas and infrastructure sector.

The Company, along with its subsidiaries, Sembawang Engineers & Constructors Pte Limited, Singapore, Simon Carves Limited, United Kingdom and other joint ventures and associates, is entitled to bid for verticals of infrastructure sectors and EPC capabilities in Petrochemical domain including LDPE, PVC, Styrene and Refinery Process. The Group has strong presence in its home country India and in South East Asia, Middle East and Europe.

2. Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared 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 consolidated financial statements have been prepared under the historical cost convention on an accrual basis, except in case of certain fixed assets for which revaluation had been carried out. The accounting policies have been consistently applied by the Group and are consistent with those in previous 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 and intra-group transactions and also 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, transactions and unrealized profit/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/ 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, 2011.

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 generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the results of the operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d) Fixed assets

Fixed assets are stated at cost, (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition / construction of fixed assets which takes substantial period of time to get ready for its intend use are also included to the extent they relate to the period such assets are ready to put to use.

In respect of accounting periods commencing on or after December 07, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

e) Depreciation / Amortization

i) In respect of Indian Companies comprised within the Group, depreciation is provided using the straight line method, at the rates specified under Schedule XIV to the Companies Act, 1956, (except to the extent stated in Para (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 Revaluation Reserve Account.

ii) Depreciation on the following fixed assets of the Project Division is charged on straight-line method 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 of the Companies Act, 1956:

Asset Description	Depreciation Rate
Plant and machinery	4.75% to 11.31%
Vehicles	9.5% to 25.00%

iii) Depreciation on the following fixed assets of some foreign branches and joint ventures is charged on straight line method at the rates, based on the estimated 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	5 to 21 years
Furniture and fixtures	3 to 15 years
Office Equipments	5 to 21 years
Vehicles	4 to 10 years

iv) Leasehold land is amortised over the lease period, except for leasehold land which is under perpetual lease.

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

vi) Leasehold improvements are depreciated over the period of the 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. (36.53% of total Net Block of fixed assets at the Punj Lloyd Group as at March 31, 2011 and 34.20% of total depreciation / amortization expenses for the Punj Lloyd Group for the year ended March 31, 2011).

ix) Intangibles
Different softwares used by the Group are amortized on straight line basis based on the nature and useful life of these softwares, as estimated by the management, as mentioned below:

- softwares of project division are amortized over the period of license or six years, whichever is lower.
- software of an unincorporated joint venture are amortized over the period of license or three years, whichever is lower.

f) 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 Profit & Loss Account.

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

g) Impairment

i) The carrying amounts of fixed assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the 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 risks specific to the asset.

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

h) Leases

Where the Company is 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 lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of lease liability based on the implicit rate of return. Finance charges are charged directly to profit and loss account. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciation over the shorter of the estimated useful life of the asset or the lease term.

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 Profit and Loss Account on a straight line basis over the lease term.

Where the Company is lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 such investments.

j) 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.

k) 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.

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 income statement of the year in which revisions are made. Contract revenue earned in excess of billing has been reflected under “Inventory” and billing in excess of contract revenue has been reflected under “Current Liabilities” in the Balance Sheet. The revenue on account of extra claims and the expenditure on account of liquidated damages on construction contracts are accounted for at the time of acceptance/ settlement by the customers due to uncertainties attached thereto (Also refer notes 22 and 23 below). Similarly, insurance claims are accounted for on settlement with insurers.

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 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 profit and loss account on a straight line basis over the term of the lease.

v) Interest revenue is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.

vi) Dividend revenue is recognized when the shareholders’ right to receive payment is established by the balance sheet date.

vii) 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.

viii) Export Benefit under the Duty Free Credit Entitlements is accounted for in the year of export, wherever there is certainty of its realisation.

ix) Revenue from sale of goods (included in sales and contract revenue) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with their delivery.

x) Revenue from Management services is recognised pro-rata over the period of the contract as and when services are rendered.

l) Borrowing Costs

Borrowing costs directly attributable to the acquisition and 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 year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Foreign currency translation

Foreign currency transactions

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 reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iiii) **Exchange Differences :** 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 a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences, in respect of accounting periods commencing on or after December 07, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the Company's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2011.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv) **Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortised as an expense or income over the life of the contract. Exchange differences on such contracts are recognised 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 forward exchange contract is recognised as income or as expense for the year. However, exchange difference in respect of accounting period commencing on or after December 07, 2006 arising on the forward exchange contract undertaken to hedge the long term foreign currency monetary item, in so far as they relate to the acquisition of depreciable capital asset, are added to or deducted from the cost of asset and in other cases, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset / liability but not beyond accounting period ending on or before March 31, 2011.

v) **Translation of integral & 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.

In translating the financial statements of a non-integral foreign operation for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation, are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

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.

n) Retirement and other employee benefits

i) Retirement benefits in the form of provident and pension funds are defined contribution scheme and contributions are charged to Profit and Loss Account of the year when the contributions to the respective funds are due. There are no 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 (LIC) / ICICI Prudential Life Insurance Company Limited (ICICI) 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 Profit and Loss Account on the basis of actuarial valuation on the projected unit credit method made at the end of the financial year.

iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the end of the financial year. The actuarial valuation is done as per projected unit credit method.

iv) In respect to overseas branches and unincorporated joint venture operations, provision for employees end of service benefits is made on the basis prescribed in the Local Labour Law of the respective country, for the accumulated period of service at the end of the financial year.

v) In respect of overseas Group companies, contributions made towards defined contribution schemes in accordance with the relevant applicable local laws, are charged to Profit and Loss Account 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 Profit and Loss Account on the basis of actuarial valuation on the projected unit credit method made at the end of the financial year.

vi) Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

o) 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 Indian Income Tax Act 1961 enacted in India and for the overseas branches/companies, as per the respective tax laws. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognized 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 Group entity has unabsorbed depreciation or carry forward tax losses, 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 balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets 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 realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet 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 realised. 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 available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

p) Accounting for Jointly Controlled Operations

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

q) Segment reporting policies

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

It includes general corporate income and expense items are not allocated to any business segment.

Segment Policies

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

r) Earnings per share

Basic earnings per share are calculated by dividing the net consolidated 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 reported years is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net consolidated 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.

s) Provisions

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

t) 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 Group 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.

u) Cash and Cash Equivalents

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

v) Derivative Instruments

As per the Institute of Chartered Accountants of India announcement, derivative contracts, other than those covered under Accounting Standard 11- The Effect of Changes in Foreign Exchange Rates, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

w) Miscellaneous Expenditure (to the extent not written off or adjusted)

The balance including under the head Miscellaneous Expenditure (to the extent not written off or adjusted) comprises Preliminary Expenses incurred by certain subsidiaries and joint ventures, which are yet to commence commercial operations. Such expenses are amortized over a period of 5 years after commencement of commercial operations by the respective entities.

3. The Punj Lloyd Group comprises of the following entities

a) Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
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	97.09
Punj Lloyd Infrastructure Limited	India	100.00	100.00
Punj Lloyd Upstream Limited	India	100.00	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	-	100.00
Indtech Global Systems Limited	India	99.99	99.99
Punj Lloyd SKIL Marine Systems Limited (w.e.f. July 01, 2009)	India	51.00	51.00
PLI Ventures Advisory Services Private Limited (formerly Vasuda Investment Advisory Services Private Limited) (w.e.f November 10, 2010)	India	51.00	-
Dayim Punj Lloyd Construction Contracting Company Limited (w.e.f. December 19, 2010)	Saudi Arabia	51.00	-

b) Step down Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
Sembawang Engineers and Constructors Pte. Limited	Singapore	96.78	95.59
PT Sempec Indonesia	Indonesia	100.00	100.00
Sembawang Development Pte Limited	Singapore	96.78	95.59
PT Indo Precast Utama	Indonesia	96.78	95.59
PT Indo Unggul Wasturaya	Indonesia	64.85	64.05
Sembawang (Tianjin) Construction Engineering Co. Limited	China	67.75	66.91
Construction Technology Pte Limited (Up to August 27, 2010)	Singapore	-	95.59
Contech Trading Pte Limited	Singapore	96.78	95.59
PT Contech Bulan	Indonesia	58.07	57.35
Construction Technology (B) Sdn Bhd	Brunei	96.78	95.59
Sembawang (Hebei) Building Materials Co. Limited (Up to July 08, 2010)	China	-	71.69
Sembawang Infrastructure (Mauritius) Limited	Mauritius	96.78	95.59
Sembawang UAE Pte Limited	Singapore	96.78	95.59
SC Architects and Engineers Pte Limited	Singapore	96.78	95.59
Sembawang (Malaysia) Sdn Bhd	Malaysia	96.78	95.59
Jurubina Sembawang (M) Sdn Bhd	Malaysia	96.78	95.59
Simon Carves Limited	United Kingdom	100.00	100.00
Sembawang Simon-Carves Limited De Mexico S.A. de. CV	Mexico	100.00	100.00
Sembawang Engineers and Constructors Middle East FZE	United Arab Emirates	96.78	95.59
Simon Carves Singapore Pte Limited	Singapore	100.00	100.00

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00
Sembawang Bahrain SPC	Bahrain	96.78	95.59
Technodyne International Limited (Up to February 02, 2011)	United Kingdom	-	74.00
Punj Lloyd Engineers and Constructors Pte Limited	Singapore	100.00	100.00
Sembawang Equity Capital Pte. Limited (w.e.f. August 01, 2009)	Singapore	96.78	95.59
Sembawang Securities Pte Limited (w.e.f. February 05, 2010)	Singapore	96.78	95.59
Sembawang Australia Pty. Limited (w.e.f. November 05, 2009)	Australia	96.78	95.59
Sembawang Hong Kong Limited (w.e.f. October 13, 2009)	Hong Kong	96.78	95.59
Sembawang Caspi Engineers and Constructors LLP (w.e.f. January 11, 2010)	Kazakhstan	48.39	47.80
Punj Lloyd Delta Renewables Pte. Limited (w.e.f. November 05, 2009)	Singapore	51.00	51.00
Punj Lloyd Delta Renewables Private Limited (w.e.f. November 05, 2009)	India	51.00	51.00
Delta Solar (Bangladesh) Limited (w.e.f. November 05, 2009)	Bangladesh	51.00	51.00
Buffalo Hills Limited (w.e.f. September 30, 2009)	Gibraltar	100.00	100.00
Technodyne Engineers Limited (w.e.f. March 09, 2010)	India	80.32	97.09
Sembawang Libya General Contracting & Investment Company (w.e.f. August 11, 2009)	Libya	62.91	61.99
Punj Lloyd Solar Power Limited (w.e.f December 24, 2010)	India	100.00	-
Sembawang (Tianjin) Investment management Co. Limited (w.e.f November 12, 2010)	China	96.78	-
PLI Ventures Limited (w.e.f December 07, 2010)	Mauritius	100.00	-
Punj Lloyd Infrastructure Pte Limited (formerly Fullally Pte Limited) (w.e.f November 25, 2010)	Singapore	100.00	-
Punj Lloyd Engineering Pte Limited (formerly Vilia Pte Limited) (w.e.f. October 13, 2010)	Singapore	80.32	-
Punj Lloyd Sdn Bhd (w.e.f April 05, 2010)	Malaysia	100.00	-
Khagaria Purnea Highway Project Limited (w.e.f February 25, 2011)	India	100.00	-
Indtech Trading FZ LLC (w.e.f December 7, 2010)	UAE	100.00	-
Sembawang Mining (Kekal) Pte Limited (w.e.f March 31, 2011)	Singapore	96.78	-
PT Sembawang Indonesia (w.e.f December 28, 2010)	Indonesia	96.78	-
Punj Lloyd Kenya Limited (w.e.f March 02, 2011)	Kenya	100.00	-
Sembawang International Limited (w.e.f April 22, 2010)	Hong Kong	96.78	

c. Joint Ventures- Jointly controlled Entities / Operations

i) Jointly Controlled Entities

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
Thiruvananthpuram Road Development Company Limited	India	50.00	50.00
Asia Drilling Services Limited	Mauritius	50.00	50.00
Kaefer Punj Lloyd Limited (Refer Note No. (iii) below)	India	49.00	49.00
Swissport Punj Lloyd India Private Limited – Under Liquidation (Refer Note No. (iii) below)	India	49.00	49.00
Dayim Punj Lloyd Construction Contracting Company Limited (up to December 19, 2010)	Saudi Arabia	-	49.00
Ramprastha Punj Lloyd Developers Private Limited	India	50.00	50.00
PT Kekal Adidaya (PTKA) (w.e.f March 31, 2011)	Indonesia	48.39	-

ii) Jointly Controlled Operations

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
Persys-Punj Lloyd JV	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Refer Note No (i)	50.00	50.00
Punj Lloyd PT Sempec Indonesia	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Total-CDC-DNC Joint Operation	Refer Note No (i)	38.71	38.24
Kumagai-Sembawang-Mitsui Joint Venture	Refer Note No (i)	43.55	43.02
Kumagai-SembCorp Joint Venture	Refer Note No (i)	48.39	47.80
Philipp Holzmann-SembCorp Joint Venture	Refer Note No (i)	97.68	47.80
Kumagai-SembCorp Joint Venture (DTSS)	Refer Note No (i)	48.39	47.80
Semb-Corp Daewoo Joint Venture	Refer Note No (i)	58.07	57.35
Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture	Refer Note No (i)	48.39	47.80
Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture	Refer Note No (i)	48.39	47.80
Sembawang Precast System LLC	Refer Note No (i)	48.39	47.80
Total Sempac Joint Venture	Refer Note No (i)	48.39	47.80
Punj Lloyd Group Joint Venture, Thailand (w.e.f December 24, 2009)	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Public Works Company Tripoli Punj Lloyd Joint Venture (w.e.f January 07, 2009)	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)

d. Associates

i) Associates of the Company

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
Olive Group India Private Limited (w.e.f June 25, 2009)	India	25.00	25.00
Hazaribagh Ranchi Expressway Limited (w.e.f August 01, 2009)	India	26.00	26.00
Pipavav Shipyard Limited (up to March 27, 2010)	India	-	-

ii) Associates of Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
Air Works India (Engineering) Private Limited	India	27.57	33.33
Olive Group B.V.	Netherland	26.00	26.00

iii) Associates of Step down Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2011	% of voting power held as at March 31, 2010
Reliance Contractors Private Limited	Singapore	48.38	47.79
Ventura Development (Myanmar) Pte Limited	Singapore	33.87	33.46
Reco Sin Han Pte Limited	Singapore	19.35	19.12
Ethanol Ventures Grimsby Limited (Up to May 31, 2010)	United Kingdom	-	22.90

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, 2011, management approved unaudited financial statements were considered for consolidation purposes. The consolidated Profit & Loss Account for the year ended March 31, 2011 includes (loss) of (Rs. 1,610 thousand) (Previous year profit of Rs. 4,648 thousand) (being the proportionate share of the Punj Lloyd Group) from the entities.

4. 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 and debtors regarding geographical segments for the year ended March 31, 2011 and March 31, 2010.

(Amount in INR '000)

	Income by Geographical Market		Debtors (including retention money) by Geographical Market	
	2010-11	**2009-10**	**As at March 31, 2011**	**As at March 31, 2010**
India	27,635,376	28,960,317	8,865,890	7,771,508
Other countries	50,860,381	75,518,031	13,172,275	14,075,124
Total	**78,495,757**	**104,478,348**	**22,038,165**	**21,846,632**

* The Group has common assets for servicing domestic market and overseas markets. Hence, separate figures for assets /additions to assets cannot be furnished.

(Amount in INR '000)

		As at March 31, 2011		As at March 31, 2010	
		Punj Lloyd Limited & Subsidiaries	Joint Ventures	Punj Lloyd Limited & Subsidiaries	Joint Ventures
5.	**Capital Commitments**				
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,885,435	694,675	2,396,564	515,800
6.	**Contingent liabilities to the extent not provided for :**				-
	a) Bank Guarantees given by the Company	11,089,472	-	7,926,743	-
	b) Liquidated damages deducted by customers not accepted by the Company and pending final settlement (Refer Note No. 9 and 21 below)*	2,206,562	-	2,709,427	-
	c) Claims by parties/clients against subsidiaries not acknowledged as debt	2,151	-	2,261	-
	d) Demand by custom authorities against import of aircraft	178,923	-	178,923	-
	e) Corporate Guarantees given on behalf of Associates	620,000	-	650,000	-

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

f) Estimated future investments in other companies in terms of respective shareholder agreements amount in aggregate to Rs. 249,870 thousand (Previous year Rs. 289,919 thousand).

g) Estimated future investments in joint venture in terms of respective shareholder agreements amount in aggregate to Rs. 775,720 thousand (Previous year Rs. 289,919 thousand).

h) Uncalled money on partly paid shares held as investments for Rs. Nil (Previous year Rs. 265,550 thousand).

i) (i) Sales tax demand of Rs. 298,408 thousand (Previous year Rs. 285,948 thousand) on disallowance of deduction on labour and services of the works contracts pending with Sales Tax Authorities and High Court.*

(ii) Sales tax demand of Rs. 66,969 thousand (Previous year Rs. 66,006 thousand) for non submission of statutory forms.*

(iii) Sales Tax liability of Rs. 86,086 thousand (Previous year Rs. 84,946 thousand) for purchases against sales tax forms not accepted by department.*

(iv) Entry Tax liability of Rs. 42,649 thousand (Previous year Rs. 32,806 thousand) against entry of goods into the local area not accepted by department.*

(v) Sales Tax liability of Rs. 720 thousand (Previous year Rs 720 thousand) against the Central Sales Tax demand on sales in transit.*

(vi) Demand for nonpayment of excise duty on coating of pipes Rs. 9,567 thousand (Previous year Rs. Nil).*

(vii) Sales tax demand of Rs. 27,710 thousand (Previous year Rs. Nil) for non-admissible of deduction of supply turnover.*

(viii) Penalty for late deposit of Service Tax of Rs. 172,796 thousand (Previous year Rs. 172,796 thousand) and Rs. 15,915 thousand (Previous year Rs. 15,915 thousand) as disallowance of deduction of supply turnover.*

(ix) Sales tax demand in respect of erstwhile Internet Service Division regarding taxability of internet services Rs. Nil (Previous year Rs. 39,877 thousand).*

*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.

7. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a 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 summaries the components of net benefit expense recognised in the profit and loss account, the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense recognised under personnel expenses

(Amount in INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2010-11	**2009-10**	**2010-11**	**2009-10**
Current service cost	29,889	22,057	6,943	7,920
Interest cost on benefit obligation	8,293	7,878	136,560	137,260
Expected return on plan assets	(3,364)	(3,125)	(139,291)	(108,217)
Net actuarial(gain) / loss recognized in the year	(10,566)	(15,362)	604	(101,307)
Past service cost	1,207	-	56	-
Net benefit expense	**25,459**	**11,448**	**4,872**	**(64,344)**
Actual return on plan assets	(3,990)	(5,224)	139,631	303,711

Balance sheet

Details of Provision for gratuity

(Amount in INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2010-11	**2009-10**	**2010-11**	**2009-10**
Defined benefit obligation	112,958	103,571	2,385,731	2,179,090
Fair value of plan assets	(69,479)	(45,249)	(2,365,477)	(2,099,969)
	43,479	58,322	20,254	79,121
Less: Unrecognized past service cost	-	-	(26)	(34)
Plan assets/(liability)	**43,479**	**58,322**	**20,228**	**79,087**

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

(Amount in INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2010-11	**2009-10**	**2010-11**	**2009-10**
Opening defined benefit obligation	103,571	103,618	2,179,056	2,175,567
Translation difference	-	-	183,579	(97,677)
Interest cost	8,472	7,878	144,932	137,260
Current service cost	29,889	22,057	7,309	7,920
Benefits paid	(25,959)	(19,323)	(14,460)	(134,450)
Employee Contributions	-	-	56	-
Actuarial (gains) / losses on obligation	(4,043)	(10,659)	(14,766)	90,736
Past service cost	1,207	-	26	-
Closing defined benefit obligation	**112,958**	**103,571**	**2,385,731**	**2,179,056**

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

(Amount in INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2010-11	**2009-10**	**2010-11**	**2009-10**
Opening fair value of plan assets	45,249	38,440	2,099,969	2,046,480
Translation Differences	-	-	177,039	(155,928)
Expected return	3,364	3,125	147,856	106,094
Contributions by employer	44,112	20,000	53,976	46,136
Employee Contributions	-	-	-	-
Benefits paid	(24,055)	(19,323)	(113,724)	(134,381)
Actuarial gains / (losses)	809	3,007	361	191,568
Closing fair value of plan assets	**69,479**	**45,249**	**2,365,477**	**2,099,969**

The Company and its Indian subsidiaries expects to contribute Rs. 26,853 thousand (Previous year Rs. Nil) 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:

	2010-11	2009-10
	%	%
Discount rate	8.0	7.5
Expected rate of return on assets	8.5	8.0
Employee turnover	2.0	2.0

Estimate of future salary increase, considered in actuarial valuation, takes into account impact of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current periods are as follows:

(Amount in INR '000)

	Gratuity (Parent and Indian Subsidiaries)				Retirement Benefits (Foreign Subsidiaries)			
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2010-11**	**2009-10**	**2008-09**	**2007-08**
Defined benefit obligation	112,958	103,572	103,618	72,256	2,385,731	2,179,056	2,175,567	3,096,660
Plan assets	69,479	45,249	38,440	40,100	2,365,477	2,099,969	2,046,480	2,483,054
Surplus/ (deficit)	(43,479)	(58,322)	(65,178)	(32,156)	20,254	(79,087)	(129,087)	(613,606)
Experience adjustments on plan liabilities	(15,332)	-	-	-	-	-	-	-
Experience adjustments on plan assets	3,063	-	-	-	-	-	-	-

One of the foreign subsidiaries of the Company is having actuarial gain of Rs. Nil (Previous year Rs. 101,675 thousand), which has been included in personnel cost. This being the fourth year of application of Accounting Standard 15 (revised), the information in relation to the actuarial valuation of gratuity for previous one annual period as required by Para 120(n) (i) is not provided.

8. Leases

a) Assets taken under Finance Lease

The Group has acquired Project Equipment under hire purchase, the cost of which is included in the gross block of Plant & Machinery under Fixed Assets. The lease term is for one year. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

(Amount in INR '000)

	2010-11	2009-10
Gross block at the end of year	1,311,967	1,208,158
Written down value at the end of year	995,357	971,415
Details of payments made during the year:		
- Principal	142,672	137,856
- Interest	35,278	38,012

The break-up of minimum lease payments outstanding as at March 31, 2011 is as under

(Amount in INR '000)

	As at March 31, 2011		
	Principal	Interest	Total
Payable within one year	103,714	35,962	139,676
Payable after one year but before end of fifth year	93,972	25,668	119,640
Total	**197,686**	**61,630**	**259,316**
	As at March 31, 2010		
	Principal	**Interest**	**Total**
Payable within one year	141,236	35,220	176,456
Payable after one year but before end of fifth year	186,531	60,765	247,296
Total	**327,767**	**95,985**	**423,752**

b) Assets taken under Operating Lease

Certain Project Equipments and Office premises are obtained on operating leases. There are no contingent rents in the lease agreements. The lease terms are for 1-3 years and are 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.

(Amount in INR '000)

	2010-11	2009-10
Future minimum lease payments		
Not later than one year	653,133	249,498
Later than one year and not later than five years	452,949	416,352
Later than five years	623,210	737,565
Total	**1,729,292**	**1,403,415**

c) Assets given on operating lease

The Company has leased out certain furniture & fixtures on operating lease. The lease term is for 0-3 years and thereafter not renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

(Amount in INR '000)

	As at March 31, 2010-11	As at March 31, 2009-10
Future minimum lease payments		
Not later than one year	-	22,293
Later than one year and not later than five years	-	-
Later than five years	-	-
Total		**22,293**

9. a) The Company had executed certain projects for some customers in earlier years. These customers have withheld amounts aggregating to Rs. 725,128 thousand (Previous year Rs. 587,863 thousand) on account of liquidated damages and other deductions, which are being carried as sundry debtors. Some of these customers had also not certified the final bills amounting to Rs. Nil (Previous year Rs. 31,455 thousand), which are being carried forward under unbilled work in progress inventory. 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 as liquidated damages & other deductions and for claims lodged by the Company. Pending outcome of arbitration/ legal proceedings, amounts withheld for liquidated damages & other deductions are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of liquidated damages and other deductions by these customers and hence the above amounts are considered good of recovery.

   b) On certain projects which are completely executed/ nearing completion, the Company has unbilled work-in-progress inventory of Rs. 10,846,042 thousand. Further, Rs. 1,449,754 thousand are withheld by these customers on account of liquidated damages and other deductions. The Company is of the view that the unbilled revenue will be billed after completion of some pending work/ completion of certain pending formalities. Also, it is of the view that there is no justification in imposition of liquidated damages and other deductions by these customers. Accordingly, the above amounts are considered good of recovery.

10. The disclosures as per provisions of Clause 38, 39 and 41 of Accounting

Standard 7 notified by Companies (Accounting Standards) Rules, 2006, (as amended) are as under:

(Amount in INR '000)

		As at March 31, 2011	As at March 31, 2010
a)	Contract revenue recognised as revenue in the period (Clause 38 (a))	76,984,543	103,325,695
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contracts under progress (Clause 39 (a))	402,819,902	212,581,135
c)	Advance received on Contracts under progress (Clause 39 (b))	16,945,861	10,952,351
d)	Retention amounts on Contract under progress (Clause 39 (c))	2,985,717	2,735,054
e)	Gross amount due from customers for contract work as an asset (Clause 41(a))	46,011,087	44,689,793
f)	Gross amount due to customers for contract work as a liability (Clause 41 (b))	1,490,245	1,121,317

11. Current Assets include Rs. 4,225 thousand (Previous year Rs. 4,225 thousand) 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 Bombay, 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. 8,519 thousand (Previous year Rs. 7,967 thousand).

12. During earlier years, the Company had entered into agreements to sell its investments in the shares of certain Companies of the cost of Rs. 149,674 thousand 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. 59,178 thousand, 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. 76,305 thousand (Previous year Rs. 148,674 thousand) against investment in above shares appearing in the books is shown as deposit 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.

13. (a) Donations include an amount of Rs. Nil (Previous year Rs. 33,000 thousand) paid for political purposes to Bhartiya Janta Party – Rs. Nil (Previous year Rs. 16,000 thousand), Indian National Congress – Rs. Nil (Previous year Rs. 14,000 thousand), Shiromani Akali Dal – Rs. Nil (Previous year Rs. 2,000 thousand), Mahesh Jethmalani – Rs. Nil (Previous year Rs. 500 thousand) and Yashodhara Raje Scindia – Rs. Nil (Previous year Rs. 500 thousand).

(b) The Company had made a commitment to make contributions to Indian School of Business, Mohali amounting to Rs. 500,000 thousand (Previous year Rs. 500,000 thousand) 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. 210,000 thousand (upto Previous year Rs. 50,000 thousand) till the close of the year. The Management is committed to provide the financial support as and when balance amount is required by Indian School of Business, Mohali.

14. The Company's branch and subsidiary at Libya have fixed assets (net) and current assets aggregating to Rs. 12,190,743 thousand as at March 31, 2011 in relation to certain projects being executed in that country. Due to civil and political disturbances and unrest in Libya, the work on all the projects has stopped, the resources have been demobilised and necessary intimation has been given to the customers. The Company has also filed the details of the outstanding assets with the Ministry of External Affairs, Government of India. Pending the outcome of the uncertainty, the aforesaid amounts are being carried forward as realizable.

15. Earnings Per Share

(Amount in INR '000)

	Basic Earnings	2010-11	2009-10
a)	Calculation of weighted average number of equity shares of Rs. 2 each		
	Number of equity shares at the beginning of the year	332,086,295	303,482,055
	Equity shares at the end of the year	332,095,745	332,086,295
	Weighted average number of equity shares outstanding during the year	332,095,564	321,708,088
	(taking into consideration split of equity shares in terms of para 24 of Accounting Standard-20 'Earning Per Share')		
b)	Net Consolidated Profit after tax available for equity share holders (Rs. in thousand)	(595,242)	(1,084,054)
c)	Basic earning per share of Rs. 2 each	(1.79)	(3.37)
d)	Nominal value of share (Rs.)	2	2

Diluted Earnings		2010-11	2009-10
a)	Calculation of weighted average number of equity shares of Rs. 2 each		
	Number of equity shares at the beginning of the year	332,086,295	303,482,055
	Equity shares at the end of the year	332,095,745	332,086,295
	Weighted average number of equity shares outstanding during the year (taking into consideration split of equity shares in terms of para 24 of Accounting Standard-20 'Earning Per Share')	332,100,427	322,800,511
b)	Net Consolidated Profit after tax available for equity share holders (Rs. in thousand)	(595,242)	(1,084,054)
c)	Diluted earnings per share of Rs. 2 each	(1.79)*	(3.37)*
d)	Nominal value of share (Rs.)	2	2

* Potential Equity shares issues as at March 31, 2011, would be anti dilutive in nature.

Reconciliation of equity shares considered between Basic and Diluted earnings per share:

Description	2010-11	2009-10
Weighted average number of equity shares considered for Basic Earnings	332,095,564	321,708,088
Add : Equity shares to be issued on stock options	4,863	1,092,423
Weighted average number of equity shares considered for Diluted Earnings	332,100,427	322,800,511

16. (a) The Company has provided various share based payment schemes to its employees. During the year ended March 31, 2011, the following schemes were in operation:

	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	Employee should be in Service

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	989,394	126.00	1,651,941	126.00
Granted during the year	-	-	-	-
Exercised during the year	6,000	126.00	575,090	126.00
Expired during the year	383,794	126.00	87,457	126.00
Outstanding at the end of the year	599,600	126.00	989,394	126.00
Exercisable at the end of the year	599,600	126.00	989,394	126.00

The weighted average share price at the date of exercise for stock option was Rs. 126.00.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	308,358	235.99	333,233	235.99
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	83,383	235.99	24,875	235.99
Outstanding at the end of the year	224,975	235.99	308,358	235.99
Exercisable at the end of the year	224,975	235.99	308,358	235.99

The weighted average share price at the date of exercise for stock option was Rs. 235.99.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	820,240	154.46	1,062,545	154.46
Granted during the year	-	-	-	-
Exercised during the year	450	154.46	128,230	154.46
Expired during the year	126,355	154.46	114,075	154.46
Outstanding at the end of the year	693,435	154.46	820,240	154.46
Exercisable at the end of the year	693,435	154.46	820,240	154.46

The weighted average share price at the date of exercise for stock option was Rs. 154.46.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	30,000	299.90	30,000	299.90
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	21,000	299.90	-	-
Outstanding at the end of the year	9,000	299.90	30,000	299.90
Exercisable at the end of the year	9,000	299.90	30,000	299.90

The weighted average share price at the date of exercise for stock option was Rs. 299.90.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	20,000	310.35	20,000	310.35
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	14,000	310.35	-	-
Outstanding at the end of the year	6,000	310.35	20,000	310.35
Exercisable at the end of the year	6,000	310.35	20,000	310.35

The weighted average share price at the date of exercise for stock option was Rs. 310.35.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	30,000	90.40	30,000	90.40
Granted during the year	-	-	-	-
Exercised during the year	3,000	90.40	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	27,000	90.40	30,000	90.40
Exercisable at the end of the year	27,000	90.40	30,000	90.40

The weighted average share price at the date of exercise for stock option was Rs. 90.40.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	30,000	198.90	-	-
Granted during the year	-	-	30,000	198.90
Exercised during the year	-	-	-	-
Expired during the year	30,000	198.90	-	-
Outstanding at the end of the year	-	-	30,000	198.90
Exercisable at the end of the year	-	-	30,000	198.90

The weighted average share price at the date of exercise for stock option was Rs. 198.90.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-	-	-
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	132.45	-	-
Exercisable at the end of the year	30,000	132.45	-	-

The weighted average share price at the date of exercise for stock option was Rs. 132.45.

For the purpose of valuation of the options granted upto year ended March 31, 2011 under ESOP 2005 and ESOP 2006, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method is Nil.

(b) One of the subsidiaries of the Company has provided various share based payment schemes to its employees. During the year ended March 31, 2011, the following schemes were in operation in that subsidiary:

	ESOP 2008	ESOP 2007 (Sweat equity)
Date of Board of members approval	April 07, 2008	September 02, 2009 January 8, 2010
Date of Shareholder's approval	April 07, 2008	September 02, 2009 January 8, 2010
No. of options granted	123,500	50,000 50,000
Method of settlement	Cash	Consideration other than cash
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	-
Vesting conditions	Continuous association with the company and performance	Employee should be in service

The details of activities under ESOP 2007 (Sweat Equity) have been summarized below:

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	50,000	32.00
	-	-	50,000	30.00
Exercised during the year	-	-	50,000 50,000	32.00 30.00
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 Rs. 32.00 and Rs. 30.00 respectively.

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	151,090 111,000	100.00 32.00	206,150	100.00
Granted during the year	-	-	123,500	32.00
Exercised during the year	-	-	-	-
Expired during the year	49,050 20,000	100 32	55,060 12,500	100.00 32.00
Outstanding at the end of the year	102,040 91,000	100 32	151,090 111,000	100.00 32.00
Exercisable at the end of the year	-	-	-	-

The weighted average share price at the date of exercise for stock option was Rs. 100.00 and Rs. 32.00 respectively.

(c) One of the overseas subsidiaries of the Company has provided various share based payment schemes to its employees. During the year ended March 31, 2011, the following schemes were in operation in that subsidiary:

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

	2010-11		2009-10	
	Number of Options	Weighted Average Exercise Price (SGD)	Number of Options	Weighted Average Exercise Price (SGD)
Outstanding at the beginning of the year	1,100,000	0.386	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	-	-	1,100,000	0.386
Exercisable at the end of the year	-	-	1,100,000	0.386

The weighted average share price at the date of exercise for stock option was 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 losses and earnings per share.

17. 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. 5,543,750 thousand 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 have 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) Zero Coupon Convertible Bonds due 2011 amounting to USD 49,700 thousand (Rs. 2,248,428 thousand) (Previous year USD 49,700 thousand (Rs. 2,246,440 thousand)) were pending for redemption as on March 31, 2011 which have since been redeemed at a redemption premium equal to 125.86% of the outstanding principal amount on the maturity date. The Company has provided for redemption premium of Rs. 592,690 thousand (Previous year Rs. 451,400 thousand) up to March 31, 2011 and adjusted the same against Securities Premium Account in pursuance of section 78 of the Companies Act, 1956. The bonds are considered as monetary liability.

18. The Company, as per the Companies Accounting Standard Rules, 2009, had exercised the option of deferring the charge to Profit & Loss Account arising on exchange differences in respect of accounting periods commencing on or after December 07, 2006, on long term foreign currency monetary items. As per the option, exchange differences related to long term foreign currency monetary items and so far as they relate to the acquisition of depreciable capital assets are capitalized and depreciated over the useful life of the assets and in other cases, have been transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities but not beyond accounting period ending on or before March 31, 2011. The unamortized balance in this account as at March 31, 2011 is Rs. Nil (Previous year Rs. 2,319 thousand).

19. 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 Company is of the view that the above statements were made under undue mental pressure and physical exhaustion and it 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 and the assessment proceedings are going on. In view of the above, tax liability, if any, that may arise on this account is presently unascertainable.

20. The Company had during an earlier year obtained approval of Central Government under section 297 of the Companies Act, 1956 for a contract entered with a private company in which a director of the Company is a director, to execute a project for them for values not exceeding Rs. 1,410,000 thousand. The scope of the project has been enhanced and as at March 31, 2011, it has exceeded the Central Government approval by Rs. 350,700 thousand (Previous year Rs. 19,476 thousand). The Company has made an application to the Central Government seeking its approval for the scope enhancement, which is pending.

21. The Company had during the previous year accounted for a claim of Rs. 2,430,300 thousand (Previous year Rs. 2,430,300 thousand) on Heera Redevelopment Project (HRP) 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. 654,891 thousand (Previous year Rs. 654,891 thousand) deducted by the customer since it is of the view that the delay in execution of the project is attributable to the customer. Further, there are other debtors outstanding of Rs. 844,527 thousand and unbilled work in progress inventory of Rs. 1,603,397 thousand relating to the said project as at March 31, 2011. The Company has initiated arbitration proceedings against the customer during the year. The management, based on the expert inputs, is confident of recovery of amounts exceeding the recognized claim and waiver of liquidated damages and is also confident of recovery of other debtors and unbilled work in progress inventory.

22. The Company has during the year accounted for claims of Rs. 897,346 thousand 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. The management, based on its assessment, is confident of recovery of amounts exceeding the recognized claims.

23. a) During the current year, in two of the projects being executed by the Company in India, consequent to revision in estimates of the project costs and revenue on the project has gone up by Rs. 1,700,123 thousand and Rs. 185,871 thousand respectively.

b) During the current year, in two of the projects being executed by one of the branches of the Company, consequent to revision in estimates of the project costs and revenue on the project has gone up by Rs. 1,234,986 thousand (QR 100,980 thousand) and Rs. 415,743thousand (QR 33,994 thousand) respectively.

24. Details of Pre operative Expenditure (Pending Allocation)

(Amount in INR '000)

Particulars	As at March 31, 2011	As at March 31, 2010
Rent	5,480	-
Rates & taxes	112	-
Site Expenses	2,577	-
Diesel and Fuel	222	-
Repair and Maintenance- Others	723	-
Hire Charges	1,433	-
Salaries, Wages and Bonus	24,518	-
Contribution to Provident & Other Funds	828	-
Workmen and staff welfare	517	-
Travelling and conveyance	4,971	-
Consultancy/ professional charges	602	-
Interest on term loan	37,277	70,260
Bank/ financial charges	287	-
Others	5,177	-
Total	**84,724**	**70,260**
Less: transferred to fixed assets	-	70,260
Balance carried forward	84,724	-

25. Deferred Tax Liability (Net)

(Amount in INR '000)

Components of Deferred Tax Liability (Net)	Deferred Tax Asset/ (Liability) as at April 01, 2010	Current Period (Charge)/ Credit	Deferred Tax Asset/ (Liability) as at March 31, 2011
Differences in depreciation in block of fixed assets as per Income Tax and Financial Books	(1,139,842)	(154,449)	(1,294,291)
Effect of expenditure not debited to Profit and Loss account but allowable in Income Tax	(350,263)	(29,961)	(380,224)
Unrealised foreign exchange on purchase of Fixed assets	(5,065)	118	(4,947)
Difference in carrying value of Scaffolding as per Income Tax & Financial Books	(39,393)	6,308	(33,085)
Exchange fluctuation on foreign currency monetary items translation difference account	(111,824)	111,824	-
Effect of expenditure debited to Profit and Loss Account in the current year but allowable in following years under Income Tax	282,641	(2,913)	279,728
Deduction u/s 35D	(2,514)	-	(2,514)
Employee Retirement Benefits	(126,094)	728	(125,366)
Unabsorbed Losses/Carried Forward Losses	261	41,105	41,366
Others	(399,050)	117,692	(281,358)
Foreign currency translation	87,068	-	284,931
Deferred Tax Liability (Net)*	(1,804,075)	90,452	(1,515,760)

* After setting off Deferred Tax Assets aggregating Rs. 43,908 thousand (Previous year Rs. 37,885 thousand) as on March 31, 2011 in respect of certain Group companies.

26. Derivative Instruments and Unhedged Foreign Currency Exposure

a) The Company is operating in Abu Dhabi, Oman, Qatar, Libya, Thailand 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 notional hedge in respect of its foreign branches assets & liabilities.

b) Particulars of Unhedged foreign Currency Exposures as at the Balance Sheet date from Indian Operations of the Parent Company:

		Currency	March 31, 2011 Amount In Foreign Currency	March 31, 2011 Exchange Rate	March 31, 2011 Amount In Rs. '000	March 31, 2010 Amount In Foreign Currency	March 31, 2010 Exchange Rate	March 31, 2010 Amount In Rs. '000
(i)	Payable to Suppliers	CAD	35,065	45.95	1,611	35,065	44.91	1,575
		EUR	1,024,816	64.27	65,865	756,219	60.51	45,760
		GBP	82,316	72.97	6,007	16,799	68.62	1,153
		QAR	16,200	12.23	198	43,729	12.30	538
		SGD	68,697	36.08	2,479	3,581,140	32.22	115,377
		USD	3,080,548	45.24	139,364	7,463,288	45.20	337,341
		IDR	-	-	-	14,372,737	0.001	71
		MYR	9,042	14.71	133	9,042	13.73	125
(ii)	Advances to Suppliers	EUR	2,398,771	64.27	154,169	406,439	60.51	24,594
		GBP	4,496	72.97	328	115,711	68.62	7,940
		MUR	-	-	-	11,500	1.43	16
		SGD	358,124	36.08	12,921	26,084	32.22	840
		USD	14,208,282	45.24	642,783	7,653,124	45.20	345,921
		JPY	1,138,818	0.55	629	5,970,440	0.48	2,860
		BDT	-	-	-	34,700	0.65	23
		QAR	-	-	-	25,000	12.30	307
		CAD	800	45.95	37	-	-	-
(iii)	Advance from Customers	USD	581,178	45.24	26,292	-	-	-
(iv)	Term Loan	USD	20,000,000	45.24	904,800	20,588,560	45.20	930,602
		EURO	4,882,720	64.27	22,802	-	-	-
(v)	Foreign Currency Convertible Bonds	USD	49,700	45.24	2,248,428	49,700	45.20	2,246,440
(vi)	Receivables	USD	52,640,520	45.24	2,381,457	31,390,398	45.20	1,418,846
		GBP	-	-	-	126,151	68.62	8,659
		AED	351,973	12.64	4,449	330,849	12.20	4,035
		SGD	305,746	36.08	11,031	171,395	32.22	5,522
		EURO	341,108	64.27	21,923	-	-	-
(vii)	Bank Balances	USD	199,064	45.24	9,006	2,058,141	45.20	93,028
		AED	63,417	12.64	802	63,417	12.20	773
		GBP	2,532	72.97	184	4,101	68.62	281
		EURO	37,926	64.27	2,438	-	-	-
(viii)	Investments	USD	4,002,500	43.81	175,352	4,002,500	43.81	175,352
		KZT	1,107,977,200	0.33	362,798	1,107,977,200	0.33	362,798
		SGD	102,334,601	29.29	2,997,139	102,334,601	29.29	2,997,139
		SAR	1,020,000	12.05	12,289	980,000	12.04	11,795
(ix)	Loan to Subsidiaries	USD	8,529,700	45.24	385,884	179,591,757	45.20	8,117,547
		GBP	-	-	-	13,500,000	68.62	926,303
		SGD	368,360,073	36.08	13,290,431	-	-	-

c) Net Unhedged Foreign Currency Exposure in foreign branches of the Parent Company (Assets – Liabilities)

	Foreign Branches	March 31, 2011 Foreign Currency		March 31, 2011 Exchange Rate	March 31, 2011 Rs in '000	March 31, 2010 Foreign Currency		March 31, 2010 Exchange Rate	March 31, 2010 Rs in '000
(i)	Abu Dhabi	AED	213,062,860	12.64	2,693,115	AED	120,316,347	12.19	1,467,378
(ii)	Oman	OMR	4,919,344	116.63	573,743	OMR	5,079,631	116.35	591,040
(iii)	Qatar	QAR	496,841,037	12.22	6,071,397	QAR	464,289,266	12.29	5,708,901
(iv)	Libya	LYD	79,574,289	36.90	2,936,291	LYD	65,782,332	35.39	2,328,629
(v)	Yemen	YER	4,243,994,734	0.21	891,239	YER	2,886,764,658	0.22	635,088
(vi)	Thailand	THB	51,511,042	1.47	75,752		-	-	-

d) Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date from Indian Subsidiaries:

		Currency	March 31, 2011			March 31, 2010		
			Amount In Foreign Currency	Exchange Rate	Amount In Rs. '000	Amount In Foreign Currency	Exchange Rate	Amount In Rs. '000
i)	Payable to Suppliers	USD	75,571	45.24	3,419	142,261	45.20	6,430
ii)	Advance from Customers	USD	435,548	45.24	19,704	84,402	45.20	3,815
iii)	Term Loan	USD	28,561,342	45.24	1,292,115	35,287,240	45.20	1,594,983
iv)	Receivables	USD	7,257,027	45.24	5,646,179	5,646,179	45.20	255,207
		GBP	287,764	72.97	232,318	232,318	68.62	15,942
		EURO	29,368	64.27	7,400	7,400	60.51	448

27. The Company has accounted for deferred tax assets as at March 31, 2011 on timing differences including those on unabsorbed depreciation. The same has been done after considering the estimated margins on unexecuted portion of the projects as the balance sheet date. The management is virtually certain that the Company will generate sufficient profits to realize the deferred tax assets.

28. Related Party Disclosures

Names & Description of Related Parties

i) Joint Ventures of the Company

a) **Jointly Controlled Entities**

1) Thiruvananthpuram Road Development Company Limited
2) Asia Drilling Services Limited
3) Swissport Punj Lloyd India Private Limited – Under Liquidation
4) Dayim Punj Lloyd Construction Contracting Company Limited (up to December 19, 2010)
5) Kaefer Punj Lloyd Limited
6) Ramprastha Punj Lloyd Developers Private Limited
7) PT Kekal Adidaya (PTKA) (w.e.f March 31, 2011)

b) **Jointly Controlled Operations**

1) Persys-Punj Lloyd JV
2) Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited
3) Total-CDC-DNC Joint Operation
4) Kumagai-Sembawang-Mitsui Joint Venture
5) Kumagai-SembCorp Joint Venture
6) Philipp Holzmann-SembCorp Joint Venture
7) Kumagai-SembCorp Joint Venture (DTSS)
8) Semb-Corp Daewoo Joint Venture
9) Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture
10) Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture
11) Punj Lloyd PT Sempec Indonesia
12) Punj Lloyd Group Joint Venture (w.e.f December 24, 2009)
13) Public Works Company Tripoli Punj Lloyd Joint Venture (w.e.f January 07, 2009)
14) Sembawang Precast system LLC
15) Total Sempac Joint venture

ii) Associates of the Company

1) Pipavav Shipyard Limited (Upto March 27, 2010)
2) Olive Group India Private Limited (w.e.f June 25, 2009)
3) Hazaribagh Ranchi Expressway Limited (w.e.f August 01, 2009)

iii) Associates of Subsidiaries

1) Air Works India (Engineering) Private Limited

iv) Associates of Step down Subsidiaries

1) Reliance Contractors Private Limited
2) Ventura Development (Myanmar) Pte Limited
3) Regional Hotel Pte Limited (Upto April 15, 2009)
4) System-Bilt (Myanmar) Limited (Upto April 15, 2009)
5) Realand Pte Limited (Upto May 06, 2009)
6) Reco Sin Han Pte Limited
7) Olive Group BV
8) Ethanol Ventures Grimsby Limited (Up to April 29, 2010)

v) Key Managerial Personnel

1)	Atul Punj	Chairman
2)	V.K. Kaushik	Managing Director (Upto December 16, 2009)
3)	Luv Chhabra	Director Corporate Affairs
4)	P.K.Gupta	Whole time Director
5)	Navina Punj	Director
6)	Sanjay Goel	Chief Executive Officer
7)	Rohit Kapur	Chief Executive Officer (upto July 31, 2009)

vi) Relatives of Key Managerial Personnel

1) S.N.P.Punj	Father of Chairman
2) Arti Singh	Sister of Chairman
3) Indu Rani Punj	Mother of Chairman
4) Uday Punj	Brother of Chairman
5) Manglam Punj	Wife of Brother of Chairman
6) Shiv Punj	Son of Chairman
7) Jai Punj	Son of brother of Chairman
8) Dev Punj	Son of brother of Chairman
9) Kumkum Kaushik	Wife of Managing Director (Upto December 16, 2009)
10) Navina Punj	Wife of Chairman
11) Jyoti Punj	Sister of Chairman

vii) Enterprises over which relatives of Key managerial Personnel are exercising significant influence.

1) Pt. Kanahya Lal Dayawanti Punj Charitable Society – Chairmanship of Father of Chairman
2) Collectible @ The Inside Story – Owned by Sister of Chairman
3) Spectra Punj Finance Private Limited – Shareholding of Chairman
4) Cawdor Enterprises Limited – Shareholding of Chairman
5) Uday Punj (HUF) – HUF of brother of Chairman
6) K.R Securities Private Limited – Shareholding of Brother of Chairman
7) Atul Punj (HUF) – HUF of Chairman
8) Vishwadeva Builders and Promoters Private Limited – Shareholding of sister of Chairman
9) PTA Engineering and Manpower Services Private Limited – Shareholding of Chairman
10) PLE Hydraulics Private Limited - Shareholding of Chairman
11) Special Steel Forgings Private Limited – Shareholding of Chairman
12) Petro IT Limited – Shareholding of Brother of Chairman

29. Details of the Company's share in Joint Ventures included in the Consolidated Financial Statements are as follows:

(Amount in INR '000)

Particulars	As at March 31, 2011	As at March 31, 2010
Assets		
Fixed Assets (including Capital Work in Progress)	977,871	888,667
Deferred Tax Asset	300	-
Investments	35,096	23,643
Current Assets, Loans and Advances	1,151,837	1,267,019
Liabilities		
Loan Funds	766,720	471,880
Current Liabilities and Provisions	1,232,348	1,164,359
Deferred Tax Liabilities	-	523

(Amount in INR '000)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Income	1,814,067	938,431
Expenditure	1,805,281	1,256,590

30. a) Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

b) Figures pertaining to subsidiaries, joint ventures and associate companies have been reclassified wherever considered necessary to bring them in line with the holding Company's financial statements.

For S.R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : May 30, 2011

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

Atul Punj	Chairman
P. K. Gupta	Whole Time Director
Luv Chhabra	Director (Corporate Affairs)
Predeep Kumar Gupta	President (Finance & Accounts)
Dinesh Thairani	Group Head - Legal & Company Secretary

RELATED PARTY DISCLOSURES

(Amount in INR '000)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
INCOME										
Rent										
Olive Group India Private Limited			413	1,848					413	1,848
Hire Charges										
Air Works India (Engineering) Private Limited			-	56,080					-	56,080
Kaefer Punj Lloyd Limited	-	464							-	464
Management Fees										
Kaefer Punj Lloyd Limited	6,616	-							6,616	-
Others Income										
Dayim Punj Lloyd Construction Contracting Co. Limited	81,219	-							81,219	-
EXPENDITURE										
Contractors Charges										
Kaefer Punj Lloyd Limited	24,952	13,407							24,952	13,407
Material Consumed										
Kaefer Punj Lloyd Limited	66,294	216,967							66,294	216,967
Rent										
V K Kaushik					-	6,600			-	6,600
Travelling & Conveyance										
Air Works India (Engineering) Private Limited			-	22,631					-	22,631
Managerial Remuneration										
V K Kaushik					-	44,259			-	44,259
Luv Chhabra					27,082	14,479			27,082	14,479
Scott R Bayman					-	500			-	500
Naresh Kumar Trehan					-	500			-	500
PK Gupta					20,543	-			20,543	-
Sanjay Gopal Bhatnagar					-	500			-	500
Phiroj Vandrevala					-	500			-	500
Dividend Payment										
Cawdor Enterprises Ltd							11,354	22,707	11,354	22,707
Spectra Punj Finance Private Limited							3,296	6,592	3,296	6,592
Atul Punj					215	429			215	429
S.N.P.Punj					1,525	3,050			1,525	3,050
Indu Rani Punj					1,518	3,035			1,518	3,035
Uday Punj/Mangalam Punj					410	820			410	820
Uday Punj (HUF)					123	246			123	246
Arti Singh					73	145			73	145
Jyoti Punj					75	151			75	151
Navina Punj					1	2			1	2

RELATED PARTY DISCLOSURES

(Amount in INR '000)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Magalam Punj					164	327			164	327
Others					3	1			3	1
Rent										
Pt. Kanahya Lal Dayawanti Punj Charitable Society							13,680	13,680	13,680	13,680
ESOP exercised during the year										
V K Kaushik					-	28,472			-	28,472
Luv Chhabra					-	5,103			-	5,103
Investment made during the year										
Dayim Punj Lloyd Construction Contracting Co. Limited	494	-							494	-
Olive Group India Private Limited			2,500	5,000					2,500	5,000
Thiruvananthapuram Road Development Company Limited	40,050	-							40,050	-
Hazaribagh Ranchi Expressway Limited			-	130					-	130
Investment sold during the year										
Pipavav Shipyard Limited			-	2,142,762					-	2,142,762
Corporate Guarantees Issued during the year										
Kaefer Punj Lloyd Limited	40,000	110,000							40,000	110,000
Dayim Punj Lloyd Construction Contracting Co. Limited	-	2,231,533							-	2,231,533
Air Works India (Engineering) Private Limited			-	650,000					-	650,000
Corporate Guarantees redeemed during the year										
Air Works India (Engineering) Private Limited			30,000	-					30,000	-
Kaefer Punj Lloyd Limited	-	52,500							-	52,500
Balance outstanding as at March 31, 2011										
Receivable / (payables)										
Kaefer Punj Lloyd Limited	-	(24,033)							-	(24,033)
Dayim Punj Lloyd Construction Contracting Co. Limited	-	103,526							-	103,526
Air Works India (Engineering) Private Limited			16,635	17,100					16,635	17,100
Salary / Commission Payable										
Luv Chhabra					1,359	1,203			1,359	1,203
PK Gupta					981				981	-
Scott R Bayman					-	500			-	500
Naresh Kumar Trehan					-	500			-	500
Sanjay Gopal Bhatnagar					-	500			-	500
Phiroj Vandrevala					-	500			-	500

REGISTERED OFFICE

PUNJ LLOYD LTD
Punj Lloyd House, 17-18 Nehru Place
New Delhi 110 019, India
T +91 11 2646 6105 F +91 11 2642 7812
info@punjlloyd.com www.punjlloyd.com

CORPORATE I
78 Institutional Area, Sector 32
Gurgaon 122 001, India
T +91 124 262 0123 F +91 124 262 0111

CORPORATE II
95 Institutional Area, Sector 32
Gurgaon 122 001, India
T +91 124 262 0769 F +91 124 262 0777

REPRESENTATIVE OFFICES

SEMBAWANG ENGINEERS AND CONSTRUCTORS PTE LTD
460 Alexandra Road, #27-01 PSA Building
Singapore 119 963
T +65 6305 8788 F +65 6305 8568
bd@sembawangenc.com

PUNJ LLOYD LTD
21 – 22, Grosvenor Street, London WIK4QJ
United Kingdom
T +44 207 495 4143 F +44 207 495 7937
farah@punjlloyd.com

PL ENGINEERING LTD
5-7 Udyog Vihar, Phase IV
Gurgaon 122 016, India
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SIMON CARVES LTD
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info@simoncarves.com

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PUNJ LLOYD LTD
303 Leela Business Park, 3rd Floor
Andheri Kurla Road, Andheri East, Mumbai 400 059
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dmankame@punjlloyd.com

ASIA PACIFIC

PT. PUNJ LLOYD INDONESIA
Wisma GKBI, 17th Floor, Suite 1708
Jl. Jend, Sudirman No. 28, Jakarta 10210, Indonesia
T +62 21 5785 1944 F +62 21 5785 1942
info@ptpli.com

PT SEMPEC INDONESIA
Wisma GKBI, 12th Floor, Suite 1209, Jl. Jend,
Sudirman No. 28, Jakarta 10210, Indonesia
T +62 21 574 1128 F +62 21 574 1130
sempec@sempecindonesia.co.id

PUNJ LLOYD OIL & GAS (MALAYSIA) SDN BHD
Suite 1006, 10th floor, Menara, Amcorp
18 Jln. Persiaran Barat, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T +60 3 7955 5293 F +60 3 7955 5290
asiapacific@punjlloyd.com

PUNJ LLOYD GROUP JV
Sun Tower Building, Tower B, Unit B 2904
Floor 29, 123 Vibhavadi, Rangsit Road
Chatuchak, Bangkok 10900, Thailand
T +66 2 617 6755 F +66 2 617 6756
asiapacific@punjlloyd.com

PUNJ LLOYD PTE LTD
60 Alexandra Terrace #09-01
The Comtech (Lobby A), Singapore 118 502
T +65 6309 9040 F +65 6820 7652
asiapacific@punjlloyd.com

PUNJ LLOYD LTD
6th Flr., 68 Hoang Dieu Street
Ward 12, Distt 4, Ho Chi Min City, Vietnam
T +8 4902 410951
asiapacific@punjlloyd.com

CASPIAN

PUNJ LLOYD KAZAKHSTAN LLP
Plot No. 7 "A" , Atyrau Dossor Highway
DSK Region, Atyrau 060 000
Republic of Kazakhstan
T +7 7122 395 021/42 F +7 7122 395 038
plk@punjlloyd.com

PUNJ LLOYD KAZAKHSTAN LLP
54 Turkmenbashi Shayoly Avenue
Ashgabat, Turkmenistan
T +971 5081 84492
plk@punjlloyd.com

MIDDLE EAST

PUNJ LLOYD LTD
PO Box 28907, 502 Al Ghaith Tower
Hamdan Street, Abu Dhabi, UAE
T +971 2 626 1604 F +971 2 626 7789
pllme@punjlloyd.com

PUNJ LLOYD LTD
PO Box # 55174, 18th Floor, Al Fardan Tower
West Bay, Doha, State of Qatar
T +974 407 4555 F +974 407 4500
pllme@punjlloyd.com

PUNJ LLOYD LTD
PO Box 704, Postal Code 133, Office No. 21
2nd floor, Zakia Plaza, Bousher Area, Al Khuwair
Sultanate of Oman
T +968 24 504 594 F +968 24 504 593
pllme@punjlloyd.com

PUNJ LLOYD LTD
P O Box 50082, Mukkalla, Republic of Yemen
T +967 5 384 386 F +967 5 212 022
pllme@punjlloyd.com

DAYIM PUNJ LLOYD CONSTRUCTION CONTRACTING CO. LTD.
Tanami Tower, 8th Floor, Prince Turki Street
(Near Corniche), P O Box 31909, Al-Khobar 31952
Kingdom of Saudi Arabia.
T +966 3 896 9241 F +966 3 896 9628
mkt@punjlloyd.com

PUNJ LLOYD LTD
Office No.61, Building 2080, Road 2825
Block 428, Seef Tower Building, Al Seef
Po Box 65017, Bab Al Bahrain
Kingdom of Bahrain

AFRICA

PUNJ LLOYD LTD
P O 3119, Goth Alshaal Alwahda Area
Tripoli - G.S.P.L.A.J, Libya
Tel / Fax + 218 21 5567 0123
ksaha@punjlloyd.com

PUNJ LLOYD KENYA LTD
Plot No. 1870/VI/254/255/256
Kalamu House, Westlands, Nairobi
PO Box-47323-00100, Nairobi (Kenya)

Punj Lloyd Ltd.
78 Institutional Area, Sector 32, Gurgaon 122 001, India | T + 91 124 262 0123 | F + 91 124 262 0111
www.punjlloydgroup.com

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