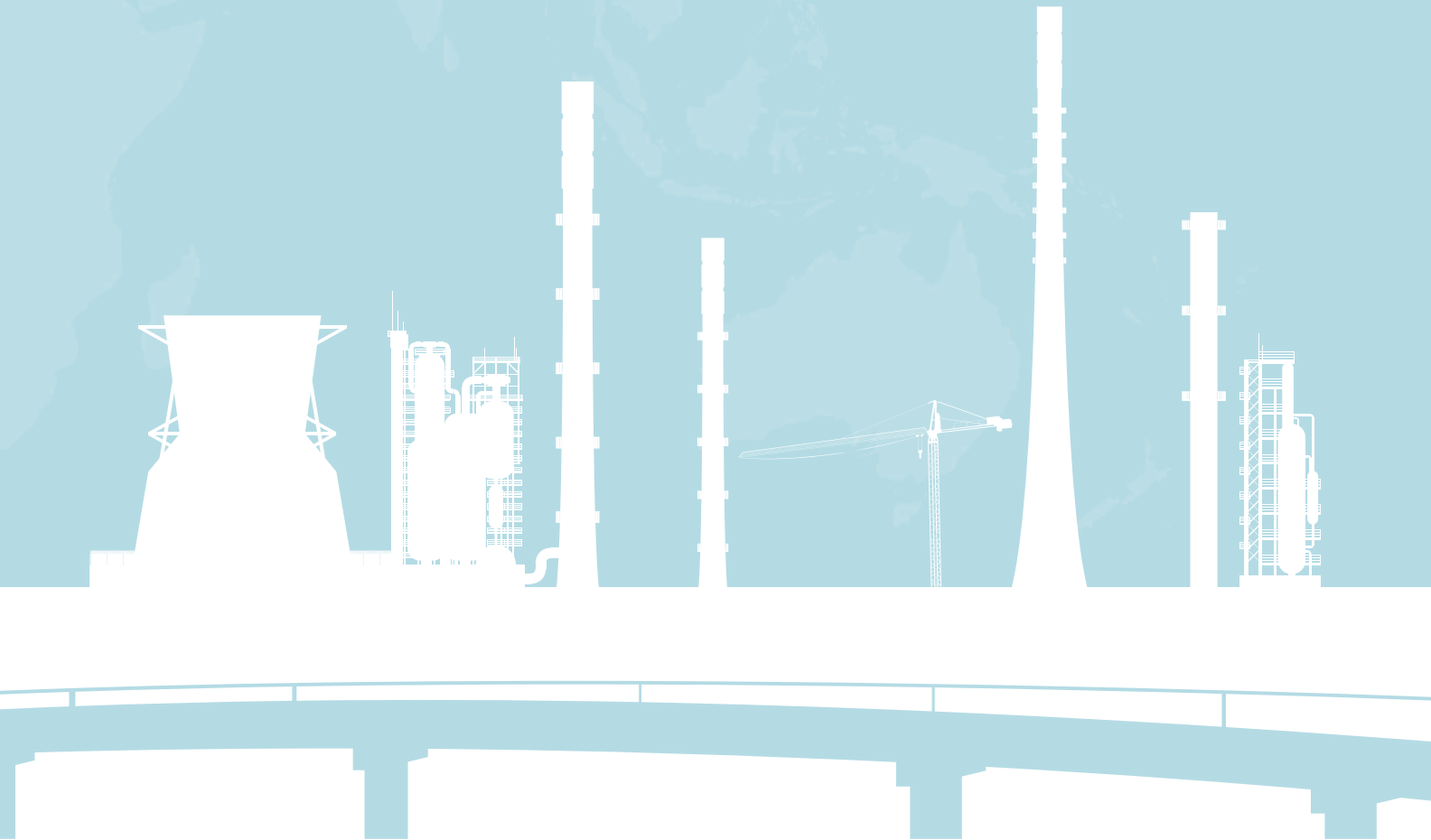




RISING TO CHALLENGES



JOURNEY OF ACCOMPLISHMENTS

“People are always blaming their circumstances for what they are. I don’t believe in circumstances. The people who get on in this world are the people who get up and look for the circumstances they want, and if they can’t find them, make them.” - George Bernard Shaw

In the 25 year journey at Punj Lloyd, we have always accepted difficult challenges, overcome obstacles and delivered results. Courage to look beyond and strive to move ahead is fundamental to Punj Lloyd’s business ethos. The experience and accomplishments through this journey and the Company’s go-getter attitude drives us to the next leap of growth.





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Dear Shareholder,

This is the 25th year of business for Punj Lloyd. It has been a significant journey with major achievements for this quarter-century-young Company.

Punj Lloyd has an impressive portfolio of accomplishments in its 25 years in terms of complex project delivery, large equipment base, strong customer support, a truly multi-geographic presence. It has all the pieces in place to continue moving forward in creating valuable infrastructure for nations and healthy returns for the businesses. The road ahead is challenging. But I feel confident about growth because Punj Lloyd has risen to such challenges before. And won.

Having said so, it is a fact that fiscal year 2012-13 (FY2013)

continued to be difficult for the Indian economy and the business of infrastructure.

India's real GDP growth has been falling over the past eight quarters. In the quarter January-March 2011, India was growing at 7.8%. By October-December 2012, just seven quarters later growth had dropped to 4.5%. Growth in FY2013 is around 5%, which will make it one of the lowest growth years since the mid-1990s.

Part of this is on account of international factors, with most of the world still suffering from myriad after-effects of the global financial crisis. However, much of the causes are related to domestic reasons that are primarily to do with policy paralysis and its consequences especially in the last three years. This has worsened the investment climate which, in turn, has affected infrastructure spends and projects the mainstay of your Company's activities.

In real terms, the rate of growth of construction in FY2013 is going to be 5.9%, which is one of the lowest growth rates that the sector has seen in the last ten years. There has also been a steady reduction in Gross Fixed Capital Formation as a share of GDP.

According to the programme implementation department, Government of India, as on Jan 1, 2013, of a total of 566 major projects that have an estimated cost of over Rs.150 crore, 276 projects were delayed with respect to their original dates of commissioning. This means that 48.8% of major projects are delayed. Of the 276 delayed projects, issues regarding clearances relating to environment and forest stalled progress in 43 projects.

Naturally, such a situation has created a significant cash crunch across the infrastructure supply chain. In turn, the lack of liquidity in the system is further creating new rounds of delays in execution for want of working capital. Apart from the problem of liquidity, the sector is facing a major problem of delayed decision making. It is important to appreciate that large scale infrastructure development often involves a large number of different stakeholders with varying objectives. Government agencies have to play the difficult role of resolving conflicts arising out of such differing perspectives and promoting development. Most of the time such solutions are lengthy procedures and the interim period is one of decision inertia. India is going through such a time across most segments of infrastructure development.

In such a milieu, your Company had an overall order backlog of Rs. 22,499 crore as on 31 March 2013. Though less than what it was a year earlier, the order book is still a healthy level.

The details of how Punj Lloyd performed in FY2013 are given in the chapter on Management Discussion and Analysis, which I am sure you will read. Here, let me touch upon the key highlights of your Company's consolidated financial performance. These were:

- Gross income increased by 9% from Rs. 10,784 crore in FY 2012 to Rs. 11,743 crore in FY2013
- EBITDA increased marginally from Rs. 1,124 crore in FY2012 to Rs. 1,175 crore in FY 2013
- Finance charges burden increased by 23% from Rs. 633 crore in FY2012 to Rs. 781 crore in FY 2013
- There were marginal losses after taxes of Rs. 7 crore in FY 2013 against a profit after taxes of Rs. 92 crore in FY 2012.

Let me also highlight some of the key projects that have been won or are being executed by your Company across the globe.

Energy is the largest vertical in Punj Lloyd's portfolio, and accounts for 77% of consolidated revenues and 61% of the unexecuted order book. Here, there have been some notable successes. Let me begin with oil and gas.

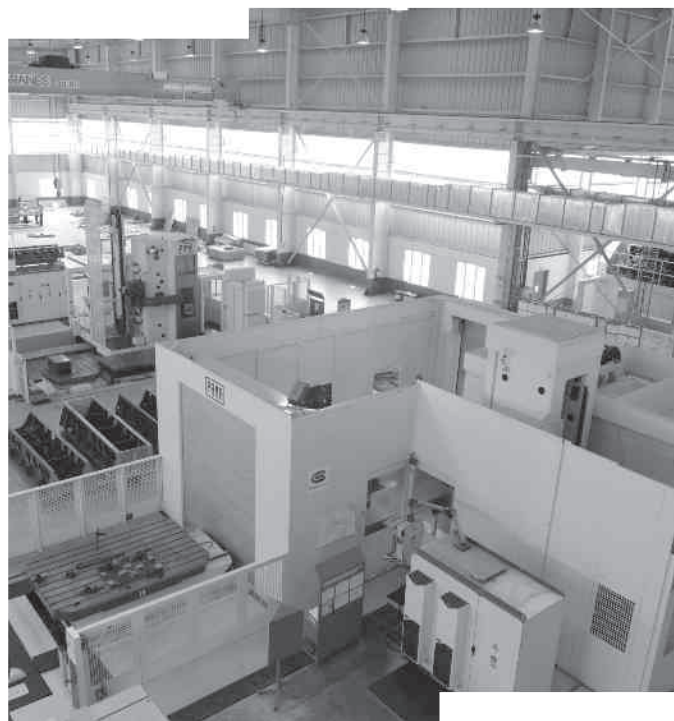
- Your Company completed the construction of the LPG Import-Export Terminal for Indian Oil-Petronas at the port of Ennore in Tamil Nadu. The site is connected to Ennore Port by a 12 km pipeline. The terminal went on stream in April 2013, and is capable of blending and producing 600,000 MT of LPG per year. Incidentally, this is the second LPG terminal completed by Punj Lloyd in India, the first being for Reliance at Jamnagar.
- The Tank Terminal for Cairn India at Bhogat in Gujarat on the Arabian Coast is at an advanced stage of completion.
- The project involving the underground oil storage cavern for Indian Strategic Petroleum Reserves Limited (ISPRL) at Mangalore in Karnataka is expected to be completed by the third quarter of FY2014. This is a key project for creating strategic crude oil reserves in India.
- In March 2013, Punj Lloyd successfully completed the Dabhol-Bangalore pipeline for GAIL India. This involved laying seven spreads of 820 km of pipeline including two spur lines - one of 71 km to Bangalore, and the other of 175 km to Goa.
- In Indonesia, work is progressing as per schedule for ConocoPhillips as a part of the Sumpal Expansion Programme. The pipeline project includes onshore facilities and field development. These are 75% complete and expected to be fully executed by the end of calendar year 2013.
- In Singapore, your Company completed the structural, mechanical and piping works for the Jurong Aromatics Complex in March 2013. The end client was ExxonMobil.
- In Malaysia, Punj Lloyd's work on the Sabah-Sarawak Gas Pipeline project for Petronas is around 75% complete. Moreover,

the Company has secured some additional work contracts in this project.

- The fourth transmission pipeline of the PTT Public Co Ltd, Thailand is progressing well. Phase 1 was completed in June 2012 and Phase 2 is in progress.
- Punj Lloyd is working on 205 km of the 450 km gas line, and 183 km of the oil line, for the Myanmar-China oil and gas pipeline. Progress is on course for the gas line, which is expected to be commissioned by the middle of calendar year 2013.
- Your Company received its first offshore contract in the Middle East, at Al-Khafji, Saudi Arabia. Worth Rs. 314 crore (USD 57.75 million), it is scheduled for commissioning in September, 2014. The scope of work for this complex project entails detailed design, engineering, procurement, testing, transportation, construction and installation of a new 20" crude transmission line, a 40 km submarine pipeline, mechanical completion, pre-commissioning, commissioning / start up, and performance testing. The scope also includes modification work at the existing Gathering Station at Ratawi.

In the area of thermal power, too, there have been some key projects, though less so compared to oil and gas.

- Punj Lloyd's contract for the 2x270 MW Goindwal Sahib Power Project promoted by GVK Power at Tarn Taran in Punjab involves design, EPC and testing of the balance of plant package. It is close to synchronisation.



- 2x300 MW thermal power plants at Chandrapur, Maharashtra for the Dhariwal Infrastructure Private Limited, under the aegis of CESC Limited. This involved design, engineering, procurement of equipment, erection, testing and commissioning of balance of plant packages, and complete civil work on an EPC basis. All major milestones have been achieved for Unit-1 and the milestones for Unit-2 should be achieved by the second quarter of FY2014.
- 2x300 MW thermal power plants for Haldia Energy Limited, also under CESC Limited, located at Haldia in West Bengal. It is an EPC project similar to that at Chandrapur. Work is progressing well with the boiler drum having been lifted on schedule.
- The Company is also executing civil construction work for two other projects: NTPC's 3x250 MW plants at Kokrajhar in Assam; and KSK Energy's 6x600 MW power plants at Chhattisgarh.

In nuclear power, your Company has also had significant wins. These include:

- Punj Lloyd being awarded an EPC project for main plant air conditioning and ventilation package for 2x700 MWe Kakrapar Atomic Power Project (KAPP) near Surat in Gujarat and for the 2x700 MWe Rajasthan Atomic Power Project (RAPP) near Kota in Rajasthan. Worth Rs. 180 crore, these projects are expected to be completed by December 2015.
- Continuing with its progress on the primary piping package for KAPP (units 3 and 4) and RAPP (units 7 and 8). These projects amount to Rs. 678 crore, and were secured in FY2012.

- In addition, the Punj Lloyd Group is executing projects in the nuclear space through its engineering arm, PL Engineering.

Sembawang Engineers and Constructors Pte. Ltd., a subsidiary of your Company, is one of the leading EPC enterprises of Singapore, with presence in Malaysia, Indonesia, Hong Kong SAR, China, India, the UAE and Bahrain. Sembawang executes several projects, of which I will highlight a couple.

- It secured its first project in Hong Kong worth S\$260 million to build the MTR Corporation Limited's Diamond Hill Station in the Shatin to Central link. The scope of work includes relocation of heritage structures and archaeological diggings, construction of a 250 metre long by 30 metre deep underground station and connecting pathways to the existing station.
- Sembawang was also successful in securing a major contract by the Housing and Development Board of Singapore to build McNair Towers, a public-housing development of four residential blocks at the Boon Keng Housing Estate, near the Boon Keng metro railway station. The 861 apartments comprise 270 studios, 115 three-rooms and 476 four-rooms in four residential blocks of 28 and 35 storeys.

I should also touch upon PL Engineering Limited, your Company's subsidiary which offers complete design and engineering solutions and services for various sectors. PL Engineering entered FY2013 with a healthy order book and successfully executed these orders.



Consequently, its turnover grew from Rs. 120 crore in FY2012 to around Rs. 200 crore in FY2013; and it generated healthy profits for the year under review. However, its order book as on 31 March 2013 has shrunk reflecting the general economic condition. Even so, I am confident that PL Engineering will move on and continue doing well in the years to come.

The Company's development arm, Punj Lloyd Infrastructure has an asset base of a little over Rs. 2,100 crore developing public private partnership projects in roads, renewable energy and buildings. While development is progressing on these assets, the business is carefully evaluating future projects for growth and emphasising on well structured project selection. We are committed to this vertical as a long term prospect.

Let me conclude by clearly stating that I remain optimistic of your Company's growth over the next few years. We have a committed management team, all the way down to the projects. We are hungry for more business across different verticals and geographies. And we have come to grips with operations, which is now resulting in yielding lower costs per unit of effort.

I am confident of a steadily better future for your Company. Downturns happen. Those who are in for the long haul meet the challenges, make the changes and move on stronger and more resolute than before. That is the DNA of Punj Lloyd. And that will define the next 25 years.

Thanks for your support. All of us at Punj Lloyd treasure it.

With best regards,

Yours sincerely

Atul Punj
Chairman



RIISING TO CHALLENGES





CORPORATE INFORMATION

CHAIRMAN (EMERITUS)

SNP Punj

BOARD OF DIRECTORS

Atul Punj	Executive Chairman
Naresh Kumar Trehan	Independent Director
Sanjay Bhatnagar	Independent Director
Phiroz Vandrevala	Independent Director
Ekaterina Sharashidze	Independent Director
M Madhavan Nambiar	Independent Director
Luv Chhabra	Director (Corporate Affairs)
Pawan Kumar Gupta	Whole Time Director

AUDIT COMMITTEE

Naresh Kumar Trehan	Independent Director (Chairman of the Committee)
Sanjay Bhatnagar	Independent Director
Phiroz Vandrevala	Independent Director
Ekaterina Sharashidze	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
Phiroz Vandrevala	Independent Director

GROUP PRESIDENT-LEGAL & COMPANY SECRETARY

Dinesh Thairani

AUDITORS

Walker, Chandio & Co. Chartered Accountants

REGISTRAR

Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vithal Rao Nagar, Madhapur
Hyderabad-500081
T + 91 040-4465-5000
F + 91 040-2342-0814

BANKERS

- Andhra Bank
- AXIS Bank
- Bank Muscat SAOG, Oman
- Bank of Baroda
- Bank of India
- Barwa Bank
- BNP Paribas, Abu Dhabi
- Canara Bank
- Central Bank of India
- DBS Bank Limited
- Dhanlaxmi Bank
- Doha Bank, Qatar
- Export - Import Bank of India
- First Gulf Bank, Abu Dhabi
- HDFC Bank Ltd
- HSBC Bank ME
- ICICI Bank Limited
- IDBI Bank Limited
- Indian Bank
- Indian Overseas Bank
- Indusind Bank
- International Finance Corporation, Washington D.C.
- Life Insurance Corporation of India
- Mashreq Bank PSC, Dubai
- Oriental Bank of Commerce
- Ratnakar Bank Limited
- Standard Chartered Bank
- State Bank of Bikaner and Jaipur
- State Bank of Hyderabad
- State Bank of India
- State Bank of Patiala
- The Jammu & Kashmir Bank Limited
- The Karur Vysya Bank Ltd
- UCO Bank
- Union National Bank, Abu Dhabi
- United Bank of India



TWENTY FIVE YEARS OF ACCOMPLISHMENT



PHASE 4: Consolidating and leveraging existing wide business base for future growth

PHASE 3 (2007-2011): Further diversification into separate businesses

- 2007: Punj Lloyd Upstream – International Drilling Services Market
- 2009: Foray into Solar Energy
- 2010: Punj Lloyd Infrastructure starts creating portfolio as a developer
- 2011: Manufacturing and Systems Integration Division for defence and non-defence products established in Gwalior
- 2011: PL Engineering partners GECI and Dassault Systèmes for engineering services



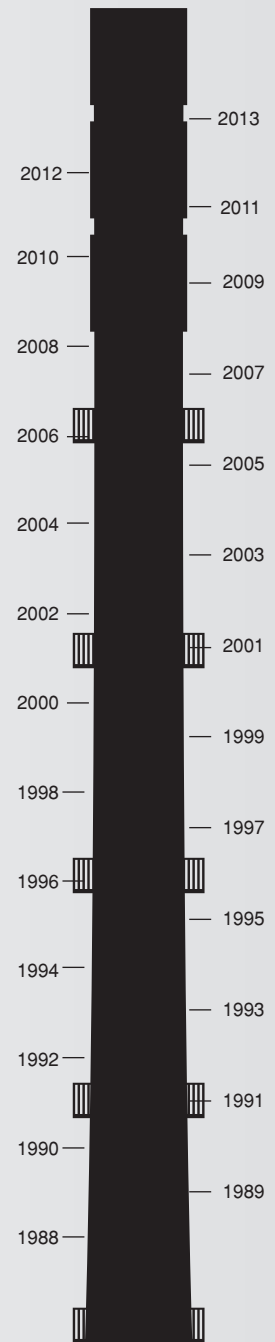
PHASE 2 (2006): Becoming a publicly traded company and making strategic acquisitions for rapid growth

- 2006: Listing at Indian Stock Exchanges
- 2006: Acquires Sembawang Engineers (Singapore)
- 2006: Acquires Simon Carves (UK)



PHASE 1 (1988-2005): Steadily securing and executing projects across verticals and geographies to build the foundation for growth

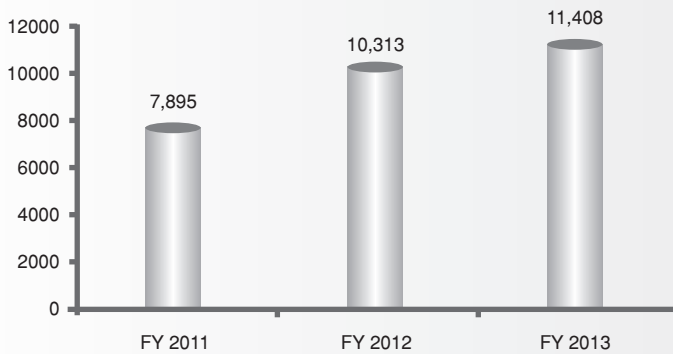
- 1992: First Overseas Pipeline in Indonesia
- 1993: First Middle-East contract for field development
- 1999: First Road Project: Hallol Vadodara Toll Road, India
- 2002: Entry into Caspian: KAM Pipeline, Kazakhstan
- 2004: EPC Tank Contract - Asia Pacific: Bulk Liquid Terminal, Singapore
- 2005: First Thermal Power Plant: Jindal, India



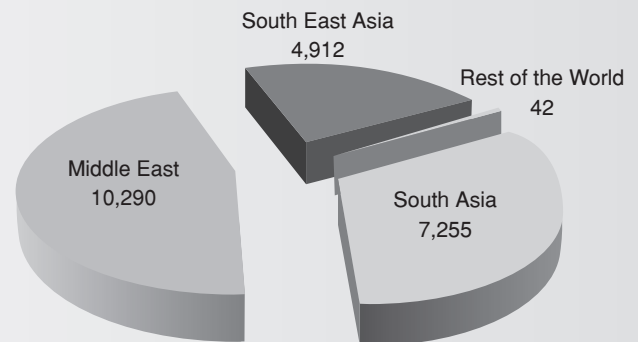
AND THE JOURNEY CONTINUES



Steady Growth in Consolidated Revenues (Rs. Crore)



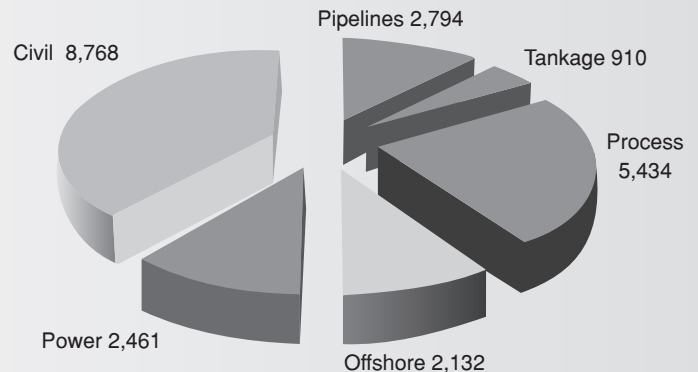
Order Backlog, Geographic Distribution (Rs. Crore)



New Order Highlights, 2012-13

- EPC of Qatar's first polysilicon plant (Phase 2) from Qatar Solar Technologies (QSTEC)
- Punj Lloyd won its first offshore project in the Middle East in Al-Khafji, Saudi Arabia from Al Khafji Joint Operations
- Punj Lloyd won a project for the construction of integrated residential and retail complex (Capitol Heights) by TRIF Real Estate and Development Private Limited, a Special Purpose Vehicle (SPV) of Tata Realty and Infrastructure Limited, the real estate and infrastructure development arm of Tata Sons
- Sembawang Engineers and Constructors Pte. Ltd., a Punj Lloyd company, won a project from the Singapore Prison Service to construct the new Prison Headquarters of the Changi Prison Complex
- The Group made a breakthrough into the Hong Kong market with an order to build MTR Corporation's Shatin to Central Link Diamond Hill Station
- Sembawang Engineers and Constructors Pte. Ltd. won a major contract from the Housing and Development Board of Singapore (HDB) to build McNair Towers, a public housing development of four residential blocks
- Punj Lloyd bagged the B-127 Cluster Sub-sea Pipeline Project in Mumbai from Oil and Natural Gas Corporation Ltd.

Order Backlog, Sector-wise Distribution (Rs. Crore)



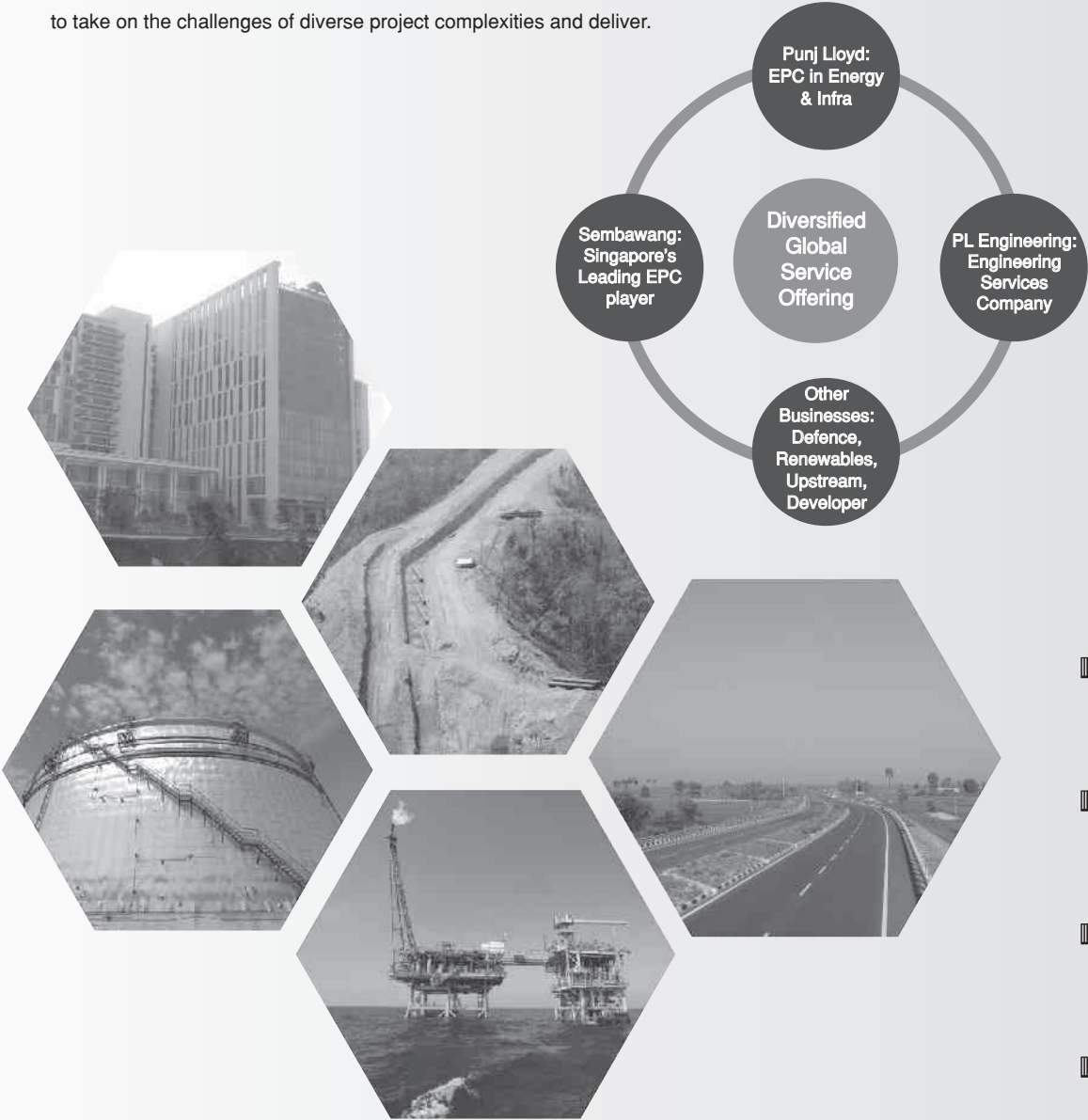
- Main plant air-conditioning and ventilation package for Rajasthan Atomic Power Project 7 and 8
- Electromechanical onshore erection work at Malaysia
- Drilling contract in Gabon



DELIVERING A DIVERSIFIED BUSINESS STRATEGY



Over the last 25 years, we have taken on the challenging task of servicing a range of customers across a wide array of sectors in different geographies, through a multi-cultural workforce. In the process, we have built capabilities over a large portfolio of projects. Many of these were technically complex, while some were located in the most difficult terrain or climatic conditions. And, we continue to take on the challenges of diverse project complexities and deliver.

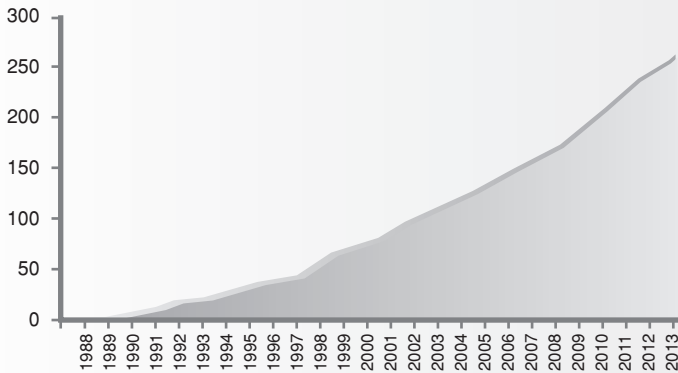


COMPLEX PROJECTS, MULTI CLIENTS, GLOBAL REACH

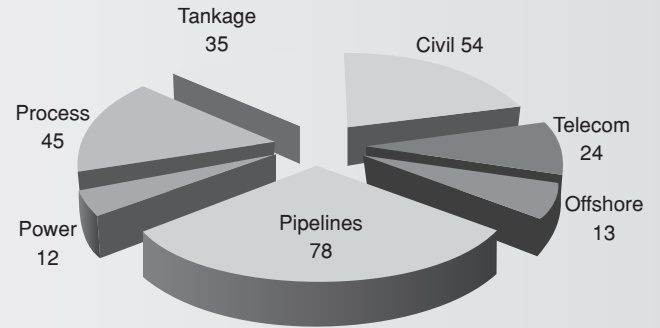


ACCOMPLISHED A LARGE MULTI SECTOR PROJECT DELIVERY PORTFOLIO

Cumulative Number of Major Projects Delivered

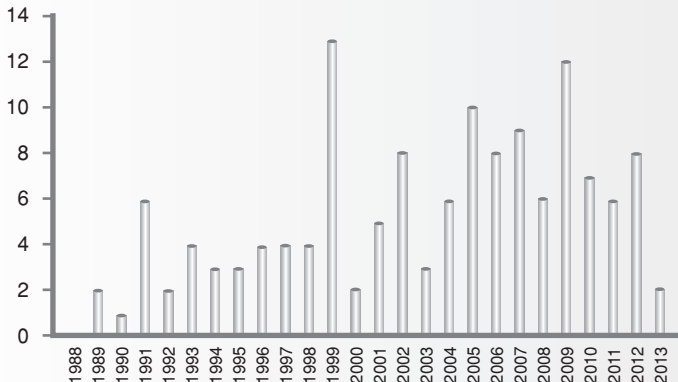


Sector-wise: Number of Major Projects Delivered So Far

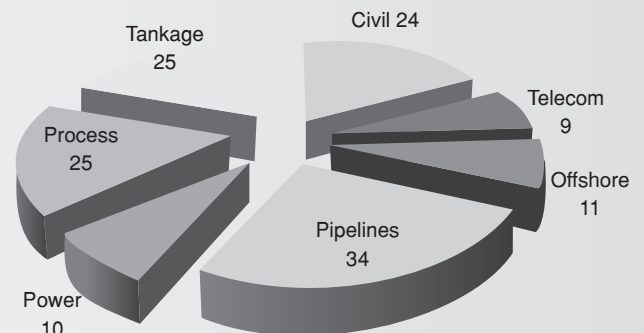


BUILT RELATIONSHIPS AND GROWN CUSTOMER BASE ACROSS SECTORS

Sector Specific New Clients Serviced Per Year

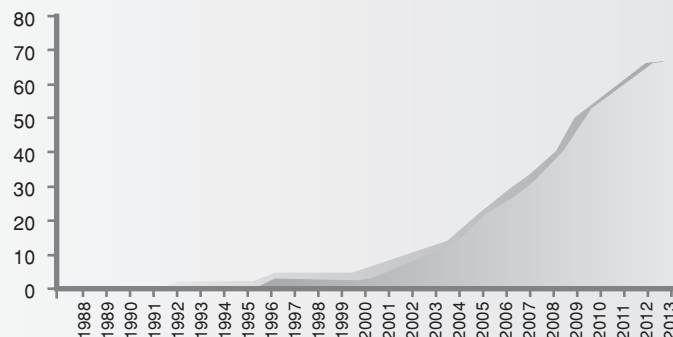


Sector-wise: Number of Major Clients Serviced So Far



CREATED A GLOBAL DELIVERY BASE

Cumulative Number of International Projects Delivered So Far



INVESTING IN A WIDE EQUIPMENT BASE



Over the last 25 years, to be a global EPC player, we have taken on the challenging task of creating a multi-location equipment base to execute projects across sector and geographies. These are supported by regional service centres and provide flexibility in our business. The large asset base with associated systems and processes backed by our strength in engineering provide the backbone of world class project delivery systems. And, we continue to enhance these capabilities.



The company owns equipment to cater to every terrain and every project need

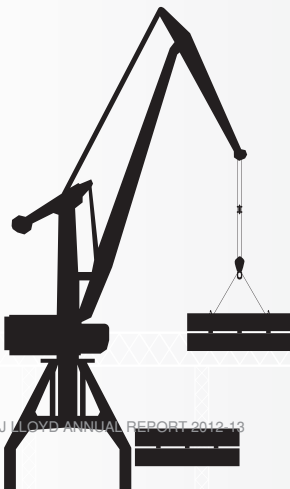


Amphibian: Swamp excavators, dredgers, marsh buggies, flexiyoke work barges, swamp cranes

Pipeline: 29 spreads of equipment

Road: 13 sets of bituminous road equipment

Offshore: 4 pipelaying barges



CREATING FLEXIBLE DELIVERY CAPABILITIES



Equipment Yards and Maintenance Facilities

-  Central India Facilities in Banmore spread over 20,000 sq mtr
Track Repair and Engine facility area - 7,000 sq mtr
-  Indonesia Sungaipurun yard with jetty facilities - 45,000 sq mtr
Accessible by land and water
-  Middle East & Africa Facilities in Qatar / Abu Dhabi / Tripoli spread over 100,000 sq mtr
-  Caspian Base facility in Atyrau is spread across an area of 80,000 sq mtr. The facility includes storage, repair, maintenance and fabrication.



Punj Lloyd has established a state of the art manufacturing and systems integration facility in Malanpur, near Gwalior, on 263,000 sq mtr of land for the defence and heavy engineering sectors.

CEMENTING RELATIONSHIPS WITH CUSTOMERS



Over the last 25 years, Punj Lloyd has stressed on quality of project delivery to exceed customer relations and build strong trust amongst a marquee client base. Focusing on enhanced customer relationships will drive the next round of growth.

MARQUEE CUSTOMER BASE

India

Airports Authority of India
Ascendas
ASF Insignia
Bangalore Metro Rail Corporation
Bharat Oman Refinery
Bharat Petroleum Corporation
Bharti Airtel
Bihar Government
Cairn Energy
Calcutta Electric Supply
Chennai Petroleum Corporation
Delhi Metro Rail Corporation
Delhi Police
Dhariwal Infrastructure
Engineers India
Gas Authority of India
Global Health
GMR
Gujarat State Petronet
GVK Power
Hindustan Aeronautics
Hindustan Petroleum Corporation
Indian Oil Corporation
Indian Oil Petronas
Indian Oil Tanking
Indian Strategic Petroleum Reserves
Jindal Power
Kalpataru Power Transmission
Kochi Refineries
Mangalore Refinery Petrochemicals
Ministry of Health and Family Welfare
Municipal Corporation of Delhi
National Highways Authority of India
Nuclear Power Corporation of India
Oil and Natural Gas Corporation
Petronas LNG
Petrofac

Punjab Government
Rajasthan Rajya Vidyut Utpadan
NigamTechnology
Ratnagiri Gas and Power
Reliance Industries
RIDCOR
Saipem India
SEPCO
Shell
TRIF Real Estate & Development
Uttar Pradesh Rajya Vidyut Utpadan Nigam
West Bengal Medical Services

Singapore

Civil Aviation Authority of Singapore
ConocoPhillips Asia Ventures
ExxonMobil Asia Pacific
Helios Terminal Corporation
Horizon Singapore Terminals
Housing & Development Board
Land Transport Authority
Marina Bay Sands
Ministry of the Environment
Ministry of Health
National University of Singapore
Public Utilities Board
Pyramid Hill Properties
Resorts World Sentosa
Singapore Prison Services
Tankstore

Thailand

PTT Polyethylene Co
PTT Public Co
SCG Chemicals

Thai Polyethylene Co Malaysia

Petronas Carigali

Indonesia

Adaro Group
ConocoPhillips
Korea Development Co.
PB Tankers
Pertamina
Petrochina International
PT Makmur Sejahtera Wisesa
PT Perusahaan Gas Negara
PT Shell Indonesia
TOTAL E & P Indonesie

China

GE Hualun Medical Systems Co
Guangzhou Fangcun Golf and Country
Club Co
Hotel Properties Ltd
Legend Holdings
Tianjin Ao Zong Development Co
Tianjin Consco Property Development
Wuxi Developer Zone Development
Yangtze Plaza Development Co

Hong Kong

MTR Corporation

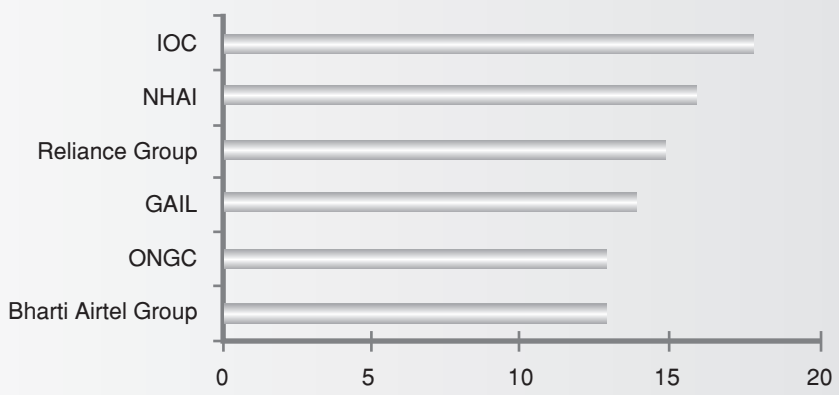
Korea



GS Engineering and Construction Kazakhstan	Al Khafji Joint Operations Saudi Aramco / Satorp Saudi Kayan Petrochemical Co Cristal Arabian Chlorine Co	Sirte Oil Company Waha Oil Company
AGIP KCO Karachaganak Petroleum Petrokazakhstan TengizChevroil	Oman	Gabon
Turkey	Oman Gas Co Occidental Petroleum Corp. Petroleum Development Oman	Oil India Kenya
Botas/British Petroleum		Kenya Highways Authority
Bahrain	Qatar	Belgium
Riffa Golf and Residential Development Company	NDIA RLOC Qatar Solar Technologies Qatar Petroleum	ExxonMobil Chemical Polymers Tessenderlo Chemie
UAE		Canada
ADCO ADWEA Borouge Dolphin Energy Emirates National Oil Co. GASCO Gulf Fluor Nakheel Properties Petrofac Takreer	Yemen Yemen LNG	Stantec France
Saudi Arabia	Kuwait Kuwait Oil Co (KOC) Kuwait National Petroleum Co	GECI Arkema
	Libya	UK
	Housing and Infrastructure Board	Vireol INEOS Enterprises
		Mexico

The names of clients on this page are only representative of a larger exhaustive list of clients of the Punj Lloyd Group. We cherish our association with many more, who are not mentioned due to paucity of space.

Repeat Orders: Number of Major Projects Delivered for Some Large Indian Clients over 25 years





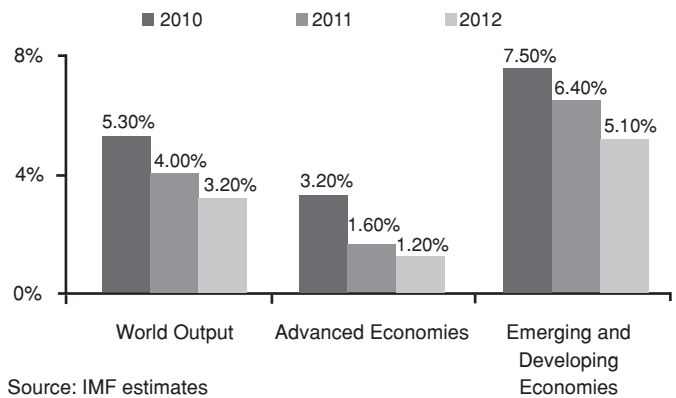
Overview

Punj Lloyd Limited ('Punj Lloyd', 'PLL' or 'the Company') is a global company engaged in the core sectors of energy and infrastructure providing Engineering, Procurement and Construction Services, Infrastructure Development and Manufacturing Support for the Indian Defence Sector. The Company's major subsidiaries include Sembawang Engineers and Constructors Pte Ltd, a leading EPC player based out of Singapore, Punj Lloyd Infrastructure Ltd, an infrastructure development arm of Punj Lloyd presently engaged in development and financing of various infrastructure projects and PL Engineering Limited, an engineering services company. Since its inception 25 years ago, the Company has successfully delivered complex projects and nurtured strong relationship with marquee global customers that include governments, major oil and gas companies, power developers and large private sector companies. Headquartered in India, PLL and its subsidiaries have a presence in 21 countries across South East Asia, South Asia, CIS countries, Middle East, UK and Africa. The Company's diversified business strategy across industries and geographies allows it to adopt a growth oriented path while managing the risks of specific sector or regional market downturns.

Business Environment

The calendar year (CY) 2011 had already been a harbinger for global macro-economic slowdown and the conditions worsened in CY2012. World output growth reduced further from 4% in CY2011 to 3.2% in CY2012. In line with the trend in the last few years, advanced economies witnessed a reduction in economic output growth from 1.6% in CY2011 to 1.2% in CY2012. Unfortunately, even the emerging and developing economies witnessed a reduction in economic activity-output growth reduced from 6.4% in CY2011 to 5.1% in CY2012 (see chart A).

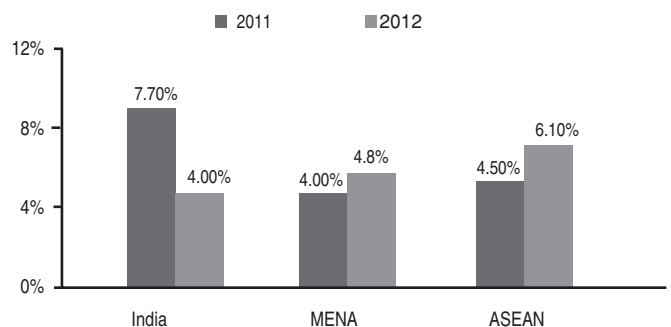
Chart A: Output Growth



Source: IMF estimates

Punj Lloyd's operations are primarily in global emerging markets of South Asia, South-east Asia, Middle East and Africa (MEA) and in countries belonging to the erstwhile Commonwealth of Independent States (CIS). While the emerging markets as a block of nations recorded a lower growth rate, growth trends were different across its various sub-regions. As Chart B shows, IMF estimates suggest that while India's growth rate reduced

Chart B: Output Growth: Punj Lloyd's Focus Markets



Source: IMF estimates

significantly from 7.7% in CY2011 to 4% in CY 2012, economic growth increased in Middle East and North Africa (MENA) from 4% in CY2011 to 4.8% in CY2012 and the ASEAN region recorded a notable improvement from 4.5% in CY 2011 to 6.1% in CY2012.

Market conditions for the infrastructure development sector mirrored this macro-economic trend: India witnessed a significant slowdown while both the Middle East and the ASEAN region saw new projects and better implementation of ongoing projects.

The Indian economic story has been particularly disappointing in the last couple of years. As a country it continues to operate at levels that are well below potential. There has been a dramatic slowdown in activity on the infrastructure development front both in terms of projects under implementation and new projects. Construction Growth in real terms was 5.9% in FY2013, while incremental Gross Fixed Capital Formation (GFCF) reduced to 2.5% in FY2013.

Infrastructure development needs long term large scale investments and both the government and the private sector are finding it difficult to mobilise such funds. The Gol is already riddled with high levels of fiscal deficits and commitments for investments into other social schemes. The private sector has seen a drying up of international investments into India and increased risk perception of such large scale lumpy investments particularly on issues covering land acquisition and environmental clearances. The pressures on government and private sector funding have created a major cash crunch across the entire infrastructure development supply chain.

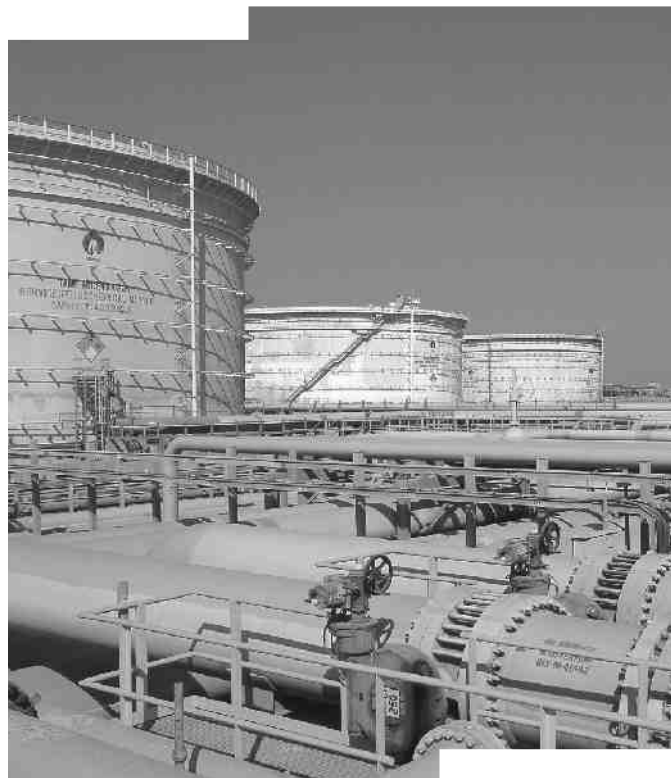
The lack of liquidity in the system is spiralling into new rounds of delays in execution for want of working capital and further enhancing financial woes. Apart from the problem of liquidity, the sector is facing a major problem of lack of decision making. It is important to appreciate that large scale infrastructure development often involves a large number of different stakeholders with varying objectives. Government agencies have to play the difficult role of resolving conflicts arising out of such differing perspectives and promote development. Most of the time such solutions involve lengthy procedures and the interim period is one of decision inertia. India is going through such a time across most segments of infrastructure development. The twin factors of liquidity and lack of decision making has resulted in emphasis shifting from project execution and delivery to deliberations on contractual interpretations and litigations. The claims settlement process has also got plagued with delays further accentuating liquidity pressures on contractors.

While there is recognition for the need to rejuvenate the economy

with a further stimulus to the infrastructure sector, issues facing the industry like land acquisition, environment degradation, social relocation and standalone financial viability are very complex and have very difficult solutions. It is important for the various stakeholders in infrastructure development in India to rise above internal issues and evolve an effective mechanism to find solutions for this predicament. While the long term need for large scale infrastructure development in India is imperative to sustain better growth levels and a turnaround is bound to happen soon, in the short to medium term the sector will continue to face laggardness.

South East Asia and the Middle East have witnessed better rate of development in infrastructure in FY2013. However, with the significant slowdown in established markets of Europe and USA, major construction players aggressively pushed for securing projects wherever there were opportunities. This has significantly increased competition and bidding margins are under pressure.

While in both markets there is stiff competition, Punj Lloyd is confident of increasing its presence by adopting various region specific strategies. The Company continues to explore new markets in both these regions and is working on extending its relationships with key customers to secure greater work.



Business Performance

Punj Lloyd had gone into FY2013 with a healthy order book. The Company continued to focus on efficiently executing the projects, which has resulted in the growth in revenues. With reduction in the quantum of opportunities, the overall order book reduced to Rs. 22,499 crore as on 31 March 2013, which is still a healthy level.

The highlights of the Company's financial performance on a consolidated basis are:

- Gross income increased by 9% from Rs.10,784 crore in FY 2012 to Rs.11,743 crore in FY 2013
- EBIDTA increased marginally from Rs.1,124 crore in FY2012 to Rs.1,175 crore in FY 2013
- Finance charges burden increased by 23% from Rs. 633 crore in FY 2012 to Rs.781 crore in FY 2013
- There were marginal losses after taxes of Rs.7 crore against a profit after taxes of Rs.92 crore in FY 2012.

Broadly speaking, Punj Lloyd's business is divided into four global verticals: energy, civil and infrastructure, engineering and other businesses. The sections that follow detail developments in the different businesses and key support functions. Table 1 gives the break-up of the order backlog and revenues in FY 2013 between the two major segments of energy and civil infrastructure.

Table 1: Sector-wise financial details of the group (Rs. Crore)

	Energy	Civil Infrastructure	Total
Order backlog	13,731	8,768	22,499
% of Total	61%	39%	
Revenue	8,797	2,611	11,408
% of Total	77%	23%	

Energy

Energy is the largest vertical in Punj Lloyd's portfolio with a share of 77% in revenues and 61% in unexecuted order book. It comprises a range of engineering and construction activities, primarily mechanical and associated civil of tanks and terminals including cryogenic tanks, process, pipelines, petro-chemicals and power industries. Given the complexities of the nature of business, the vertical is divided into three broad segments-oil and gas, offshore and power.

Table 2 gives the details of revenues and unexecuted order book position of the different segments within the energy sector in FY 2013.

Table 2: Financial Details of the Energy Sector Vertical FY2013 (Rs. crore)

Energy Vertical				
	Oil & Gas	Offshore	Power	Total
Order backlog	9,138	2,132	2,461	13,731
% of Total	41%	9%	11%	61%
Revenue	6,204	1,364	1,229	8,797
% of Total	54%	12%	11%	77%

The energy vertical is divided in terms of regions for better management and deeper penetration of markets in different geographies. There are three primary regional clusters - South Asia, South East Asia and Middle East and Africa (MEA).

Oil and Gas

Given the differences on the technical side of the business, the overall Oil and Gas space has been divided into onshore projects and offshore projects. However, some of the projects have both elements of offshore and onshore work.

Punj Lloyd's Onshore Oil and Gas business works on Field Development, Pipelines including cross-country Pipelines, Process Plants, and Tanks and Terminals. Within the Process Plant business, the Company also caters to the chemicals and petrochemical industry. Table 3 gives the value of revenues and the unexecuted order book across Pipelines, Tanks and Terminals and Process plants across all geographies in the Oil and Gas sector.

Table 3: Segments of the Oil and Gas Sector FY 2013 (Rs. crore)

Oil & Gas Sector				
	Pipelines	Tanks & Terminals	Process Plants	Total
Order backlog	2,794	910	5,434	9,138
% of Total	13%	4%	24%	41%
Revenue	3,184	912	2,108	6,204
% of Total	28%	8%	18%	54%

South Asia

FY 2013 was a very difficult year for the South Asian market. Not only was there a dearth of new projects but existing projects also faced delays in execution. In this environment, Punj Lloyd faced stiff challenges in booking new orders and focused primarily on execution.

In Tankage, the Company completed the construction of LPG Import-Export Terminal at Ennore Port in Tamil Nadu for Indian Oil-Petronas. The project site is connected to Ennore Port by a 12-km-long pipeline. The terminal went on stream in April 2013. The Propane/Butane/LPG Import-Export terminal is capable of blending and producing 600,000 MT of LPG per annum. This was the second LPG terminal contract completed by Punj Lloyd, the first one being for Reliance at Jamnagar.

Some of the other tankage projects, which are under execution include:

- Bhogat Tank Terminal for Cairn India. This is at an advanced stage of completion.
- Process and Utility facilities at top side and inside cavern on EPC basis for Indian Strategic Petroleum Reserves Limited (ISPRL) located at Mangalore, Karnataka. This project is on in full swing and is expected to be completed by the third quarter FY 2014. The piping work has already commenced.
- Of the several small projects related to the up-gradation of Mangalore Refinery. The Coke Drum Structure Package (CDSP) was mechanically completed in February 2013. Punj Lloyd's work on the OSBL project was completed in October 2012.
- The work related to installing ISBL units at the Cuddalore Refinery Project of Nagarjuna Oil Corporation Ltd in Tamil Nadu is presently under hold from the client side.

To book new orders, while Punj Lloyd has bid for a couple of projects for large Indian public sector players, the tender processes are still under progress.

On Pipelines, Punj Lloyd successfully completed work on the Dabhol-Bangalore pipeline for GAIL India. The work comprised laying 7 spreads of 820 km of pipeline including two spur lines 71 km to Bangalore, and 175 km to Goa. The work was successfully completed in March 2013.

Work on the Kochi-Kuttanad-Mangalore pipeline had to be stalled due to local opposition to the project in Kerala. The large EPC project on the Paradeep Refinery up-gradation faced some local issues. The project is back on course and over 80% of the work is complete. It will be completed by the end of 2013.

Middle East

After building hydrocarbon infrastructure, the region has increased their emphasis on infrastructure development to provide a better life for its people. Consequently, much of the new projects are in the infrastructure developments space. On the other hand, hydrocarbons, which have been the life blood of this region has witnessed some amount of slowdown.

In this highly competitive and diverse market, Punj Lloyd has been consciously selective about bidding for projects. In FY 2013, the Company has successfully bagged the EPC contract for the Second Phase of the Qatar Poly-silicon project, which involves setting up of manufacturing capacity of 4,000 tpa taking the total capacity creation to 8,000 tpa at a total investment of US\$ 1 billion.

The Company has been active in some new geographies. It has bid for projects in the erstwhile CIS countries, where it is awaiting results. Extending the scope of its international operations, the Company has qualified for major projects in Latin America where the bidding will happen next year.

While the order book has been under some pressure, the Company continued to focus on execution. The execution updates on various projects are:

Oman:

- All 6 sub-projects of the EPC works of New Water Treatment Plant and Central Processing Facilities Upgrade for Occidental Mukhaizna LLC were completed and handed over to the client in FY2013.

UAE:

- Integrated gas development project for Abu Dhabi Gas Industries Ltd. (GASCO)/Hyundai Engineering and Construction Co. Ltd was completed and handed over to the client
- EPC of Shah Gas Gathering Project Package 1 for Abu Dhabi Gas Development Company Limited has moved from the engineering and procurement stage to the construction stage
- Two projects for ADCO including the field development and the spiking gas compressor are being executed
- The erstwhile Simon Carves' project for Gulf Fluor that includes the construction of the sulphuric acid plant is 95% complete
- The ENOC project of Jet Fuel Tank Farm and Pipeline from Jabel Ali to Dubai International Airport is in advance stages of execution and expected to be completed in FY2014.

Kazakhstan and Qatar:

There were some lags in these projects, which were addressed in due course and the following projects were delivered in FY 2013 as per revised schedules.

- Oil and Gas Export Pipelines in Kashagan for AGIP KCO. The scope involved detailed engineering, procurement and construction of (24" dia) 49.5 km oil pipeline with two crossings by horizontal directional drilling method and 90 km

- gas pipeline in Atyrau region of western Kazakhstan
- Fuelling system for New Doha International Airport Authority and product pipeline for the airport
- Multi product pipeline for Qatar Petroleum.

Saudi Arabia

- The port tank farm for Saudi Aramco and TOTAL was awarded to JV of Dayim Punj Lloyd. The project is now 95% complete and the client is satisfied with the performance of Punj Lloyd. The utility pipelines and export pipeline for Saudi Aramco and Sinopec is witnessing aggressive work on execution and is expected to be completed in FY2014.

South East Asia

Punj Lloyd had a strong order book in FY2013 and efforts were increased on the execution front. The Company is moving in a focused manner to increase its play in this region.

In Indonesia, work is progressing at the Sumpal Expansion Programme for ConocoPhillips. The pipeline project includes onshore facilities and field development, which is 75% complete and is expected to be finished by December 2013.



In Singapore, the Company completed the Structural, Mechanical and Piping (SMP) works for the Jurong Aromatics Complex in March 2013. This project was subcontracted from SK Engineering Corporation, Korea and the end client was Exxon Mobil.

In Malaysia, Punj Lloyd's work on the Sabah-Sarawak Gas Pipeline project for Petronas is around 75% complete. There

have been some additional work contracts secured in this project.

The Fourth Transmission Pipeline from PTT Public Co Ltd, Thailand is progressing well. Phase 1 was completed in June 2012 and phase 2 is in progress.

For Myanmar-China Oil and Gas pipeline, Punj Lloyd is working on 205 km of the 450 km gas line and 183 km of the oil line. Progress is on course for the gas line, which is expected to be commissioned by the middle of CY2013. There have been some delays in the oil line construction from the project developer.

The Company's marketing efforts are aggressive in this region. Good growth is expected in Singapore with new orders in Malaysia and Indonesia. The list of new projects won in SE Asia is given in Table 4.

Table 4: List of major New Orders in Oil and Gas in SE Asia

Name of Project	Name of Client	Country	Type of Project	Value (Rs.Crore)
Electro-mechanical Erection-Onshore Works	Vale Malaysia Minerals Sdn. Bhd.	Malaysia	Energy	173.00
Infinium Singa Project	Chiyoda	Singapore	Process	24.40
Tank Lube Oil Expansion	Exxon Mobil	Singapore	Process	14.30

Offshore

For complex offshore pipelines and platforms, Punj Lloyd provides engineering, procurement, fabrication and installation of offshore wellhead and process platforms, including topsides and jackets, risers, submarine pipelines, underwater cables and single buoy mooring systems.

The Company had entered FY2013 with a very robust order book and much of the year was about executing these orders. While there has been good progress in some areas, in certain others there have been very difficult challenges.

The update on the major projects being executed is:

- Installation of three compressor units for the platform compressor station on the PTT Riser Offshore Platform in Thailand: The project has faced several issues including delays and stoppages from the client. Mechanical completion is expected in the first half of FY2014.
- Composite works for laying of pipeline (onshore and offshore) for the project of LPG pipeline from BPCR/HPCR to Uran over 30 km for Bharat Petroleum Limited: After the

necessary statutory approvals were in place in December 2012 Punj Lloyd has restarted work at the site. The Company expects the project to be completed in the next financial year

- 6 km each offshore and shore piping including fibre optical cable laying, testing and commissioning. Both sections have been completed. Dredging for final phase is on and our work is expected to be completed by end of Q1, FY 2014.
- British Gas awarded a prestigious offshore contract in the Panna oil and gas fields, offshore Mumbai, India, for the installation of PLEM (Pipe Line End Manifold), PLEM piles and 1.54 km of 12" pipeline and CALM buoy, replacing the existing Single Point Mooring (SPM) system. The Company has addressed some of the issues faced in the initial stage of the project that hindered fast progress and work is progressing as per revised schedule. So far, the pipeline is done, modifications completed, riser installed and platform sub-sea hook up done. Work on the PLEM end is left.
- WO-16 Cluster & SB-14 Pipeline Project - in Bombay High from ONGC. The scope includes laying of 122 km of submarine pipeline, risers and I/J tubes, modifications of existing facilities, hook-up, and testing. Difficult weather conditions arising from the Western disturbance in February 2013 and interface issues arising from too many contractors working on the same project resulted in multiple changes to the initial project schedule. Project execution will commence in full swing post monsoon.
- Gujarat State Petroleum Corporation Limited awarded a contract for submarine pipeline on lump-sum turnkey (LSTK) contract basis. The scope of work includes 20" OD pipeline (Approx. 24.5 km), 10" OD pipeline (Approx. 15 km), optic fibre cable and onshore work. Being in an environmentally sensitive zone, which is 10 km from Coringa Wild Life Sanctuary, work is not permitted and the client is seeking permission from the National Board of Wildlife under the Wildlife Act. Punj Lloyd was directed to remove all vehicles within the forest area. As the forest approval is being sought, Punj Lloyd is focusing on the offshore part which will be completed by the end of the first quarter of FY 2014.

In terms of new orders, the Company is well placed for some new bids in the domestic market.

The Company received its first offshore contract in the Middle East. The project is in Al-Khafji, Saudi Arabia from AlKhafji Joint Operations. The project, worth Rs. 314 crore (US\$ 57.75 million), is scheduled for commissioning in September, 2014. The scope of work for the project entails detail design, engineering, procurement, testing, transportation and construction/installation of a new 20" OD crude transmission line, 40km submarine rigid pipeline, mechanical completion, pre-

commissioning, commissioning / start up, and performance testing. The scope also includes modification work at Ratawi Gathering Station, scraper launcher, tie-ins with existing facilities including utilities, valves and piping, riser and riser clamps, deck extension for installation of new facilities and onshore section at Al-Khafji from landfall to scraper receiver, tie-ins with existing facilities including utilities, valves and piping.

This is a high margin business. However, it is also highly capital intensive. To maintain steady rate of execution, the Company needs to constantly maintain its equipment base. Innovative methods are being adopted to operate this with the lightest of capital intensity.

Thermal Power

South Asia

While the need and opportunity for capacity creation in the power sector is immense in India, there are several issues on the execution side related to coal linkages, environment clearances and tariff sharing that have crippled the sector and new projects have virtually stalled. However, the Company continued to execute its existing projects well, which have contributed to revenue growth.

The major projects under execution include:

- Design, EPC and testing of balance of plant package for 2x270 MW Goindwal Sahib Power Project, Tarn Taaran, Punjab. The project, promoted by GVK Power has progressed well and is close to synchronisation.
- Design, engineering, procurement of equipment, erection, testing and commissioning of balance of plant packages, complete civil work on EPC basis for 2 x 300 MW Thermal Power Plant at Chandrapur, Maharashtra for Dhariwal Infrastructure Private Limited. This also included Erection, Testing and Commissioning (ETC) of main plant equipment which includes boiler, turbine, generator and its auxiliaries. This project progressed as per schedule. All major milestones have been achieved for unit-1 and balance milestones for unit-2 are expected to be achieved by Q2, FY 2014.
- EPC project for BOP work and ETC of main plant equipment which includes boiler, turbine, generator and its auxiliaries for 2 x 300 MW Thermal Power project for CESC (Haldia Energy Limited) located in Haldia, India. Work is progressing well and the boiler drum has been lifted on schedule.

The Company is also executing civil construction work for two other projects NTPC (Kokrajhar, 3x250 MW Power Plant) and KSK Energy through SEPCO (Chhattisgarh, 6x600 MW power plant).

South East Asia

The projects under execution include:

- 2x30 MW Adaro Power plant in Indonesia. One unit has been completed, while 95% work is completed on the other unit. Commissioning is expected in Q1, FY 2014
- 3x18 MW coal fired power plant at Sangatta, Indonesia for CEKIT Power Plant (CKP). The project is around 20% complete.

Nuclear Power

While the process of confidence building measures for nuclear as a power source continues in India, the Department of Atomic Energy (DAE) remains committed to its revised targets of having nuclear power generation capacity to 10,080 MWe by the end of 2017 and 14,580 MWe by the end of FY2021.

Punj Lloyd continued to make most of the opportunities in this sector. During FY2013, the Company was awarded an EPC project for main plant air conditioning and ventilation package for 2x700 MWe Kakrapar Atomic Power Project's (KAPP) Unit 3 and 4 and 2x700 MWe Rajasthan Atomic Power Project's (RAPP) Unit 7 and 8 being developed by the Nuclear Power Corporation of India Limited (NPCIL). This project is worth Rs.180 crore which is expected to be completed by December, 2015.

Infrastructure work for this package is in progress. On the execution front, the Company continued with its progress on the primary piping package for 2 x 700 MWe KAPP Unit 3 and 4 in Gujarat and 2 x 700 MWe RAPP Unit 7 and 8 in Rajasthan. This project is worth Rs.678 crore and was secured in FY2012. Engineering and procurement for these projects is at an advanced stage. Manufacturing of most of the ordered items is in progress, while pipes and pipe fittings have been received at both sites. At the Kakrapar site, infrastructure work is complete and fabrication of pipe spools is in progress, while at the Rajasthan site, infrastructure work is in progress and is expected to be completed by June 2013.

In addition to the above, Punj Lloyd Group is executing some projects in the nuclear space through its engineering arm, PL Engineering. This includes engineering design and analysis for RAPP Unit 7 and 8, engineering consultancy services for Department of Atomic Energy (DAE) and engineering consultancy service for conversion of AutoCAD flow sheets into Smart Plant Intelligent Process and Instrumentation Diagrams (SPPID) for Kudankulam Nuclear Power Project.

In the near term, one continues to expect some new opportunities. The Government has given approval in principle for setting up indigenous Pressurised Heavy Water Reactor

(PHWR) of 700 MWe at Haryana, Madhya Pradesh and Karnataka. For setting up of imported Light Water Reactors (LWRs) ranging between 1,000 MWe and 1,650 MWe, the government has in principle, given approval for greenfield sites at Andhra Pradesh, Gujarat and Maharashtra. Kudankulam Nuclear Power Project unit 1 and 2, which are 1000 MWe each, are in the advanced stages of commissioning. On 20 March, 2013, the Union Cabinet has given approval for two more units - Kudankulam Nuclear Power Project unit 3 and 4.

Pre-project activities are in progress at Haryana Unit 1 and 2 for PHWR type and Jaitapur, Maharashtra, Gujarat and Andhra Pradesh sites for imported LWRs. Nuclear Power Corporation of India Limited (NPCIL) will be announcing the EPC packages for these projects in FY2014. Punj Lloyd will be actively bidding for major packages in these projects.

Solar Power

Punj Lloyd Delta Renewables is aggressively focussing on increasingly the business in solar voltaic power, both in MW scale and rooftops, hybrid projects like Bihar solar water treatment plants and surface water based multi-village piped water supply projects with the support from parent company, Punj Lloyd.

The Company has completed a 5MW solar power plant in Rajasthan. There were some orders secured in the year including rooftop solar projects in Chandigarh. In an important development, the Company's solar team was qualified and are providing ancillary solar power to support pipeline projects wherever possible.

Civil and Infrastructure

Punj Lloyd has steadily grown its civil and infrastructure business across geographies. Today, it not only has a presence in India but is also actively pursuing projects in MEA and Asia Pacific. In addition its Singapore based subsidiary, Sembawang also plays an active role in the Singapore market and is growing its business to Hong Kong and other South East Asian countries like Indonesia.

During FY2013, Punj Lloyd Limited's Civil and Infrastructure vertical accounted for around 19% of the Company's total revenues by recording sales of Rs. 1,814 crore. This segment accounts for an even larger share of 37% of the Company's total order backlog, which is worth Rs. 9,400 crore. Table 5 gives the details of revenue and order backlog of Punj Lloyd Limited's civil and infrastructure business across the different regions. Much of FY 2013 was about executing orders secured previously and given market dynamics there was a slowdown in new orders.

Table 5: Civil and Infrastructure: Regional Distribution

Civil and infrastructure sector across different regions

	MEA	South Asia	Asia Pacific	Total
Order backlog	4,022	2,186	2,559	8,768
% of Total	18%	10%	11%	39%
Revenue	222	1,442	947	2,611
% of Total	2%	13%	8%	23%

India

Highways

The trend of uncertainties in new projects and slow execution mainly due to problems in land acquisition continued to plague this sector. The slow progress on the execution front is very evident. Of the 50 new projects awarded by NHAI in FY 2012, only 30 were started, while the rest have not even commenced due to a variety of reasons ranging from non-viability, problems of land acquisition, environment clearances and liquidity crunch.

In this environment, Punj Lloyd's stress was on execution. It successfully completed NHAI's prestigious Hyderabad Vijayawada Road project worth Rs.1,105 crore. Despite construction challenges, 116 km stretch was successfully completed in December 2012. The Nalbari-Bijni Section on NH31 is also close to completion. On the execution front :

- The Khagaria Purnea (Bihar) project is under execution. It is a 140 km two laning of Khagaria Purnea section of NH 31 contract valued at Rs. 613 crore for NHAI. It is an annuity project where an SPV of Punj Lloyd Infrastructure is the concessionaire for NHAI and Punj Lloyd is the EPC contractor.
- One of the six packages in Assam for NHAI has been completed while the others are in different stages of completion and are likely to be completed by the end of 2013.

Given the economics of some of the road projects in India, NHAI's DBFOT (Design, Built, Finance, Operate and Transfer) model of awarding road projects is not working well and there is a trend of moving back to EPC models for some of the projects going forward. Punj Lloyd is better positioned to bid for and execute the EPC projects.

Buildings

With renewed stress on lower capital intensive operations and faster churning of cash, Punj Lloyd has increased its thrust on building. It is actively pursuing projects like building of hospitals, education institutions, IT parks, residential building and commercial centres.

During FY 2013, the Company secured a building works project worth Rs.195 crore from TRIF Real Estate and Development in Nagpur, Maharashtra.

Work at the Delhi Police Residential Complex at Dheerpur, Delhi is poised to commence in FY 2014. The overall project is valued at Rs.1,300 crore and primarily entails development, operation and maintenance of the residential zone of over 5,000 units (approx. 40 lakh sq. ft.) and associated common infrastructure. It is an annuity project secured by Punj Lloyd Infrastructure and being developed through an SPV where Punj Lloyd will be the EPC contractor for the residential zone.

The company continued to pursue the completion of the following building projects:

- Construction of college and hostels complex of AIIMS, Raipur
- Civil structural architectural and MEP work including ancillary structures for Ascendas International Tech Park Pune, substantially completed.

Metro and Railways

Punj Lloyd has been executing different sections in the Bangalore Metro Project across different lines and phases. In total, PLL is constructing eight stations in three Reaches. It has already completed two stations i.e. M.G. Road and Trinity Circle Terminals in Reach-1. In addition there are three elevated metro stations namely Mysore Road Terminal, Deepanjali Nagar and Magadi Road Stations in Reach-2; and three elevated metro stations i.e. Rajajinagar, Kuvempu and Malleshwaram in Reach-3. These are expected to be completed by December 2013, The successful execution of these works will allow Punj Lloyd to qualify for upcoming metro work in various cities like Pune, Lucknow, Ahmedabad, Chandigarh, Bangalore Phase-II, Nagpur, Ludhiana, Jaipur Ph-II, and Delhi.

PLL bid in JV with its Spanish partner OHL for the World Bank funded DFCCIL's APL I package from Bahupur to Khurja. In a strong competitive bidding, Punj Lloyd has emerged as one of the top 3 bidders. DFCCIL is expected to launch large value of projects in FY 2014 that are World Bank funded and Punj Lloyd will actively participate in these bids with its partners. Currently, the railway siding work at Anpara, UP is under execution.

Airports

Punj Lloyd is executing work worth Rs.264 crore for building a new airport at Pakyong, Sikkim. This is likely to be completed by the end of 2013. The Company has also bid for work on two other airport projects.



Middle East

The MEA region remains under flux. While there are new opportunities arising as Governments stress on social welfare and infrastructure development post the Arab Spring uprisings, much of the players in other advanced countries faced with recessionary domestic markets have been aggressively seeking projects in this region by exerting severe pricing pressures. Punj Lloyd's strategy is to focus on its core strengths and build on its relationships with clients to achieve success in this highly competitive market.

Africa

Africa is a growing market characterized by rapid urbanization, strong current and projected economic growth, rising middle class and regional integration. Punj Lloyd is focusing in this region to establish an early mover advantage. It has secured a road project in Kenya through a Joint Venture but the project is delayed due to political changes in the region. The Company is already exploring entries into other countries like Zambia, Rwanda, Uganda and Tanzania.

Punj Lloyd has been able to keep hold of most of its assets in Libya during the revolution and has been invited to restart the projects. This bears testimony to confidence of the Client in Punj Lloyd's capabilities. As a test case, the Company has agreed to restart at least one project in a relatively safer region of the country.

Sembawang Engineers and Constructors Pte. Ltd.

Sembawang is one of the leading Engineering, Procurement and Construction companies of Singapore. Established in 1982, the Company is registered with the Singapore Building and Construction authority as a Grade A1 category player for both general building and civil engineering works that allows it to undertake projects of high value.

Sembawang has a global presence with offices in Malaysia, Indonesia, Hong Kong SAR, the People's Republic of China, India, United Arab Emirates and Bahrain.

The Company specialises in handling a diverse spectrum of technologically complex projects in the niche areas of mega infrastructures, high-rise buildings and utility works, such as power and water plants. The group has world-class competency across a full range of engineering disciplines and is an established leading turnkey contractor capable of providing technology-based solutions and quality products and services. It is also able to undertake projects under the build-own-operate and the build-own-operate-transfer bases.

While enjoying a leadership position in its home market in Singapore, it has rich experience in other parts of South-East Asia and the middle-east, which has helped it achieve a strong reputation for its ability in delivering state of the art construction methods and more importantly on time completion. The Company offers a complete range of services including master planning, concept design, detailed engineering design, development management, construction management and main contracting.

With the successful completion of existing projects, Sembawang continued to deliver strong revenue and profit growth. During the latter half of FY2013, the Singapore market has started witnessing strong cut-throat competition with aggressive entry of other Asian players. This has put severe pressure on securing new projects and maintaining margins. To combat this development, Sembawang actively pursues new growth opportunities in the Hong Kong market.

It secured its first project in Hong Kong worth S\$260 million to build MTR Corporation Limited's Shatin to Central Link Contract 1106 - Diamond Hill Station. The project is with joint venture partner, Leader Civil Engineering Corporation Limited. The scope of work includes the relocation of heritage structures and



Table 6: Sembawang's Civil Infrastructure and Buildings Projects Executed/Under Execution in FY 2013

Description of Project	Client	Approximate Original Contract Value
Shatin Central Link (SCL), Contract 1106 Diamond Hill Station, Hong Kong	MRT Corporation Limited	SG\$ 260 million
New Prison Headquarters for Changi Prison Complex, Singapore	Singapore Prison Services	SG\$ 118.5 million
McNair Towers in Kallang Whampoa precinct Contract C20C, Singapore	Housing and Development Board of Singapore	SG\$ 106.6 million
MRT Downtown Line 2 Contract C919, Singapore	Land Transport Authority	SG\$ 378.2 million
MRT Downtown Line 1 Contract C906, Singapore	Land Transport Authority	SG\$ 463 million
Resort World Sentosa Contract MC06, Singapore	Resorts World at Sentosa Pte Ltd	SG\$ 419 million

archaeological diggings required to facilitate the site, construction of a 250 metre long by 30 metre deep underground station and connecting adits to the existing station, together with coordination with interfacing railway operating systems and specialist contractors. Modifications to the adjacent existing live station will also be required to aid the flow of passengers between the Kwun Tong Line and the Shatin to Central Link.

The Company was also successful in securing a major contract by the Housing and Development Board of Singapore (HDB) to build McNair Towers, a public-housing development of four residential blocks. Located in Kallang/Whampoa precinct, McNair Towers is in the Boon Keng Housing Estate, near Boon Keng MRT Station. Launched in May 2012 by HDB, Singapore's public-housing authority and a statutory board under the Ministry of National Development, the 861 premium apartments comprise 270 studios, 115 3-rooms and 476 4-rooms, in four residential blocks of 28 and 35 storeys.

Details of projects executed and under execution during FY 2013 in the civil infrastructure and buildings segment are given in Table 6.

Details of projects executed and under execution during FY 2013 in the environmental works segment are given in Table 7.

Table 7: Sembawang's Environment Works Projects Executed/Under Execution in FY 2013

Description of Project	Client	Approximate Original Contract Value
Lower Seletar Waterworks, Singapore	PUB	SG\$ 180.6 million
Service and Maintenance Contract 2 at Changi Water Reclamation Plant, Singapore	PUB	SG\$ 7 million

In April 2011 a subsidiary, Sembawang Development had acquired a 50% stake in a thermal coal mine company in Central Kalimantan, Indonesia. The mining company holds a coal IUP (Izin Usaha Pertambangan mining license) and is located in the district of Barito Utara, Central Kalimantan, Indonesia. The concession, has currently estimated resources of 134 million MT, and the potential in situ reserves is calculated at 57 million MT.

However, given the reduction in the price of coal in the international market, the Company has taken an impairment of assets of SG\$ 6.83 million in its financial books.

Engineering

As Punj Lloyd Group evolves into a major player in the EPC space, it is imperative to have strong engineering. Over the years, Punj Lloyd has developed its engineering competencies to not only support internal projects but offer engineering services to external customers as well. This is done through its subsidiary, PL Engineering Limited, a full spectrum design and engineering company providing services in Energy, Product and Infrastructure sectors.

In FY2012, PL Engineering had acquired Simon Carves Engineering Limited, a UK based engineering company. Simon Carves operates across a diverse range of process and industrial sectors, offering technology and engineering design in polymers, chemicals, pharmaceuticals, nuclear, renewable energy and chemicals.

With the acquisition and successful integration of Simon Carves Engineering, PL Engineering operates through a network of integrated multi-cultural delivery centers in India and other international centres. The company is actively leveraging Simon Carves' credentials in the petrochemicals and chemicals space and also as a front end contact point for marketing efforts in EU, USA, Middle East and Latin America.

PL Engineering had entered FY2013 with a healthy order book and the Company has successfully executed these orders resulting in the turnover increasing from Rs. 120 crore in FY2012 to Rs. 200 crore in FY2013. The Company has also generated healthy profits in the current financial year.

However, due to the ongoing slow down of the macro-economic environment, and challenging business climate globally, PL Engineering is under pressure in developing new business. As the company enters FY2014 the order book of PL Engineering



is lower than expected. The markets in India, Middle East and South East Asia remained depressed. The depreciation of the Brazilian Real took away the cost arbitrage in outsourcing jobs from Brazil to India. As a result, the newly set up joint venture in Brazil could not develop the envisaged growth in orders.

PL Engineering also operates in the product engineering space through Aero Euro Engineering India, a JV between PL Engineering and GECL of France. GECL is currently under severe financial stress which has impacted in Aero Euro as well, resulting in low utilization and weak order booking. The JV has not grown as per business expectation.

However, as PL Engineering enters the new financial year, it is working on securing a number of significant prospects globally, with reasonable chance of winning the orders. The Company has also intensified its business development efforts, by expanding the BD team globally. It has secured projects in the new geographies of Libya and China. PL Engineering has also been empanelled with GASCO (UAE) where we expect steady annuity business in the next financial year.

Going forward, the Company's strategy is on stabilising the order book with more emphasis on annuity type of businesses. The focus is on targeting mid-sized clients in Europe or America, who do not have their own captive engineering facility in India and providing them an offshore development centre (ODC) with a dedicated team of engineers. The Company is already in talks with a few UK based companies to develop business on this model.

Given the difficult business environment, PL Engineering will focus on penetrating new geographies and emphasise on partnering existing clients in a strategic manner to generate repeat business.

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. The various activities are in different stages of their initial development phase. Together, these businesses have been classified as 'other businesses'. They include infrastructure, defence and upstream operations.

Punj Lloyd Infrastructure Limited

Punj Lloyd's project development arm, Punj Lloyd Infrastructure Limited (PLIL) was setup in 2010 to pursue infrastructure

development opportunities in India and international markets under the asset ownership route. Recognising the high capital intensity and widespread risks of development, management and operations of long gestation infrastructure assets, the Company has moved very cautiously in the space. The focus has been on Public Private Partnership (PPP) projects in transportation, energy and urban infrastructure. Today, the Company has an asset base of a little over Rs.2,100 crore.

During FY2013, PLIL has been very selective with bidding for new businesses and focused only on projects where value could be added given the group's expertise. Given the cautious approach, it did not secure any new project and focused on the implementation of the 3 projects existing in its portfolio. The status of these projects is:

- Solar Power Project in Rajasthan - Developed a 5 MW solar power plant under the Jawaharlal Nehru Solar National Mission, which has a Power Purchase Agreement (PPA) of 25 years with NTPC Vidyut Vyapar Nigam Limited (NTPC). The US Exim Bank funded project worth about Rs.70 crore, has been operational since January 2012. The first year of operations has given the Company a lot of technical insights on solar power projects which should hold it in good stead for future expansion in this sector. We are exploring setting up an additional 5MW solar power plant adjacent to our existing plant in Bap.
- NHAI Road Project in Bihar - Two-laning with paved shoulder of Khagaria-Purnea section of NH-31 from 270 km to 410 km in the State of Bihar to be executed as BOT (Annuity) project on DBFOT basis under NHDP Phase III. Construction is progressing as per schedule. It is 60% complete and the project will be delivered before April 2014.
- Ministry of Home Affairs Housing Project for Delhi Police in Dheerpur, Delhi - Signed concession agreement for development of a housing project for Delhi police personnel comprising of residential zone(5200 units), non-residential zone (retail space, schools, healthcare facility and banquet halls) in Public Private Partnership with Ministry of Home Affairs on DBFOT (Annuity) basis. As per the concession agreement, the project start date will commence after receipt of all statutory approvals. The process of acquiring such approvals is on at the moment.

The Company continues to selectively evaluate project opportunities in roads, highways, power and other infrastructure sectors in India. It also intends to participate in the forthcoming round of Jawaharlal Nehru Solar Mission. Internationally, the Company is carrying out focused business development efforts for road and power projects in East Africa.



Defence

The Punj Lloyd Group is conscious of the fact that defence components manufacturing is a long gestation business. The Company's focus has been on building relationships with clients, adopting state-of-the-art technology and establishing its credentials in a phased manner.

In defence equipment manufacturing there is capacity constraint amongst government entities and the armed forces have been actively looking at developing indigenous manufacturing capability in the private sector for its requirements. Market opportunity also arises from offset clauses given in foreign supplier's contracts where a certain percentage of their components have to be locally purchased.

The Company holds the following licences which are currently under periodic renewal:

- Produce Guns, Rockets and Missile Artillery Systems and related equipment
- Manufacture Electro optical systems, fire control systems, C4I systems and power packs associated with armoured fighting vehicles
- Conversion of civilian aircraft into aircraft for defence application
- Precision manufacture of aero structures and dynamic components for aviation and land system products
- Fabrication and manufacture of aero-structure, airframes and accessories using composites
- Manufacturing of small arms.

The Company continues to actively focus on business development. Request for Proposals (RFP) was received for Army Land Systems for air defence and aerial threats, aero-structure manufacturing orders were secured from Hindustan Aeronautics Limited (HAL) and offset partnership agreements were developed with global aircraft majors. It is also working as partners with Ordnance Factory Board in major weapons up-gradation projects.

To support the defence business, Punj Lloyd has set up a Manufacturing & Systems Integration Division (MSID), which is a 65 acre facility that can carry out high precision fabrication, machining and systems integration. It is accredited with ISO 9001 (Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Safety Management System), ISO 50001 (Energy Management) and AS9100C (Quality for Aerospace Standards).

Production at the facility commenced in January 2012 and by the end March 2013, it has already achieved an impressive order book of over Rs 35 crore.

For optimal capacity utilisation, the plant has also forayed into production of non-defence components. A large portion of the capacity is being used for delivering components for the Gun Carriage Factory, Indian Railways and for the Nuclear, Hydel, Wind and Thermal Power sectors. MSID has received the first set of orders for manufacture of aerospace components for HAL, these are critical wing components for a modern fighter aircraft, and this order puts Punj Lloyd in the select band of manufacturers

who have the capability to manufacture such critical and high precision components. The aerospace business is expected to grow in the next financial year.

Upstream Operations

To address growing opportunities in the oilfield services space buoyed by high oil prices, Punj Lloyd Upstream was set up as a subsidiary in 2007. It had secured its first contract in 2009 in the Sirte basin, Libya for drilling of both exploratory and development wells, including horizontal and extended reach development wells. The project included the operation of two onshore drilling rigs. Execution was carried out efficiently across difficult geographic terrain before Libya went into political turmoil in 2011. Although there was a considerable period of no operations, Punj Lloyd Upstream's facilities survived the phase suffering rudimentary damage during the year of turmoil. In June 2012, the Company restarted one of its rigs and production has subsequently reached normal levels. Punj Lloyd Upstream is today the only international contractor functioning in Libya. The other rig was moved to Gabon, Africa, in September 2012 and is drilling for Oil India in the Shakti block. So the Company's core assets have resumed operations and generated revenues through the second half of FY 2013.

As Libya continues to normalise, the Company intends to remain engaged in the country and leverage its deep rooted relations to restore greater share of operations in the country. As per contractual obligations, the Company could ask for compensation under the force majeure clause for the period during the turmoil. Punj Lloyd has raised claims based on this contractual term and one expects these compensations will be mutually settled with the authorities in Libya once the democratic process sets in and the administration stabilises. Punj Lloyd Upstream will continue to pursue these claims; however, the long term objective is to develop its business further in Libya.

The Company has also been prospecting for work in other geographies in Africa and the Middle East. In addition, it has won a new project in Assam for Oil India Ltd.

Going forward, Punj Lloyd Upstream will continue to focus on improving operational efficiencies with special emphasis on delivering even better cash flows. There are several opportunities opening up for turnkey oil field development in India. Punj Lloyd has positioned itself well to try and secure these projects going forward. Through these projects it will also move up the value chain.

Operations: Support Services

The Company's business operations are backed up by corporate

support services. Some of these are outlined below.

Procurement

Global financial meltdown and overall slowdown in business activity has resulted in reduction of procurement activities. The market dynamics presented tough challenges for procurement. The primary challenge was to arrange material on time and in a cost effective manner in an environment of constrained working capital and tough payment terms for suppliers. To the company's credit, there were no issues with availability of materials and no arbitration or litigation with suppliers even if there were issues at times with delayed payments from clients leading to delays in supplier payments.

There has been special focus on inventory management across the group. The company initiated and put efforts on managing project inventory with periodic cycle counts and physical inspection of material which resulted in rationalising data in the ERP system. Emphasis has been put on the policies and processes for procurement including issue of material to enable better controls.

The company continued with its efforts to reap efficiency benefits from centralised purchase of major bulk items like cement and steel. Long term contracts have been worked out with certain suppliers to take advantage of group buying power. The company has also worked on less capital intensive models for equipment sourcing and reduced cost of equipment with strategic purchases from low cost countries like China.

Human Resource (HR)

Punj Lloyd has incessantly strived to develop a world class organisation in terms of people, process and technology. The organisation development initiatives remained focused on capability building of the Human Capital at the management level and skills development at the level of supervisors and craftsmen. Broad banding is being implemented with an aim to create a leaner, flatter and less hierarchical role based organisational structure, entailing optimisation of erstwhile 12 grades to six career bands. This year long exercise will promote higher efficiency, swift decision making and "Performance and Potential based Career Growth" at Punj Lloyd, with effect from FY 2014.

Executive Development Initiatives

The year saw a robust training delivery covering 2,328 employees in India and 2,540 participants at other global locations through behavioural, technical and functional

programmes to enhance operational excellence, vitalise project management skills, develop commercial acumen and hone collaboration / communication competencies.

A 360 Degree survey based developmental initiative was rolled out with an aim to “Develop Feedback Culture” for managers, covering all management levels in a graded manner over the year. This intervention was aimed at assessing the current state of individual competencies and gauge development needs in order to evolve an individual Development Plan for the employees.

Supervisor and Worker Development Initiatives

Train-the-Trainer (TTT) workshops were successfully conducted for several supervisors at project sites. Overwhelming response reinforced training delivery for the workers at project sites at different levels, anticipating higher quality of work and profits.

Craftsmen Training Institute (CTI) continues to maintain its pace and tempo during the year imparting world class training with certifications to welders, fitters / grinders, electricians and other industry demand driven trades. CTI has been affiliated to National Council of Vocational Training (NCVT), having acquired the status of VTP (Vocational Training Provider), promoting job opportunities for the youth through skills development, contributing in nation building.

Health, Safety and Environment (HSE)

Punj Lloyd is committed to progressively maintaining the best in class standards of HSE across its business locations. The Company's people, practices, processes and services are certified for three management systems: OHSAS 18001:2007 - Occupational Health and Safety Management System, ISO 14001:2004 - Environment Management System and ISO: 9001-2008 - Quality Management System. The effectiveness of these standards is assured by periodic audits at projects conducted at the corporate level and half yearly audits by third party agency - Det Norske Veritas As.

In line with the Company's efforts at continual improvements in HSE management system, the Occupational Health and Safety Management System (OHSAS 18001:2007) and Environment Management System (ISO 14001:2004) documents were integrated. The integrated management system manual has been approved and is now available for regular reference besides being available to all employees through a web based platform.

In order to inculcate safety awareness amongst all, health safety tips and legal awareness tips were circulated to all project sites

as well as corporate offices.

A Green Team was formed comprising youngsters as well as veterans, organising various green initiatives such as tree plantations, quiz competitions and many more. As part of the World Environment Day celebrations in 2012, the Green Team initiated 'Adopt a Tree' campaign which included a tree plantation drive at Gurgaon's popular Bio-diversity Park. Punj Lloyd employees adopted over 500 trees and planted them on their own.

The company continues to recycle all paper at its corporate offices. Special recycle bins are placed on all floors and employees communicated on the importance of recycling paper. Client recognitions listed below compliments the initiatives and efforts made to achieve safe working environment.

- KSK Power Project in Chhattisgarh achieved more than 8 million LTI free man-hours including awards such as Yearly safety trophy, best individual safety practitioner, best housekeeping and many more
- LPG import terminal project at Ennore achieved 3.7 million LTI free man-hours on project completion
- Bhogat Tankage project achieved more than 4 million LTI free man-hours
- Paradip INDMAX project received awards including Best safety performer contractor, individual appreciation awards and many more
- Paradip LSTK project achieved 4 million LTI free man hours including awards such as best near miss reporting, best housekeeping, maximum number of near misses reported etc
- GVK Power project achieved a milestone 14 million LTI free man-hours
- MRPL-CDSP project in Mangalore achieved 4.8 million LTI free man-hours
- OPaL DFCU and AU Furnace Project, Dahej achieved 3 million LTI free man-hours.

Consolidated Financial Performance

Punj Lloyd Group recorded an increase in Gross Income by 9% to Rs. 11,743 crore as against Rs. 10,784 crore in the previous financial year.

EBIDTA improved marginally to Rs. 1,175 crore as compared to previous year EBIDTA of Rs. 1,124 crore.

Increase in Financing Charges by 23% to Rs. 781 Crore over the previous year's figure of Rs. 633 crore and higher Depreciation and Taxes (Rs. 424 Crore) accounted for a marginal loss of Rs. 7 Crore as against Rs. 92 Crore profit in the previous financial year.

Risk

Punj Lloyd's business entails executing complex infrastructure projects across the globe, often in different terrains. Most of these projects are executed over a fairly long period of time and have different kinds of risks across their life cycles. The risks are both external and internal for the organisation. To pursue a sustainable business model, it is imperative to strike a balance between the exposure and management of these risks and the returns objectives of the Company.

Given this business prerogative, risk management is an inherent and integral part of operations at Punj Lloyd. It has a robust risk management system that encompasses people, process and technology at a macro as well as project level.



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

In today's environment, at a macro level, some of the major external risks affecting the Company are:

Market Risks

Global economic uncertainties, coupled with stressed sovereign finances have led to lower investments across countries in large ticket infrastructure projects. There is a general negative sentiment on investments, especially for long gestation projects typical to the ones associated with infrastructure development. With the shrinkage in market pie, global players in the infrastructure development space have gone into a round of intense competition in bidding for projects. This competition has often led to erosion of margins.

The domestic market in India is particularly affected in an atmosphere of complete inertia in new project development and execution. Issues like land acquisition, environment clearances and financial difficulties for large developers have led to very little new opportunities in terms of infrastructure related development. This has led to risks related to order book growth and margins of the Company. Punj Lloyd continues to try and offset this risk by having a global approach both in terms of operations in diverse geographies and industries.

Interest Rates

With its base in India, while Punj Lloyd strives to leverage global opportunities it is largely funded by domestic capital. While there are signs of some easing interest rates continue to be at very high levels in the backdrop of a tough monetary policy adopted by Reserve bank of India (RBI) to tackle inflation. The lack of reforms and drop in growth in India in the last couple of years has led to an increase in the country's risk ratings and global capital flows into the country have also dried up. This has left companies like Punj Lloyd, who are in the large scale construction space, with very little options to optimally structure their large balance sheet. This gradual increase in the cost of servicing debt is a major risk affecting the Company.

Inflation

Even as the RBI brings in tight monetary policies, India continues to have supply side issues that cannot cater to its growing demand. Consequently, while there has been some easing, inflation continues to be at a fairly high level. This results in increase in operating costs for the Company particularly in terms of the need to compensate employees with higher salaries and wage costs to meet this inflationary environment.

Liquidity

Today, the most difficult risk is that of a liquidity crunch. Faced with tough financial conditions, most customers, including Government players are finding it difficult to make timely payments. Several contractual issues are getting dragged into arbitration or judicial intervention leading to a significant increase

in claims. There are significant delays in claims settlements, which is locking in a large chunk of the Company's capital.

With pressure on collections in an atmosphere where order book growth is affected and interest rates remain high, most construction companies like Punj Lloyd are very significantly affected by issues related to liquidity. This is a vicious cycle where one of these external factors needs to ease out to sustain business. Internally, Punj Lloyd has been extending all its efforts to adopt a project delivery model that is as light as possible in terms of capital intensity with an effort to self-finance projects with efficient cash management. Special emphasis is being led on improving contract management and dealing with claims.

Internal Controls and their Adequacy

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

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

The Company has well defined and documented procedures, policies and authority guidelines for each business unit. The Company's Oracle based ERP ensures uniformity in design and implementation of internal controls or all functions. Oracle encumbrance accounting has been adopted for online budgetary controls.

'Documentum', a Document Management system has been implemented that is capable of storage, security and easy retrievability of data, which is a step towards greater automation of knowledge management.

To ensure continuous improvement in design and effective implementation of internal controls, the Company has decided to have in-house as well as outsourced internal audit. This year, the Company has changed internal auditors to KPMG, one of the leading global audit and accounting firms. This will bring greater independence in execution and reporting of internal control review results as well as improve efficiency of operations.

Outlook

Economic conditions are expected to remain uncertain in India and across the globe for the short/medium term. The global EPC market will remain highly competitive. While the order book has reduced, it is at a healthy level. FY 2014 will witness revenue growth as the Company focuses on executing this order book. Successful completions and cash collections will be important in creating the cash flows necessary to sustain the diversified growth objective.

In the immediate term, there will be severe competition and pressures at securing new orders. The challenge will be to keep replenishing and growing the order book to provide the foundation for Punj Lloyd's topline growth in the near term. In addition, focus on collecting outstanding dues from the clients is expected to improve cash flows. The Company has already identified new geographies in Africa and is focusing its energies to develop business. There are also specific efforts in the South East Asian market. With these developments, it will be imperative to tune the business to different risk-return profiles of projects. Certainly, developing businesses in underdeveloped and developing economies in Africa and Asia will have its share of challenges.

Each vertical has specific opportunities and the Company is working on best methods of prospecting for these and turning them into long term revenues for the Company. In addition, there are continuous efforts at improving efficiencies and delivering excellence in project execution. The Company remain cautiously optimistic about its prospects in FY2014.

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.





Punj Lloyd has a multi-dimensional business ethos polarised around the concept of 'building'. On the one hand, for the core business this translates into managing construction for clients in the energy and infrastructure sectors. On the other hand, for the Company's stakeholders including the communities around the project sites, this gets reflected in a value system that is committed to 'building' a sustainable future.

Punj Lloyd's Corporate Social Responsibility initiatives are a derivative of this commitment. There are several ongoing community activities and responsible business initiatives. This includes the flagship Life Enrichment programme, which acts to improve the daily lives of the Company's site workers, the rural development project with focus on healthcare and education at Sitamarhi, UP, supporting dialogue around public infrastructure design as part of the partnership with the India Design Forum and several support systems for social and cultural development.

During 2012-13, Punj Lloyd extended its focused intervention on the social development front to the state of Rajasthan (India) by undertaking a comprehensive community development initiative in two interior villages of Bap Block in Phalodi town in the Jodhpur District of Rajasthan. This was the foundation of establishing a long term development programme in this region.

Community Development, Bap (Rajasthan)

Punj Lloyd Solar Power Ltd successfully commissioned its first solar power plant in Bap block of Rajasthan. In order to benefit the local community near the project site, Punj Lloyd undertook an integrated and holistic village development programme in two villages of Bap Block - Sir ki Dhani and Mandore.

The entire intervention was designed by first understanding the priority-wise needs of the community through primary baseline surveys and the programme was rolled out to meet these needs. This was done in two phases.

The first phase of the programme involved the launch of a Rural Water Harvesting project where 10 Taankas (underground system for storing rainwater in deserts) were built for identified below poverty line (BPL) families. Over 41 families benefitted from this Rural Water Harvesting project. The target families

were chosen on a strict criterion of reaching out to the neediest. This was established through studying social variables like being from the BPL/SC/ST/OBC community, owning a mud-thatched house, level of annual income, number of earning members in the family, labour as the only source of income, migratory nature of the family during summer, no assets, number of children and loan history of the family. The construction of Taankas was done with community participation. Members of the beneficiary families did two days of 'shram-daan' (contribution through manual labour). As a unique initiative handpumps were installed on top of these Taankas to avoid accidents while pulling water using the old pulley and bullet system. Also, one woman from each of the beneficiary family clusters was trained in repairing and maintaining these hand-pumps. They were also provided with free hand-pump repair kits.

The second phase of development initiative in the two villages in Bap was called the Rural Community Development Programme. This was a much more all-inclusive programme with focus on Health, Education, Agriculture, Livelihood, Animal Husbandry and Social issues.

The following specific initiatives were undertaken on each front:

Education: An educational club for children (E Club) was set up where only school going children could be members. This was to encourage non school going child to join the mainstream. Efforts were made to identify eligible but non school going children and enrol them with the school under the Sarva Shiksha Abhiyaan programme. 55 such children were successfully enrolled in various schools. Private registration of children unable to go to local schools was promoted and local classes were initiated for



Bal Sports Club

The beneficiaries of the BAP Project, Rajasthan

- 41 families benefited 10 taankas were constructed. One taanka for 5 families.
- 362 animals benefited
- 55 children benefited by enrolment in schools
- 32 children won in various competitions organised in six months
- Soil testing in 10 farms
- 10 community health workers trained
- 16 boys given veterinary training; 10 boys trained as electricians
- 13 women trained in papad making; 20 women given training in stitching
- 12 people got their old age pensions through Punj Lloyd's intervention



Taankas

these privately registered children. Education was provided on child rights and protection. It was ensured that the community provides space for the community class. Initiatives were taken up to promote sports among the members and reading habit was inculcated through the establishment of a village library. Regular meetings were facilitated between teachers and parents and parent with Government educational officials. Subsidised solar lamps with phone charger were also provided to each school going child/ in each family from and among the taanka beneficiary families.

Health: Efforts are made to make known/create awareness on all available Government Health Care Schemes, ensure ANC (Antenatal Care) registration of all pregnant mothers at the Aaganwadi centres, facilitate visit and check up by the ANM (Auxilliary Nurse Midwife) once a month and to facilitate and campaign for MCHN (Maternal and Child Health & Nutrition) day for ANC and birth registration, immunization and health check-up services. Drives were undertaken to facilitate wider and more effective use of 108 ambulance services and facilitate registration and availing of services by the beneficiaries of all Government schemes like widow pension scheme, old age scheme and Janani Surksha Yozna.

A total of 10 females from the age group of adolescent to 35-45 years were identified and provided the first round of training as community health workers. Awareness was created on preventive health and female health issues. Arrangements were made for monthly visits of a lady doctor and health check-up camps on seasonal diseases once in 2 months were also organised.

Livelihood: 20 adolescent girls were identified and were provided training in stitching. Two sewing machines were also provided to them free of cost. Three out of these 20 girls have already started working professionally soon after the training and are earning a minimum of Rs. 100 per day. 13 women from two



Hand Pump Repair Training

villages were trained in production of papad and other hand-made eatables. Electrician and motor winding training was provided to 10 adolescent boys from each village.

Agriculture: Visits were facilitated for an agriculture expert on better forms of farming and assistance was provided for procurement of high quality of seeds from the Government facility. Soil testing of 10 farms was done by the help of an expert, so as to provide farmers with sound advice on crop and manure type. Efforts were made to facilitate linkage of villagers with co-operative bank for loan and awareness campaigns were conducted in the villages on loan obtaining procedure and facilities from the Government. In a rare community spirit, families worked together to raise 20 kitchen gardens near the Taankas.

Animal husbandry: Treatment of animals by the veterinary doctor was facilitated in each household of the two villages and 10 people were identified for veterinary training to deal with identification of ailments, prevention and linking with veterinary

doctor. Orientation of these village level workers was done once in 3 months. Insurance of animals was also initiated.

Social issues: Awareness meetings held in the community were conducted to stop female foeticide (PCPNDT Act), promote rights of the girl child and women. Four widows and 10 old age people started getting their pension from the Government with Punj Lloyd's intervention and help.

The entire programme is being carried out with the support of a grassroot level NGO. The focus has been on establishing partnership with the Government and creating awareness and ensuring better execution of existing schemes to promote development. The second phase of implementation is already complete and in the coming years Punj Lloyd plans to expand its village development initiative in more villages of Bap in Rajasthan.

Other Ongoing Initiatives

The Dayawanti Punj Model School, established in the village of Sitamarhi, Uttar Pradesh continues to provide high quality education to children from local villages. The vision has been to create a centre of excellence with top level facilities that could develop a future leader in every child.

In the same village, the Company also established the Dayawanti Punj Training Institute, affiliated to the National Council for Technical Education (NACTE), to offer B.Ed training and develop quality teaching staff for schools in the area and



Dayawanti Punj Model School, Sitamarhi

around the country.

Following the creation of the Dayawanti Punj Model School, the Company embarked on a holistic village development

programme to tackle numerous interconnected issues associated with poverty such as healthcare, hygiene, sanitation and malnourishment.

Within the construction industry, Punj Lloyd identified a significant training gap for skilled and semi-skilled labourers. This prompted the creation of a Craftsmen Training Institute located in Banmore, Madhya Pradesh. The institute trains workers in a number of crafts, not only to work at Punj Lloyd's sites, but as a skilled resource for the construction industry.



Life Enrichment Programme

In Singapore, the Group has lent support to the Muhammadiyah Welfare Home, a children's home for youth who are considered to be in need of care and guidance. Our assistance focuses on providing educational and personal development opportunities within the home.

The Life Enrichment programme at project sites uses a number of unique tools to communicate with workers. Street plays, puppet shows and videos have been used to bring HIV issues to life in an engaging way. Focus group discussions have enabled difficult topics to be broached and normalised collectively in group settings. And, a system of peer educators and coordinators has enabled effective dissemination of information and learning. 2012-13 saw the Company execute the Life Enrichment programme at both an energy site and an infrastructure one - Paradeep refinery and Panvel, Mumbai. These sites had different sets of issues that needed to be addressed. While the programme continues, the Company is now working towards a self-sustaining roll-out of the programme with the NGO partner SNS Foundation. Moving forward the programme will be primarily driven by site management teams across all of our project sites in India. This will enable those sites already reached to continue the programme into the future, and all other sites to introduce the programme from the start.

Making a difference : Education

"I want to be a doctor, to serve people. I don't want to focus on a specific area, I want to serve as many people as possible." says Akriti Agarwal from Dayawanti Punj Model School (DPMS).



Akriti Agarwal

Akriti travels 30 km in a bus through dusty bumpy roads to reach her school in Sitamarhi from Gopiganj. Her father owns a fabric shop, her mother stays at home, and together they send their daughter on the 60 km round trip, hoping to enable a brighter future for their youngest

daughter. And it seems to be working. Although her parents have never spoken any English, Akriti speaks English with ease and a relaxed confidence, using idioms and making jokes. Now in her final year of school, she talks fondly of DPMS as she considers what difference it has made to her. "I dream big because of the DPMS teachers and Principal. I've seen students from other schools and I think there is a difference. At another school I don't think I'd have the skills or the inspiration I have here."

Touching Lives : Occupation

Seema learnt stitching and crochet in the way that many women do, at home with her mother in the village when she was just a girl. Little did she realise that years later it would become a means of employment, opportunity, and pride.



Seema Singh

In 2010 Seema heard of a vacancy for a crochet teacher at Bal Bhavan and thought it could be a chance to teach her skills to others and make a living for herself. But she faced resistance - her in-laws believed that 'good family' girls shouldn't be sent out to work, they felt a sense of shame at people seeing their daughter-in-law working. It was Seema's husband who helped to change

their traditional thinking, eventually convincing them to let her take the post. Once her work at Bal Bhavan began, Seema experienced a sense of independence she hadn't felt before. Earlier, she says, she felt trapped at home but working at Bal Bhavan changed that: "I teach and learn at the same time, my confidence has increased tremendously". She has even put her life experiences to good use by providing mentorship and advice to the young girls in her classes as they enter into marriage.

Speaking about the future, Seema's ambitions are infinitely higher than an average daughter-in-law in Sitamarhi, but she is still cautious of the road ahead. "I would like to open my own stitching centre if I get my family's support. But it is also a lot of responsibility for one person".



Your Directors are pleased to present the Twenty Fifth Annual Report and the audited accounts for the financial year ended March 31, 2013:

Financial Results

The financial performance of the Company, for the year ended March 31, 2013 is summarized below:

(Rs. Crores)

Particulars	2012-13	2011-12
Total Revenue	8,745.57	6,180.30
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	937.54	820.25
Less: Finance Cost	679.53	546.91
Profit Before Tax, Depreciation and Amortisation	258.01	273.34
Less: Depreciation and Amortisation Expense	227.88	187.43
Profit Before Tax (PBT)	30.13	85.91
Less: Tax expenses (net off of deferred tax effect and Minimum Alternate Tax Credit)	10.51	28.25
Profit After Taxation (PAT)	19.62	57.66
Add: Profit Brought Forward	934.90	898.40
Surplus Available for Appropriation	954.52	956.06
Appropriation		
Dividend on Equity Shares	-	4.98
Tax on Equity Dividend	-	0.81
Amount transferred to Debenture Redemption Reserve	-	15.37
Profit carried to Balance Sheet	954.52	934.90

Dividend

To conserve the cash resources, your Directors have not recommended any dividend on the equity shares for the financial year ended March 31, 2013.

Operations Review

Amidst the Global Challenges, the Company continued to focus on efficiently executing the projects in hand. The total order inflow during the year was Rs. 6,252.00 Crores taking total order backlog to Rs. 22,499.00 Crores by the end of financial year 2012-13. Total revenues of the Company increased from Rs. 6,180.30 Crores in FY 2011-12 to Rs. 8,745.57 Crores in FY 2012-13. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased by 14.30% to Rs. 937.54 Crores in FY 2012-13 in comparison to previous year. Finance costs however rose to Rs. 679.53 Crores accounting for lower Profit Before Tax (PBT) of Rs. 30.13 Crores as against Rs. 85.91 Crores in previous year. Profit after Tax (PAT) reduced to Rs. 19.62 Crores in FY 2012-13

from Rs. 57.66 Crores in previous year.

Business Review

The Management Discussion and Analysis Section of the Annual Report presents a detailed business review of the Company.

Subsidiary Companies

During the year, 6 new subsidiaries/ step down subsidiaries were added; these are Christos Aviation Limited, Graystone Bay Limited, Punj Lloyd Engineers & Constructors (Zambia) Limited, Sembawang Commodities Pte. Ltd, Sembawang of Singapore – Global Project Underwriters Limited and PL Delta Technologies Limited. Simon Carves Singapore Pte Ltd amalgamated with Punj Lloyd Pte Limited and Punj Lloyd Iraq Pte Ltd was liquidated during the year.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet,

Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who is interested in obtaining the same.

The Annual Accounts of the subsidiary companies are available for inspection at the Registered Office of the Company and that of respective subsidiary companies between 11.00 a.m. to 1.00 p.m. on all working days. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

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

Health, Safety and Environment (HSE)

The Company is committed to progressively maintaining the best in class standards of HSE across its business locations. The Company's people, practices, processes and services are certified for three management systems: OHSAS 18001:2007 - Occupational Health and Safety Management System, ISO 14001:2004 - Environment Management System and ISO: 9001-2008 - Quality Management System. The effectiveness of these standards is assured by periodic audits at projects conducted at the corporate level and half yearly audits by third party agency - Det Norske Veritas As. A detailed note on the HSE practices and initiatives by the Company is included in Management Discussion and Analysis Section of the Annual Report.

Directors

Mr. Atul Punj was re-appointed as an Executive Chairman of the Company, not liable to retire by rotation, for a term of five years with effect from July 01, 2008 till June 30, 2013. It is proposed to re-appoint Mr. Atul Punj as an Executive Chairman of the Company, not liable to retire by rotation, for a period of five years from July 01, 2013.

Dr. Naresh Kumar Trehan, Director of the Company, liable to retire by rotation, and being eligible, offers himself for reappointment. The Board of Directors recommends his re-appointment.

During the year, Mr. Niten Malhan, ceased to be a Director of the Company w.e.f. March, 07, 2013.

Mr. M. Madhavan Nambiar, was appointed as an Additional Director of

the Company w.e.f. June 10, 2013. Mr. Nambiar will hold the office upto the date of the ensuing Annual General Meeting. Appropriate resolution seeking your approval for appointment of Mr. Nambiar as a Director of the Company, liable to retire by rotation, forms part of the Notice calling the Annual General Meeting.

Mr. Sanjay Gopal Bhatnagar, Director of the Company, retires by rotation at the ensuing Annual General Meeting and has requested not to be considered for re-appointment due to competing demands on his time.

Necessary resolutions for the above appointment(s) / re-appointment(s) have been included in the Notice convening the Annual General Meeting.

Brief resume of the Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting, as required under Clause 49 of the Listing Agreement, forms part of the Notice convening the ensuing Annual General Meeting.

Directors' Responsibility Statement

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

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. 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;
3. 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
4. that the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Employee Stock Option Scheme

The details as required to be provided in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time with regards to the Employee Stock

Sl. No.	Particulars	ESOP 2005		ESOP 2006					
		Nov. 17, 2005	May 10, 2006	Oct. 30, 2006	Sept. 27, 2007	May 30, 2008	Mar 30, 2009	Jan 22, 2010	Aug 03, 2010
1	Total No. of options granted	3,217,445	771,040	1,491,050	30,000	40,000	30,000	30,000	30,000
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)	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)
3	Number of options vested	3,217,445	771,040	1,491,050	9,000	6,000	9,000	Nil	9,000
4	Number of options exercised	1,017,108	10,132	214,135	Nil	Nil	3,000	Nil	Nil
5	Total no. of shares arising as a result of exercise of options	1,017,108	10,132	214,135	Nil	Nil	3,000	Nil	Nil
6	Number of options lapsed	2,200,337	689,533	1,052,175	30,000	40,000	27,000	30,000	21,000
7	Number of options forfeited	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Variation in terms of options	None	None	The remuneration committee had in its meeting held on March 30, 2009 revised the period of exercise of stock options from 18 months to three years.	The remuneration committee had in its meeting held on March 30, 2009 revised the period of exercise of stock options from 18 months to three years.	The remuneration committee had in its meeting held on March 30, 2009 revised the period of exercise of stock options from 18 months to three years.	None	None	None
9	Money realized by exercise of options (Rs.'000)	128,156	2,391	33,075	Nil	Nil	271	Nil	Nil
10	Total No. of options in force as on 31st March, 2013.	Nil	71,375	224,740	Nil	Nil	Nil	Nil	9,000
11	Grant to Senior Management								
	- Number of options	1,850,545	352,935	1,002,800	30,000	40,000	30,000	30,000	30,000
	- Vesting period	4 Yrs	4 Yrs	4 Yrs	4 Yrs	4 Yrs	4 Yrs	4 Yrs	4 Yrs
12	Any other employee who receives 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	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
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	Nil	Nil	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 employment w.e.f 12.09.2012

** Ceased to be in employment w.e.f. 15.04.2010

***** Ceased to be in employment w.e.f 31.05.2011

***Ceased to be in employment w.e.f 31.08.2010

*****Ceased to be in employment w.e.f 30.04.2010

Option Plan 2005 and Employee Stock Option Plan 2006 of the Company as on March 31, 2013 are given below.

Corporate Governance

As stipulated under Clause 49 of the Listing Agreements executed with the Stock Exchanges, the Report on Corporate Governance is annexed to this report 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.

Management Discussion and Analysis

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

Consolidated Financial Statements

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 Walker, Chandok & 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 8 and 11 in Annexure 1 to the Abridged Financial Statements and also Notes 36 and 41 to the complete set of Financial Statements.

Internal Control System

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

- Timely and accurate financial reporting in accordance with

applicable accounting standards;

- Optimum utilization and safety of assets;
- Compliance with applicable laws, regulations, listing agreements and management policies;
- An effective management information system and reviews of other systems.

The Company has appointed KPMG, an independent agency, for carrying out internal audit of the Company. It is one of the leading global audit firm and is expected to bring greater independence in executing and reporting of internal control review results to the Audit Committee of the Board.

Fixed Deposits

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

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1957, as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report.

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.

Acknowledgement

Your directors recognise and appreciate the efforts of all employees of the Company. Your directors would like to express their sincere appreciation for the continued co-operation and support received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents.

For and on Behalf of the Board of Directors

Atul Punj
Chairman

Place: Gurgaon
Date: June 28, 2013

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

Sl. No.	Employee Name	Designation and Nature of Duties	Remuneration (Rs.)	Qualification	Exp. (Yrs.)	Date of Commencement of Employment	Age (Yrs.)	Last Employment Held Before Joining The Company
Employed Through Out The Year								
1	Amit Jain	Senior General Manager	7694310	Bachelor of Engineering - Civil, ME - Environmental Engineering	19	19-Jun-00	45	RPG Transmissions Ltd.
2	Arun Kumar Choudhary	Advisor	7698041	Bachelor of Engineering - Production	38	06-Mar-11	64	Engineers India Ltd.
3	Arvind Kumar Singh	Additional General Manager	6893928	Master of Engineering - Civil	23	15-Sep-10	47	TRF Ltd.
4	Ashok Kumar Mohanty	Senior General Manager	8721879	PGD - Labour Laws & Personnel Management, LL.B	32	05-Sep-89	55	L&T Ltd.
5	Atul Jain	President & CEO	32213259	Bachelor of Engineering - Chemical	31	09-Jun-82	52	Punj Lloyd Group
6	Atul Sharma	Senior General Manager	11234385	Bachelor of Engineering - Production	21	08-Apr-02	47	Utility Powertech Ltd.
7	Bharat Kaul	Senior General Manager	10373525	Bachelor of Technology - Mechanical	18	20-May-02	41	Kirloskar AAF Limited
8	David Fraser	Additional General Manager	10087236	Bachelor of Engineering	15	16-Dec-08	39	United Utilities
9	Dhulipala Purushotham	Additional General Manager	7068283	Master of Technology - Civil, Bachelor of Engineering - Civil, Diploma - Construction Management	22	02-Jun-10	49	Consilium Qatar LLC.
10	Dinesh Thairani	Grp. President-Legal & CS	9953074	C.S., LL.B	24	01-Mar-94	48	Rama Papers Mills Ltd.
11	George Stanley Stanislaus	Senior General Manager	7730429	Bachelor of Engineering - Mechanical	22	10-Apr-11	47	A A Turkey Group
12	Girish Sardana	General Manager	8379546	Diploma - Mechanical Engineering	24	11-Dec-11	46	Topaz Energy
13	Jagpal Singh	Advisor	8798491	Bachelor of Engineering - Civil, LL.B	42	04-Jun-10	68	Engineers India Ltd.
14	K L Saha	Vice President	6214823	Bachelor of Engineering (Mech)	34	15-Dec-07	57	Pi,Petrosea (Clough Group)
15	Krishna Kumar Saha	Vice President	14737785	Bachelor of Engineering - Civil	29	01-May-94	54	Neo Parisutan Pvt. Ltd.
16	Kuldeep Kumar Kohli	Grp. President (Corporate Affairs)	10097939	LL.B	42	01-Apr-12	59	Essar Group
17	Lalit Kumar Sati	Manager	8655420	Diploma - Industrial Electronics	31	20-Jan-09	51	Ipedex
18	Luv Chhabra	Director (Corporate Affairs)	18238119	Bachelor of Technology, MBA	36	01-Jul-01	57	Kec International Ltd.
19	Madhavan Thampi Sivasankar	General Manager	6183684	Bachelor of Technology - Mechanical, PMP	20	23-Jul-11	45	Dopet
20	Namit Kapoor	President (Group HR)	8763395	Bachelor of Science (Hons), MBA	20	01-Nov-11	43	Consultant,Duke Corporation Education
21	Navin Subbaya	General Manager	8110972	Bachelor of Engineering - Civil	24	26-Apr-11	49	Kaztroly
22	Nishchal Kumar	Senior General Manager	10779587	Bachelor of Engineering - Mechanical	22	02-Apr-96	43	Chambal Fertilizers & Chemicals Ltd.
23	P K Gupta	Whole Time Director	22423428	Bachelor of Engineering - Mechanical	39	01-Apr-10	61	Simon Carves
24	Perumal Raj	Vice President	13466400	Bachelor of Engineering - Mechanical, PGD - Business Management	24	30-Jan-12	46	General Electric International INC
25	Raj Kumar Sharma	President (Defence)	9850397	Bachelor of Engineering (Electronics), MSc. (Defence Studies)	36	30-Jan-12	57	Northrop Grumman Electronics Systems

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

Sl. No.	Employee Name	Designation and Nature of Duties	Remuneration (Rs.)	Qualification	Exp. (Yrs.)	Date of Commencement of Employment	Age (Yrs.)	Last Employment Held Before Joining The Company
26	Raju Kaul	President	17727199	CA, MBA	30	03-Oct-11	53	IL & FS
27	Ravindra Kansal	President & Ceo	30561583	Bachelor of Engineering - Chemical	32	22-Nov-05	53	IOB Ltd.
28	Sandeep Maurya	General Manager	7432939	Bachelor of Engineering - Marine, MBA.	13	05-May-08	36	Sembawang E&C Pvt. Ltd.
29	Satish Kumar Gupta	Vice President	13341540	Bachelor of Technology - Mechanical	43	03-Jan-10	64	Bunduq Oil Producing Company
30	Shiva Santosh Kumar Boppana	Senior General Manager	9103371	Bachelor of Engineering - Mechanical, Diploma - Piping Design & Engineering	16	11-Nov-09	40	Dodsai Ltd.
31	Shivendra Kumar	President (South Asia)	19841680	B.Tech, M.Tech (Chemical Engg.)	35	01-Jun-10	61	Tyco International, USA
32	Simon Callaway	General Manager	13032000	Bachelor of Engineering - Chemical	21	17-Oct-11	45	Genesis Project Initiation Services
33	Sreeram Srinivas	Manager	6591961	B.E. - Mechanical, Oshas, Asnt li (RT, UT, MT, PT), ISO 9001 Lead Auditor	26	28-Jul-09	48	Nippon Steel
34	Subhashish Rakshit	Senior General Manager	9806595	Bachelor of Engineering - Mechanical	25	15-Jul-98	47	Incorporated Engineers Ltd.
35	Subir Singh Jain	Vice President	12856836	Bachelor of Engineering - Mechanical, Master of Technology - Thermal, PGD - Operations	23	01-Apr-12	46	MS AL Suwaidi Industrial Services
36	Tara Prasad M	Advisor	9219960	Licenciate - Mechanical	41	28-May-09	63	Gammon India Ltd.
37	V P Sharma	President (Offshore)	18207298	Diploma (Mech)	28	01-Apr-08	51	Punj Lloyd Group
38	Vallabhbhai Gokalbhai Patel	Additional General Manager	6469767	Bachelor of Engineering - Civil	35	03-Sep-06	60	Dynamic General Contracting
Employed For Part of The Year								
1	Amit Jashbhai Patel	Additional General Manager	3782900	Master in Business Administration - Strategy & Finance, Bachelor of Engineering - Chemical	11	02-Sep-12	33	Saipern
2	Amit Kaura	Executive Vice President	12325534	Bachelor of Engineering - Mechanical	25	13-Dec-93	47	Ampa Abu Dhabi
3	Asghar Ali	President (External Relations)	6220456	Bachelor of Arts(H)	37	07-Feb-08	65	Ashok Leyland Ltd.
4	Atul Kumar	Chief Information Officer	5207566	M.Sc., M.Tech.	31	19-Jan-12	57	J S W Ispat Ltd.
5	Guner Kuruoglu	Chief Construction Manager	5820603	Bachelor of Science - Civil	21	18-Oct-11	47	Gama Power Inc, AS
6	Jatinder Chopra	Executive Vice President	5670653	CA, CS	28	29-Mar-12	56	DLF Projects Ltd.
7	Kuppachary Prabhakaran	Deputy General Manager	3386565	Master of Computer Application, Bachelor of Engineering - Instrumentation	27	19-Jun-09	48	Dodsai Ltd.
8	Malcom Cook	General Manager	12764621	PHD - Chemistry	22	12-Jul-09	49	Ineos Chlor
9	Maneesh Varma	Vice President	10034583	Master of Technology - Instrumentation	22	26-Apr-10	43	Aquatech Eastern FZE
10	Meenu Bindru	Senior General Manager	9558544	Master of Science - Leadership & Strategy, MBA - Marketing & Finance, ICWAI	15	21-May-12	42	Farah Leisure Parks
11	P N Krishnan	Director Designate-Financance	1950402	C.S., LL.B	30	28-Feb-13	55	Abhijeet Group

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

Sl. No.	Employee Name	Designation and Nature of Duties	Remuneration (Rs.)	Qualification	Exp. (Yrs.)	Date of Commencement of Employment	Age (Yrs.)	Last Employment Held Before Joining The Company
12	Pankaj Kumar Agarwal	Senior General Manager - Project	4512151	Master of Technology - Structural, Bachelor of Science - Civil	30	03-Oct-12	52	Kazstroy Services
13	Rajeev Gupta	Vice President - QA/QC	9137840	Bachelor of Engineering - Mechanical	32	27-Feb-11	54	L&T Ltd.
14	Rajesh Khajanchi	General Manager	1863160	CA.	18	02-May-05	43	Jindal Saw Ltd.
15	Rakesh Syal	Vice President	10045612	Bachelor of Engineering - Mechanical	29	01-Mar-02	50	Alpine Non Ferrous Foundry
16	Ramesh Verma	General Manager	1204978	Master of Business Administration, Bachelor of Engineering	36	11-Jan-10	59	AL Hassan Engineering
17	S S Raju	President & CEO (B&I Division)	9711303	Bachelor of Technology	27	01-Jul-10	52	Nagarjuna Construction Ltd.
18	Santhosh Jose	Manager	2051603	Bachelor of Technology	23	06-Sep-10	47	Petrofac
19	Suryanarayana Nalli	Manager - Procurement & Contracts	5717269	Master of Business Administration, Master of Technology, Bachelor of Technology	27	08-Jul-12	51	Petrogas ENP India

Notes :

1. Remuneration includes salary, allowances, commission, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund.
2. The above employees are/were whole time employees of the Company.
3. The conditions of employment of the Director (Corporate Affairs) and Whole Time Director are contractual.
4. None of the employees is a relative of any Director.

For and on behalf of the Board

Place : Gurgaon
Date : June 28, 2013

Atul Punj
Chairman

Particulars Required Under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. Conservation of Energy

Being in the construction industry, the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of total energy consumption and energy consumption per unit of production do not apply to the Company. Accordingly, these particulars have not been provided.

B. Foreign Exchange Earnings and Outgo

(a) Activities relating to export initiatives taken to increase exports, development of new export market for product and services and export plans:

With its abundant natural resources and improving socio economic outlook, the African continent continues to attract the Company to explore the medium to long term opportunities across various spheres including Energy and Infrastructure. Also, with an outlook of increasing Hydrocarbon prices, the Company will continue its efforts for securing projects in the Hydrocarbon space in the Middle-East and Asia Pacific Region. In terms of market development, looking ahead, the Company will continue to explore strategic alliances throughout the African Continent, the Middle Eastern and the South American Regions, as part of our strategy to increase our presence geographically.

(b) Total Foreign Exchange Used and Earned

(Rs. Crores)

Used	
Project material consumed and cost of goods sold	603.89
Employee benefits expense	50.12
Foreign branches/unincorporated joint venture expenses	2,760.57
Finance cost	38.34
Contractor charges	542.95
Site expenses	2.05
Diesel and fuel	5.43
Freight and cartage	6.41
Hire charges	140.58
Rates and taxes	0.80
Insurance	1.53
Consultancy and professional charges	89.18
Travelling and conveyance	36.99
Miscellaneous expenses	4.95
Earned	
Contract revenues	3,921.29
Export sales	273.02
Hiring charges	48.20
Interest received	4.53
Management services	67.14
Others	1.34

For and on behalf of the Board

Place : Gurgaon
Date : June 28, 2013

Atul Punj
Chairman





Company's Philosophy on Corporate Governance

Your Company's corporate governance philosophy is founded on the principles of fair and transparent business practices. The governance structures are created to protect the interests of and generate long term sustainable value for all stakeholders, customers, employees, partners, investors and the community at large. The business is governed and supervised by a strong Board of Directors and together with the management they are committed to uphold the principles of excellence across all activities. The Company is compliant with the latest provisions of Clause 49 of the Listing Agreement, which have been amended from time to time.

Date of Report

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on March 31, 2013. The Report is updated as on the date of the report wherever applicable.

Board of Directors

Composition of the Board

As at March 31, 2013, the Board consists of 7 Directors, majority of which 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.

Table 1: Composition of the Board of Directors as on March 31, 2013

Name of the Director	Category
Mr. Atul Punj	Promoter, Executive
Mr. Luv Chhabra	Executive
Mr. Pawan Kumar Gupta	Executive
Dr. Naresh Kumar Trehan	Independent
Mr. Sanjay Gopal Bhatnagar	Independent
Mr. Phiroz A. Vandrevala	Independent
Ms. Ekaterina A. Sharashidze	Independent

There are no inter-se relationships amongst the board members.

Board Meetings

During the year, the Board of the Company met 5 times on April 30, 2012, August 07, 2012, November 09, 2012, February 11, 2013 and March 08, 2013. The maximum gap between any two Board meetings was less than four months. Meetings are usually held at Corporate Office I, at 78 Institutional Area, Sector 32 Gurgaon 122001, India.

The agenda papers and detailed notes are circulated to the Board well in advance of every meeting, where it is not practicable to attach any document to the agenda, then same is placed before the Board at the meeting and in special circumstances, additional items on the agenda are taken up at the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting.

Video conferencing facilities are used as and when required to facilitate directors to participate in the meetings.

The Board is given presentation on the operations of the Company covering all business areas of the Company, inter alia marketing, sales, health safety environment, finance, internal audit, litigations, risk management, major business segments, business environment, business opportunities and overview of all divisions and departments, including performance of the business operations of major subsidiary companies, before taking on record the quarterly/ annual financial results of the Company.

Information Supplied to the Board

Among others, information supplied to the Board includes:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results for the Company and operating divisions and business segments
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution and penalty notices

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

Directors' Attendance Record and Directorships

Table 2: Attendance of Directors at Board Meetings during the year, last Annual General Meeting and details of other Directorship and Chairmanship /Membership of Committees of each Director :

Name of the Director	No. of other Directorships ¹	No. of Board level Committee memberships / Chairmanships in other Indian public companies		Attendance Particulars ³		
		Member ²	Chairman ²	No. of Board Meetings		Attendance at last AGM
				Held	Attended	
Mr. Atul Punj	9	1	5	5	5	Yes
Mr. Luv Chhabra	5	1	1	5	5	Yes
Mr. Pawan Kumar Gupta	7	4	1	5	5	Yes
Dr. Naresh Kumar Trehan	3	--	--	5	5	Yes
Mr. Sanjay Gopal Bhatnagar	1	--	--	5	3	No
Mr. Phiroz A. Vandrevala	2	--	--	5	3	No
Ms. Ekaterina A. Sharashidze	--	--	--	5	3	No
Mr. Niten Malhan (Upto March 7, 2013)	N.A.	N.A.	N.A.	4	2	No

Notes:

1. The Directorships held by Directors as mentioned above do not include Punj Lloyd Limited, alternate directorships and directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all public limited companies (excluding Punj Lloyd Limited) have been considered.

Board Independence

In compliance with Clause 49 of the Listing Agreement with the stock exchanges, majority of the Board of Directors of the Company, i.e. 4 out of 7, comprises of Independent Directors. An Independent Director means a person who is not an officer or employee of the Company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of our Board of Directors, would interfere with the exercise of independent

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

The details of all remuneration paid or payable to the Directors are given in Tables 3 (A and B) and 4 below.

Table 3A: Remuneration paid or payable to Directors for the year ended March 31, 2013

Name of the Director	Salary	Sitting Fees	Perquisites	Performance Incentive	Deferred Benefits (PF & Superannuation)	Commission	Total (Rs. '000)
Mr. Atul Punj	--	--	3,025	--	--	--	3,025
Mr. Luv Chhabra	12,000	--	4,698	--	1,540	--	18,238
Mr. Pawan Kumar Gupta	12,000	--	8,983	--	1,440	--	22,423
Dr. Naresh Kumar Trehan	--	50	--	--	--	500	550
Mr. Sanjay Gopal Bhatnagar	--	30	--	--	--	500	530
Mr. Niten Malhan (Upto March 7, 2013)	--	--	--	--	--	--	--
Mr. Phiroz A. Vandrevala	--	30	--	--	--	500	530
Ms. Ekaterina A. Sharashidze	--	30	--	--	--	500	530

Table 3B: Details of Current Service Contracts, Notice period and Severance Fees of Directors

Name of the Director	Current Tenure and last re-appointment date	Notice Period / Severance Fees
Mr. Atul Punj	5 years; July 1, 2008*	3 months Notice or Basic Salary in lieu thereof.
Mr. Luv Chhabra	5 years; July 1, 2011	--do--
Mr. Pawan Kumar Gupta	5 years; June 1, 2012	--do--

*Further term under renewal at the ensuing Annual General Meeting.

Table 4: Details of Stock Option to Directors as on March 31, 2013

Name of the Director	Total No. of Options	Options vested till 31 March 2013	Options Exercised till 31 March 2013	Exercise Price per share (Rs.)	Options still unvested
ESOP 2005					
Mr. Luv Chhabra	135,000	135,000	81,000	126.00	Nil
Mr. Pawan Kumar Gupta	100,000	100,000	30,000	126.00	Nil
ESOP 2006					
Mr. Luv Chhabra	60,000	60,000	18,000	154.46	Nil

Note: Each option gives the holder a right to one equity share of the Company. All the vested options under ESOP 2005 other than options exercised stand lapsed as on March 31, 2013.

Shares and Convertible Instruments Held by Non-Executive Directors

Table 5 details the shares of the Company held by the Non-Executive Directors as on March 31, 2013.

Table 5: Details of Shares held by Non-Executive Directors as on March 31, 2013

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. Phiroz A. Vandrevala	5,000

* Held jointly with others

As on March 31, 2013, none of the Non-Executive Directors held any convertible instruments of the Company.

Committees of the Board

Audit Committee

The particulars of Composition, Meetings and Attendance records of the Audit Committee are given in Table 6.

Table 6: Particulars of Composition, Meetings and Attendance of Audit Committee

Name of the Members	Status	Category	No. of meetings attended	Dates on which Meetings held
Dr. Naresh Kumar Trehan	Chairman	Independent	4 out of 4	April 30, 2012
Mr. Sanjay Gopal Bhatnagar	Member	Independent	2 out of 4	
Mr. Phiroz A. Vandrevala	Member	Independent	2 out of 4	August 07, 2012
Ms. Ekaterina A. Sharashidze (Appointed as member w.e.f. November 8, 2012)	Member	Independent	1 out of 2	November 09, 2012
Mr. Niten Malhan (Ceased to be a member w.e.f. March 7, 2013)	Member	Non-Executive	2 out of 4	February 11, 2013

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. All members of the Audit Committee have accounting and financial expertise.

The CFO/Director Designate 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 that of the Listing Agreements.

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

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.

- c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. 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.
 8. Discussion with internal auditors regarding any significant findings and follow up thereon.
 9. 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.
 10. 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.
 11. Reviewing the company's risk management policies.
 12. To look into the reasons for defaults (if any) in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. 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.
 14. Carrying out any other function(s) as is mentioned in the terms of reference of the Audit Committee.
 15. If applicable, on a regular/ annual basis, detailing the use of funds raised through public issues, rights issues, preferential issues, use of funds raised for purposes other than those stated in the offer document/prospectus/notice.
 16. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function).
 17. To review the functioning of the Whistle Blower mechanism.

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

- a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- b) 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.

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.

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

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



Remuneration Committee

The Remuneration Committee determines and recommends to the Board, the compensation payable to the directors based on their performance. The annual compensation of the executive directors is approved by the remuneration committee, within the overall ceiling fixed by the shareholders.

The Remuneration Committee determines, on behalf of the Board and Shareholders, as per agreed terms of reference, the Company's policy on specific remuneration packages for executive directors. The Remuneration Committee has the power 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.

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

The particulars of composition and attendance records of the Remuneration Committee are given in Table 7.

Table 7: Particulars of Composition and Attendance Records of Remuneration Committee

Name of the Members	Status	Category	No. of Meetings	
			Held	Attended
Dr. Naresh Kumar Trehan	Member	Independent	2	2
Mr. Sanjay Gopal Bhatnagar	Member	Independent	2	1
Mr. Phiroz A. Vandrevala	Member	Independent	2	2
Mr. Niten Malhan (Ceased to be a member w.e.f. March 7, 2013)	Member	Non-Executive	1	1

The Committee met 2 times during the year: on April 30, 2012 and March 08, 2013. Minutes of the proceedings of the Committee meetings are placed before the Board meeting for perusal and noting.

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/re-materialisation 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 or re-materialisation 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:
 - a) Transfer of securities
 - b) Non-receipt of Annual Report
 - c) Non-receipt of declared dividends
 - d) Change of address of the shareholders
 - e) Non-receipt of shares in physical or dematerialised form

- f) Shareholders' complaints of other nature forwarded to the Company by Stock Exchanges/SEBI
- g) Correction/change of the bank mandate on refund orders
- h) Other complaints of similar nature received from the shareholders.
- Any other matters to be delegated under any applicable law or regulation or rules applicable to the Company.

- To delegate all or any of the powers mentioned above to any officer(s) of the Company and/or to the Registrar and Share Transfer Agents appointed by the Company.

The Committee met 2 times during the year: on August 07, 2012 and February 11, 2013. The particulars of composition and attendance records of the committee are detailed in Table 8 below.

Table 8: Particulars of Composition and Attendance Records of Shareholders' / Investors' Grievance Committee for 2012-13

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

During the year 2012-13, the Company received a total of 80 queries/complaints from various shareholders relating to non-receipt of dividend, annual report, and share certificates. The same were attended to the satisfaction of the shareholders. At the end of the year March 31, 2013 no complaint was pending. Mr. Dinesh Thairani is the Compliance Officer of the Company.

CEO / Director Designate - Finance Certification

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

Code of Conduct

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior 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.punjilloyd.com

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel an affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year 2012-13.

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.

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of any subsidiary company.

Management

Management Discussion and Analysis

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

Disclosures by Management to The Board

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

Disclosure of Accounting Treatment in Preparation of Financial Statements

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

Code for Prevention of Insider-Trading Practices

The Company has instituted a comprehensive Code of Conduct for its Directors, management and staff, laying down the guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the 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 of the Company.



Shareholders

Re-Appointment of Directors

The brief resumes and other requisite details, as required to be disclosed under Clause 49 of the Listing Agreement, of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting ("AGM") are given as part of the Notice calling the ensuing AGM.

Communication to Shareholders

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

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

Detailed presentations are made to Institutional investors and Financial Analysts on the unaudited quarterly financial results as well as the annual audited financial results of the Company. These presentations are also uploaded on our website. Annual Report containing, inter alia, Audited Annual Accounts, consolidated financial statements, Directors Report, Auditors Report and other important information is circulated to members and others entitled thereto.

SCORES

The Company has enrolled itself for SEBI Complaints Redress System (SCORES), a centralized web based complaints redress system with 24 x 7 access. It allows online lodging of complaints at anytime from anywhere. An automated email acknowledging the receipt of the complaint and allotting a unique complaint registration number is generated for future reference and tracking. The Company uploads an Action Taken Report (ATR) so that the investor can view the status of the complaint online. All complaints are saved in a central database which generates relevant MIS reports to SEBI.

Investor Grievances & Shareholder Redressal

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

Details of Non-Compliance by the Company

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

Compliance

Mandatory Requirements

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

A Certificate from M/s Walker, Chandio & Co., Statutory Auditors, confirming compliance with the conditions of the Corporate Governance as stipulated under Clause 49, is attached to the Directors' report forming part of the Annual Report.

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 8 and 11 in Annexure 1 to the Abridged Financial Statements and also Notes 36 and 41 to the complete set of Financial Statements.

The Company continues to adopt appropriate best practices in order to ensure unqualified Financial Statements.

Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy, where employees have access to the Head of Business / Head of Function. In terms of the Company's Code of Conduct, any instance of non-adherence to the Code or any observed illegal, unethical behaviour is to be brought to the attention of the immediate reporting authority; the immediate reporting authority has to bring it to the notice of the Compliance Officer. Further, depending upon the seniority of the employees involved and the gravity of alleged misconduct, instances of alleged misconduct are reported to and reviewed by a director. The Company lays emphasis on probity in conduct by its employees.

Mr. Dinesh Thairani, Company Secretary is the Compliance Officer. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

Shareholder Information

General Body Meetings

The date, time and venue of the last three Annual General Meetings are given below.

Table 9: Details of last three Annual General Meetings

Financial year	Date	Time	Venue	No. of Special Resolutions Passed
2009-10	August 02, 2010	10.30 A.M.	Air Force Auditorium Subroto Park New Delhi 110010	Nil
2010-11	August 12, 2011	10.30 A.M.	Air Force Auditorium Subroto Park New Delhi 110010	2
2011-12	July 31, 2012	10.30 A.M.	Air Force Auditorium Subroto Park New Delhi 110010	1

Annual General Meeting 2013

Date	Friday, August 02, 2013
Venue	Air Force Auditorium, Subroto Park, New Delhi 110010
Time	10.30 A.M.
Book Closure	Friday July 26, 2013 to August 02, 2013 (both day inclusive)

Calendar of Financial Year ended March 31, 2013

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended March 31, 2013 were held on the following dates:

First quarter	August 07, 2012
Second quarter	November 09, 2012
Third quarter	February 11, 2013
Fourth quarter and annual	May 10, 2013

Tentative calendar for Financial Year ending March 31, 2014

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2014 are as follows:

First quarter	Second week of August 2013
Second quarter	Second week of November 2013
Third quarter	Second week of February 2014
Fourth quarter and annual	Second week of May 2014

Listing Details

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

Listing Fees

Annual listing fees for the year 2013-14 has been paid by the Company to BSE and NSE.

Depository Fees

Annual Custody /Issuer fees for the year 2013-14 has been paid by the Company to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

Debt Securities

- 1) Listing on Wholesale Debt Market (WDM) on BSE
- 2) Debenture Trustee (a) IDBI Trusteeship Services Limited (b) AXIS Trustee Services Limited

Stock Data

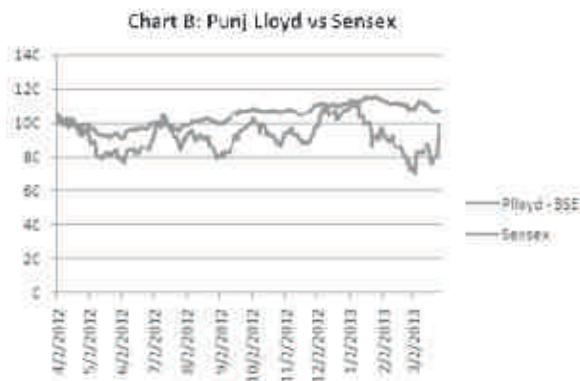
Table 10 below gives the monthly high and low prices and volumes of Company's (PUNJLLOYD) equity shares at BSE Limited (BSE) and the National Stock Exchange Limited (NSE) for the year 2012-13.

Table 10: High and Low Prices and Trading Volumes at the BSE and NSE

Month	BSE (In Rs. per share)			NSE (In Rs. Per share)		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
APR 2012	59.45	50.70	1,18,88,875	59.50	50.50	5,67,88,321
MAY 2012	55.00	43.15	98,25,275	54.80	42.35	4,44,20,122
JUN 2012	49.65	41.75	85,27,623	49.65	41.70	4,13,32,806
JUL 2012	59.40	46.70	1,29,22,763	59.40	46.25	6,50,03,965
AUG 2012	56.70	43.65	83,64,998	54.65	43.60	4,43,58,447
SEP 2012	56.20	44.20	88,53,394	56.20	44.20	4,66,94,306
OCT 2012	58.50	48.10	1,17,33,590	58.60	48.05	5,28,74,094
NOV 2012	54.80	48.50	81,15,548	54.85	48.25	3,95,13,046
DEC 2012	61.95	53.80	1,54,76,253	61.90	53.80	8,04,57,299
JAN 2013	64.10	47.10	2,13,11,401	64.10	47.10	8,80,81,442
FEB 2013	55.20	39.75	1,26,10,769	55.25	39.70	5,40,65,210
MAR 2013	57.00	39.00	2,23,57,258	58.00	39.00	11,21,60,172

Source: BSE and NSE website

Stock Performance



Note: All data indexed to 100 as on 2 April 2012

Share Transfer Agents and Share Transfer and Demat System

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

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

In compliance with the SEBI circular dated 27 December, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, Punj Lloyd 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 are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects.

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

As on March 31, 2013, there were 410334 shareholders holding 332071763 shares of Rs. 2/- each in electronic form. This constitutes 99.99% of the total paid up capital of the Company.

The Company obtains half-yearly certificate of compliance from a Company Secretary in Practice, with regard to the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files same with the Stock Exchanges.

There are no legal proceedings against the Company on any share transfer matter. Table 11 gives details about the nature of complaints and their status as on March 31, 2013.

Green Initiative

The Ministry of Corporate Affairs (MCA) had undertaken a "Green Initiative in Corporate Governance" by allowing paperless

compliances by Companies, whereby companies have been permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Securities and Exchange Board of India (SEBI) have also, in line with the aforesaid MCA initiatives, permitted listed entities to supply soft copies of full annual reports to all those shareholders who have registered their email addresses for the purpose.

In view of the Green Initiatives announced as above, the Company shall send all documents to Shareholders like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those shareholders, whose email address is registered with Depository Participant (DP)/ Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the shareholder's registered email address for serving documents including those covered under Section 219 of the Companies Act, 1956 ('the Act') read with Section 53 of the Act and Clause 32 of the Listing Agreement executed with the Stock Exchanges.

To enable the servicing of documents electronically to the registered email address, we request the shareholders to keep their email addresses validated/ updated from time to time. We wish to reiterate that Shareholders holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Shareholders holding shares in physical form have to write to our Registrar and Transfer Agent, at their specified address, so as to update their registered email address from time to time.

Please note that the Annual Report of the Company will also be available on the Company's website www.punjilloyd.com for ready reference. Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the shareholder, any time, as a member of the Company.

Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year, the Company has credited Rs. 32,32,250 lying in the unpaid/ unclaimed dividend account, to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules,

Table 11: Number and nature of complaints for the year 2012-13

Particulars	Non-Receipt of Certificates	Non-receipt of dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat credit, etc.)	Total
Received during the year	6	46	28	80
Attended during the year	6	46	28	80
Pending as on March 31, 2013	Nil	Nil	Nil	Nil

Equity Shares in the Suspense Account

As per Clause 5A(1) of the Listing Agreement, an aggregate of 2,310 equity shares are lying in the suspense account in respect 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, 2013 shall remain frozen till the rightful owner of such shares claims the shares.

Shareholding Pattern and Distribution

Table 12: Shareholding Pattern as on March 31, 2013

Category		As on March 31, 2013	
		Total No. of shares	Percentage
A.	Shareholding of Promoter and Promoter Group		
a.	Indian Promoters	4,62,34,870	13.92
b.	Foreign Promoters	7,71,21,970	23.22
	Total shareholding of Promoter & Promoter Group	12,33,56,840	37.14
B.	Public Shareholding		
1.	Institutions		
a.	Mutual Funds / UTI	1,44,32,743	4.35
b.	Banks/Financial Institutions	2,24,32,574	6.75
c.	Foreign Institutional Investors	3,62,96,828	10.93
2.	Non-Institutions		
a.	Bodies Corporate	2,34,66,183	7.07
b.	Resident Individuals	9,86,81,667	29.71
3.	Others		
a.	Non Resident Indians	61,06,587	1.84
b.	Trusts	3,21,890	0.10
c.	Clearing Members	70,00,433	2.11
	Total Public Shareholding	20,87,38,905	62.86
C.	Shares held by Custodians and against which Depository Receipts have been issued		
a.	Promoter & Promoter Group	Nil	N. A.
b.	Public	Nil	N. A.
	Grand Total	33,20,95,745	100.00

Table 13: Distribution of shareholding by share class as on March 31, 2013

S.No.	Shareholding Class	No of shareholders	% of Shareholders	No of shares held	Shareholding %
1	1-5000	412091	98.78	77609685	23.37
2	5001- 10000	3079	0.74	11101307	3.34
3	10001- 20000	1163	0.28	8536585	2.57
4	20001- 30000	241	0.06	2981112	0.90
5	30001- 40000	144	0.03	2567962	0.77
6	40001- 50000	83	0.02	1901469	0.57
7	50001- 100000	161	0.04	5702755	1.72
8	100001& Above	232	0.05	221694870	66.76
	Total:	417194	100.00	332095745	100.00

Plant Locations

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

Investor Correspondence Address

Company	Mr. Dinesh Thairani, Compliance Officer Punj Lloyd Ltd. Corporate Office I, 78, Institutional Area, Sector 32, Gurgaon 122001 Tel. No. +91-124 2620493; Fax No. +91-124-2620111, e-mail: investors@punjlloyd.com
Registrars	Mr. K. S. Reddy, Assistant General Manager Karvy Computershare Pvt. Ltd. Plot No. 17-24, Vithal Rao 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

For Punj Lloyd Limited

Atul Punj
Chairman

Place: Gurgaon
Date: June 28, 2013



AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of Punj Lloyd Limited

We have examined the compliance of conditions of Corporate Governance by **Punj Lloyd Limited** ("the Company") for the year ended on March 31, 2013, as stipulated in clause 49 of the listing agreement of the Company with the 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 Corporate Governance as stipulated in said clause. 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 **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No: 001076N

per **David Jones**
Partner
Membership No. 098113

Place : Gurgaon
Date : June 28, 2013

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Punj Lloyd Limited
Corporate Office I, 78,
Institutional Area, Sector 32,
Gurgaon 121 001

Dear Sirs,

We, the undersigned hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by Punj Lloyd Limited during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting in Punj Lloyd Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the auditors and the audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and Audit Committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Faithfully

Atul Punj
Chairman

P.N. Krishnan
Director Designate -Finance

Place : Gurgaon
Date : May 10, 2013

SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Crores, unless otherwise stated)

Name of the Subsidiary	% holding of Group as on March 31, 2013	Number of shares held/amount of capital subscribed	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding company were :			
			a) Not dealt with in holding company's account :		b) Dealt within holding company's account :	
			(i) For the financial year ended on March 31, 2013	(ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary	(i) For the financial year ended on March 31, 2013	(ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary
Spectra Punj Lloyd Limited	100.00%	5,000,000 Equity Shares of Rs. 10 each aggregating to Rs. 5.05 crores	0.99	(1.26)	-	0.90
Punj Lloyd Industries Limited	100.00%	11,500,200 Equity Shares of Rs. 10 each aggregating to Rs. 11.50 crores	0.08	0.24	-	-
Atra Investments Limited	100.00%	515,221 Equity Shares of Rs. 100 each aggregating to Rs. 5.15 crores	0.03	(4.66)	-	-
PLN Construction Limited	100.00%	2,000,000 Equity Shares of Rs. 10 each aggregating to Rs. 3.09 crores	(2.65)	16.47	-	-
Punj Lloyd International Limited	100.00%	100,000 Equity Shares of USD 1 each aggregating to USD 100,000 equivalent to Rs. 0.45 crore	(0.54)	1.52	-	1.43
Punj Lloyd Kazakhstan, LLP	100.00%	Charter Capital amounting to KZT 1,107,977,200 equivalent to Rs. 36.28 crores	(0.01)	(34.74)	-	-
Punj Lloyd Pte Limited	100.00%	573,346 Equity Shares of S\$ 100 each and 1 Equity Share of SGD 1 and 450,000 redeemable convertible preference shares of SGD 100 each aggregating to S\$ 102,334,601 equivalent to Rs. 299.71 crores	115.98	(1,421.99)	-	-
PL Engineering Limited	80.32%	5,000,000 Equity Shares of Rs. 10 each aggregating to Rs. 5.00 crores	5.58	14.71	-	-
Punj Lloyd Infrastructure Limited	100.00%	22,650,000 Equity Shares of Rs. 10 each fully paid up aggregating to Rs. 30.15 crores. Out of the above 7,500,000 equity shares issued at premium of Rs 10 each	(0.11)	(3.08)	-	-
Punj Lloyd Upstream Limited	58.06%	36,397,350 Equity Shares of Rs. 10 each aggregating to Rs. 36.40 crores	(0.57)	2.00	-	-
Punj Lloyd Aviation Limited	100.00%	53,998,710 Equity Shares of Rs. 10 each aggregating to Rs. 54.00 crores	(8.52)	(20.97)	-	-
Sembawang Infrastructure (India) Private Limited	100.00%	9,575,000 Equity Shares of Rs. 10 each aggregating to Rs. 0.10 crore	(2.97)	(5.53)	-	-
Indtech Global Systems Limited	99.99%	82,418 Equity Shares of Rs. 100 each aggregating to Rs. 1.70 crores	(0.87)	(2.72)	-	-
Punj Lloyd Systems Limited	100.00%	102,000 Equity Shares of Rs. 10 each aggregating to Rs. 0.10 crore. Balance capital is held by Atra Investments Limited	(0.00)	(0.01)	-	-
PLI Ventures Advisory Services Private Limited	100.00%	10,100 Equity Shares of Rs. 10 each aggregating to Rs. 0.01 crore	(0.18)	(1.93)	-	-
Dayim Punj Lloyd Construction Contracting Company Limited	51.00%	51,000 Equity Shares of SAR 20 each aggregating to SAR 1,020 thousand equivalent to Rs. 1.23 crores	(45.11)	6.18	-	-
PT Punj Lloyd Indonesia	100.00%	Subsidiary of Punj Lloyd Pte Limited. The Company also holds 7,805 Equity Shares of USD 500 each aggregating to USD 3,902,500 equivalent to Rs. 17.09 crores.	(203.35)	(29.21)	-	-
PT Sempec Indonesia	100.00%	Subsidiary of Punj Lloyd Pte Limited	9.53	(14.01)	-	-
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd	100.00%	Subsidiary of Punj Lloyd Pte Limited	48.58	150.99	-	-
Punj Lloyd Sdn. Bhd.	100.00%	Subsidiary of Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd	0.00	0.15	-	-

SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Crores, unless otherwise stated)

Name of the Subsidiary	% holding of Group as on March 31, 2013	Number of shares held/amount of capital subscribed	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding company were :			
			a) Not dealt with in holding company's account :	(i) For the previous financial year ended on March 31, 2013	(ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary	b) Dealt within holding company's account :
Punj Lloyd Engineers and Constructors Pte Limited	100.00%	Subsidiary of Punj Lloyd Pte Limited	(7.91)	(24.56)	-	-
Punj Lloyd Engineers and Constructors Zambia Limited (w.e.f. January 14, 2013)	100.00%	Subsidiary of Punj Lloyd Engineers and Constructors Pte Limited	(0.00)	-	-	-
Buffalo Hills Limited	100.00%	Subsidiary of Punj Lloyd Pte Limited	8.53	1.28	-	-
Indtech Trading FZ LLC	100.00%	Subsidiary of Buffalo Hills Limited	0.00	(0.64)	-	-
PLI Ventures Limited	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.08)	(5.63)	-	-
Punj Lloyd Infrastructure Pte Limited	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.07)	(0.41)	-	-
Punj Lloyd Kenya Limited	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.49)	(0.24)	-	-
Sembawang Group Pte Limited (w.e.f. May 10, 2011)	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.52)	-	-	-
Punj Lloyd Singapore Pte Limited (w.e.f. February 15, 2012)	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.01)	-	-	-
Christos Trading Limited (w.e.f. February 23, 2012)	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.09)	(0.01)	-	-
Christos Aviation Limited (w.e.f. October 24, 2012)	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.05)	-	-	-
Graystone Bay Limited (w.e.f. February 05, 2013)	100.00%	Subsidiary of Punj Lloyd Pte Limited	(0.01)	-	-	-
Punj Lloyd Thailand (Co) Limited (w.e.f. June 06, 2011)	100.00%	Subsidiary of Punj Lloyd Pte Limited	0.30	-	-	-
Punj Lloyd Delta Renewables Pte Limited	51.00%	Subsidiary of Punj Lloyd Pte Limited	(0.45)	0.62	-	-
Punj Lloyd Delta Renewables Private Limited	51.00%	Subsidiary of Punj Lloyd Delta Renewables Pte Limited	(5.49)	6.47	-	-
Punj Lloyd Delta Renewables Bangladesh Limited	51.00%	Subsidiary of Punj Lloyd Delta Renewables Pte Limited	(0.00)	(0.01)	-	-
Punj Lloyd Engineering Pte Limited	80.32%	Subsidiary of PL Engineering Limited	0.00	(0.06)	-	-
Simon Carves Engineering Limited (w.e.f. April 08, 2011)	80.32%	Subsidiary of PL Engineering Limited	2.55	0.34	-	-
Punj Lloyd Solar Power Limited	100.00%	Subsidiary of Punj Lloyd Infrastructure Limited	0.21	0.53	-	-
Khagaria Purnea Highway Project Limited	100.00%	Subsidiary of Punj Lloyd Infrastructure Limited	(0.11)	-	-	-
Indraprastha Metropolitan Development Limited (w.e.f. February 25, 2012)	100.00%	Subsidiary of Punj Lloyd Infrastructure Limited	(0.00)	-	-	-
Sembawang Engineers and Constructors Pte Limited	96.79%	Subsidiary of Punj Lloyd Pte Limited	90.81	441.97	26.94	173.64
Sembawang Development Pte Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(1.59)	(24.23)	-	-

SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Crores, unless otherwise stated)

Name of the Subsidiary	% holding of Group as on March 31, 2013	Number of shares held/amount of capital subscribed as on March 31, 2013	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding company were :			
			a) Not dealt with in holding company's account :	b) Dealt within holding company's account :	(i) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary	
			(i) For the financial year ended on March 31, 2013	(ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary	(i) For the financial year ended on March 31, 2013	(ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary
Sembawang Libya General Contracting & Investment Company	62.91%	Subsidiary of Sembawang Development Pte Limited	-	(4.41)	-	-
Contech Trading Pte Limited	96.79%	Subsidiary of Sembawang Development Pte Limited	(0.02)	0.97	-	-
PT Contech Bulan	58.07%	Subsidiary of Sembawang Development Pte Limited	-	1.31	-	-
Construction Technology (B) Sdn Bhd	96.79%	Subsidiary of Sembawang Development Pte Limited	(0.03)	(3.33)	-	-
Sembawang Mining (Kekal) Pte Limited	96.79%	Subsidiary of Sembawang Development Pte Limited	(0.02)	91.47	-	-
PT Indo Precast Utama	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	-	(1.78)	-	-
PT Indo Unggul Wasturaya	64.85%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	-	1.06	-	-
Sembawang (Tianjin) Construction Engineering Co. Limited	67.75%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	4.66	(6.23)	-	-
Sembawang Infrastructure (Mauritius) Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.12)	(0.62)	-	-
Sembawang UAE Pte Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(1.34)	(51.89)	-	-
SC Architects and Engineers Pte Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.01)	(0.12)	-	-
Sembawang (Malaysia) Sdn Bhd	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	0.62	(5.00)	-	-
Jurubina Sembawang (M) Sdn Bhd	96.79%	Subsidiary of Sembawang (Malaysia) Sdn Bhd	-	(0.54)	-	-
Tuerti Aquila FZE (Formerly known as Sembawang Engineers and Constructors Middle East FZE)	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	0.17	(123.74)	-	-
Sembawang Bahrain SPC	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.04)	(3.51)	-	-
Sembawang Equity Capital Pte Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.02)	(1.52)	-	-
Sembawang of Singapore - Global Project Underwriters Pte Limited (Formerly known as Sembawang Securities Pte Limited)	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.01)	(0.04)	-	-
Sembawang of Singapore - Global Project Underwriters Limited (w.e.f. August 09, 2012)	96.79%	Subsidiary of Sembawang of Singapore - Global Project Underwriters Pte Limited	-	-	-	-
Sembawang Australia Pty Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.02)	(0.08)	-	-
Sembawang Hong Kong Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.07)	(0.21)	-	-
Sembawang (Tianjin) Investment Management Co Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	0.84	(0.51)	-	-
PT Sembawang Indonesia	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(16.79)	(5.34)	-	-
Sembawang International Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	-	-	-	-

SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Crores, unless otherwise stated)

Name of the Subsidiary	% holding of Group as on March 31, 2013	Number of shares held/amount of capital subscribed	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding company were :			
			a) Not dealt with in holding company's account :	b) Dealt within holding company's account :		
			(i) For the financial year ended on March 31, 2013	(ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary	(i) For the financial year ended on March 31, 2013	(ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary
Sembawang Tianjin Pte Limited	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	(0.01)	(0.02)	-	-
Sembawang Tianjin Heping Pte Limited (w.e.f. July 07, 2011)	96.79%	Subsidiary of Sembawang Tianjin Pte Limited	-	-	-	-
Sembawang Commodities Pte Limited (w.e.f. December 04, 2012)	96.79%	Subsidiary of Sembawang Engineers and Constructors Pte Limited	-	-	-	-

Amounts below INR 50,000 are expressed as 0.00.

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

Place: Gurgaon
Date: May 10, 2013

Atul Punj
Chairman

SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Crores, unless otherwise stated)

Name of the Subsidiary	Country of Incorporation	% holding of Group as on March 31, 2013	Reporting Currency	Exchange rate as on March 31, 2013	Capital	Reserves	Total Assets	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover/ Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Spectra Punj Lloyd Limited	India	100.00%	INR	1.00	5.00	0.02	53.12	48.10	-	8.93	1.32	(0.33)	0.99	-
Punj Lloyd Industries Limited	India	100.00%	INR	1.00	11.50	0.32	11.85	0.03	0.50	0.14	0.12	(0.04)	0.08	-
Atra Investments Limited	India	100.00%	INR	1.00	5.15	(4.61)	0.93	0.39	0.04	0.04	0.03	0.00	0.03	-
PLN Construction Limited	India	100.00%	INR	1.00	2.00	13.82	120.75	104.93	-	15.58	(3.89)	1.24	(2.65)	-
Punj Lloyd International Limited	British Virgin Islands	100.00%	USD	55.41	0.55	1.38	9.35	7.42	-	-	(0.54)	-	(0.54)	-
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00%	KZT	0.36	0.04	(0.05)	0.08	0.09	-	0.02	(0.01)	-	(0.01)	-
Punj Lloyd Pte Limited	Singapore	100.00%	SGD	46.48	475.65	(1,391.61)	2,094.07	3,010.03	133.75	725.74	143.09	(27.11)	115.98	-
PL Engineering Limited	India	80.32%	INR	1.00	26.23	39.03	115.25	49.99	1.30	109.28	8.25	(2.67)	5.58	-
Punj Lloyd Infrastructure Limited	India	100.00%	INR	1.00	22.65	4.38	179.67	152.64	-	3.42	(0.25)	0.14	(0.11)	-
Punj Lloyd Upstream Limited	India	58.06%	INR	1.00	62.69	11.95	314.89	240.25	-	112.18	(0.89)	0.32	(0.57)	-
Punj Lloyd Aviation Limited	India	100.00%	INR	1.00	63.80	(29.58)	118.20	83.98	53.00	5.14	(8.52)	-	(8.52)	-
Sembawang Infrastructure (India) Private Limited	India	100.00%	INR	1.00	9.58	(14.82)	28.10	33.34	-	43.93	(2.94)	(0.03)	(2.97)	-
Indtech Global Systems Limited	India	99.99%	INR	1.00	0.82	0.01	0.85	0.02	-	0.06	(0.86)	(0.01)	(0.87)	-
Punj Lloyd Systems Limited	India	100.00%	INR	1.00	0.20	(0.02)	0.18	-	-	-	(0.00)	-	(0.00)	-
PLI Ventures Advisory Services Private Limited	India	100.00%	INR	1.00	0.01	(1.83)	0.06	1.88	-	-	(0.18)	-	(0.18)	-
Dayim Punj Lloyd Construction Contracting Company Limited	Saudi Arabia	51.00%	SAR	14.89	2.98	(44.19)	476.91	518.12	-	855.60	(45.11)	-	(45.11)	-
PT Punj Lloyd Indonesia	Indonesia	100.00%	USD	55.41	133.11	(235.96)	347.17	450.02	-	282.30	(195.27)	(8.08)	(203.35)	-
PT Sempec Indonesia	Indonesia	100.00%	USD	55.41	37.04	(23.88)	56.24	43.08	-	12.09	9.90	(0.37)	9.53	-
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00%	MYR	17.99	1.35	236.60	695.60	457.65	-	844.52	68.68	(20.10)	48.58	-
Punj Lloyd Sdn. Bhd.	Malaysia	100.00%	MYR	17.99	1.80	0.16	2.10	0.14	-	1.51	0.01	(0.01)	0.00	-
Punj Lloyd Engineers and Constructors Pte Limited	Singapore	100.00%	SGD	46.48	0.00	(37.77)	3.29	41.06	-	3.74	(7.91)	-	(7.91)	-
Punj Lloyd Engineers and Constructors Zambia Limited (w.e.f. January 14, 2013)	Zambia	100.00%	ZMK	0.01	0.00	0.00	0.00	0.00	-	-	(0.00)	-	(0.00)	-
Buffalo Hills Limited	British Virgin Islands	100.00%	USD	55.41	0.01	10.19	18.61	8.41	-	8.55	8.53	-	8.53	-
Indtech Trading FZ LLC	United Arab Emirates	100.00%	AED	15.40	1.54	(0.72)	1.25	0.43	-	0.38	0.00	-	0.00	-
PLI Ventures Limited	Mauritius	100.00%	USD	55.41	0.06	(5.96)	0.52	6.42	-	-	(0.08)	-	(0.08)	-
Punj Lloyd Infrastructure Pte Limited	Singapore	100.00%	SGD	46.48	0.00	(0.58)	7.15	7.73	-	11.22	(0.07)	-	(0.07)	-
Punj Lloyd Kenya Limited	Kenya	100.00%	KES	0.64	0.00	(0.77)	0.35	1.12	-	2.92	(0.49)	-	(0.49)	-
Sembawang Group Pte Limited (w.e.f. May 10, 2011)	Singapore	100.00%	SGD	46.48	0.00	(11.22)	0.00	11.22	-	-	(0.52)	-	(0.52)	-

SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Crores, unless otherwise stated)

Name of the Subsidiary	Country of Incorporation	% holding of Group as on March 31, 2013	Reporting Currency	Exchange rate as on March 31, 2013	Capital	Reserves	Total Assets	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover/ Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Punj Lloyd Singapore Pte Limited (w.e.f. February 15, 2012)	Singapore	100.00%	SGD	46.48	0.00	(0.01)	0.00	0.01	-	-	(0.01)	-	(0.01)	-
Christos Trading Limited (w.e.f. February 23, 2012)	British Virgin Islands	100.00%	USD	55.41	0.01	(0.11)	285.60	285.70	-	-	(0.09)	-	(0.09)	-
Christos Aviation Limited (w.e.f. October 24, 2012)	Bermuda	100.00%	USD	55.41	0.00	(0.05)	0.00	0.05	-	-	(0.05)	-	(0.05)	-
Graystone Bay Limited (w.e.f. February 05, 2013)	British Virgin Islands	100.00%	USD	55.41	0.28	(0.01)	33.25	32.98	-	-	(0.01)	-	(0.01)	-
Punj Lloyd Thailand (Co) Limited (w.e.f. June 06, 2011)	Thailand	100.00%	THB	1.89	1.89	0.29	20.45	18.27	-	5.09	0.40	(0.10)	0.30	-
Punj Lloyd Delta Renewables Pte Limited	Singapore	51.00%	USD	55.41	2.26	(1.66)	1.51	0.91	-	0.28	(0.45)	-	(0.45)	-
Punj Lloyd Delta Renewables Private Limited	India	51.00%	INR	1.00	0.19	1.91	73.16	71.06	-	43.80	(8.02)	2.53	(5.49)	-
Punj Lloyd Delta Renewables Bangladesh Limited	Bangladesh	51.00%	BDT	0.68	0.02	(0.05)	0.00	0.03	-	-	(0.00)	-	(0.00)	-
Punj Lloyd Engineering Pte Limited	Singapore	80.32%	SGD	46.48	0.00	(0.20)	1.53	1.73	-	2.19	0.00	-	0.00	-
Simon Carves Engineering Limited (w.e.f. April 08, 2011)	United Kingdom	80.32%	GBP	83.97	0.00	2.92	27.63	24.71	-	103.82	3.47	(0.92)	2.55	-
Punj Lloyd Solar Power Limited	India	100.00%	INR	1.00	15.10	0.75	76.37	60.52	-	8.99	0.74	(0.53)	0.21	-
Khagaria Purnea Highway Project Limited	India	100.00%	INR	1.00	30.70	(0.11)	431.20	400.61	-	-	(0.11)	-	(0.11)	-
Indraprastha Metropolitan Development Limited (w.e.f. February 25, 2012)	India	100.00%	INR	1.00	0.05	-	9.54	9.49	-	-	(0.00)	-	(0.00)	-
Sembawang Engineers and Constructors Pte Limited	Singapore	96.79%	SGD	46.48	866.50	(132.81)	1,652.74	919.05	0.70	1,005.10	107.24	(16.43)	90.81	27.83
Sembawang Development Pte Limited	Singapore	96.79%	SGD	46.48	4.65	(30.94)	133.25	159.54	0.05	0.59	(1.56)	0.03	(1.59)	-
Sembawang Libya General Contracting & Investment Company	Libya	62.91%	LYD	44.33	2.66	(5.38)	0.26	2.98	-	-	-	-	-	-
Contech Trading Pte Limited	Singapore	96.79%	SGD	46.48	23.24	2.14	25.40	0.02	-	-	(0.02)	-	(0.02)	-
PT Cotech Bulan	Indonesia	58.07%	IDR	0.01	0.58	(0.91)	0.00	0.33	-	-	-	-	-	-
Construction Technology (B) Sdn Bhd	Brunei	96.79%	SGD	46.48	2.32	(42.92)	0.10	40.70	-	-	(0.03)	-	(0.03)	-
Sembawang Mining (Kekal) Pte Limited	Singapore	96.79%	SGD	46.48	2.79	(2.33)	122.97	122.51	122.03	-	(0.02)	-	(0.02)	-
PT Indo Precast Utama	Indonesia	96.79%	SGD	46.48	4.30	(14.73)	1.94	12.37	-	-	-	-	-	-
PT Indo Unggul Wasturaya	Indonesia	64.85%	IDR	0.01	0.64	(1.36)	1.24	1.96	-	-	-	-	-	-
Sembawang (Tianjin) Construction Engineering Co. Limited	China	67.75%	RMB	8.65	21.51	(1.27)	27.87	7.63	-	5.15	4.66	-	4.66	-
Sembawang Infrastructure (Mauritius) Limited	Mauritius	96.79%	USD	55.41	1.50	(0.07)	1.45	0.02	-	-	(0.12)	-	(0.12)	-
Sembawang UAE Pte Limited	Singapore	96.79%	SGD	46.48	72.04	(75.66)	15.80	19.42	-	-	(1.34)	-	(1.34)	-
SC Architects and Engineers Pte Limited	Singapore	96.79%	SGD	46.48	2.32	(0.18)	2.16	0.02	-	-	(0.01)	-	(0.01)	-
Sembawang (Malaysia) Sdn Bhd	Malaysia	96.79%	MYR	17.99	1.35	(5.54)	0.18	4.37	-	-	0.62	(0.00)	0.62	-

SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Crores, unless otherwise stated)

Name of the Subsidiary	Country of Incorporation	% holding of Group as on March 31, 2013	Reporting Currency	Exchange rate as on March 31, 2013	Capital	Reserves	Total Assets	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover/ Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Jurubina Sembawang (M) Sdn Bhd	Malaysia	96.79%	MYR	17.99	0.00	-	0.00	-	-	-	-	-	-	-
Tueni Aquila FZE (Formerly known as Sembawang Engineers and Constructors Middle East FZE)	United Arab Emirates	96.79%	AED	15.40	1.54	(232.77)	26.42	257.65	-	-	0.17	-	0.17	-
Sembawang Bahrain SPC	Bahrain	96.79%	BHD	144.29	8.66	(4.30)	4.44	0.08	-	-	(0.04)	-	(0.04)	-
Sembawang Equity Capital Pte Limited	Singapore	96.79%	SGD	46.48	2.32	(1.91)	0.43	0.02	-	-	(0.02)	-	(0.02)	-
Sembawang of Singapore - Global Project Underwriters Pte Limited (Formerly known as Sembawang Securities Pte Limited)	Singapore	96.79%	SGD	46.48	0.23	(0.04)	0.20	0.01	-	-	(0.01)	-	(0.01)	-
Sembawang of Singapore - Global Project Underwriters Limited (w.e.f. August 09, 2012)	Hong Kong	96.79%	HKD	7.10	0.00	-	0.00	-	-	-	-	-	-	-
Sembawang Australia Pty Limited	Australia	96.79%	AUD	56.63	0.00	(0.08)	-	0.08	-	-	(0.02)	-	(0.02)	-
Sembawang Hong Kong Limited	Hong Kong	96.79%	HKD	7.10	0.00	(0.27)	5.81	6.08	-	-	(0.07)	-	(0.07)	-
Sembawang (Tianjin) Investment Management Co Limited	China	96.79%	RMB	8.65	2.74	0.25	35.98	32.99	-	0.94	0.86	(0.02)	0.84	-
PT Sembawang Indonesia	Indonesia	96.79%	IDR	0.01	3.19	(22.38)	14.22	33.41	-	-	(16.92)	0.13	(16.79)	-
Sembawang International Limited	Hong Kong	96.79%	HKD	7.10	0.00	-	0.00	-	-	-	-	-	-	-
Sembawang Tianjin Pte Limited	Singapore	96.79%	SGD	46.48	0.00	(0.03)	0.00	0.03	-	-	(0.01)	-	(0.01)	-
Sembawang Tianjin Heping Pte Limited (w.e.f. July 07, 2011)	Singapore	96.79%	SGD	46.48	0.00	-	0.00	-	-	-	-	-	-	-
Sembawang Commodities Pte Limited (w.e.f. December 04, 2012)	Singapore	96.79%	SGD	46.48	0.00	-	0.00	-	-	-	-	-	-	-

Amounts below INR 50,000 are expressed as 0.00

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

Place: Gurgaon
Date: May 10, 2013

Atul Punj
Chairman

Report of the Independent Auditors on the Financial Statements

To the Members of Punj Lloyd Limited

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of Punj Lloyd Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these Financial Statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the considerations of the reports of the other auditors on the financial statements of the branches and an unincorporated joint venture as noted below, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. Without qualifying our opinion, we draw attention to:
 - a) note 36 to the Financial Statements in respect of deductions made/ amount withheld by some customers aggregating to Rs 58.02 crores which are being carried as trade receivables. These amounts are outstanding due to dispute with the customers and presently the ultimate outcome of these disputes cannot be determined, however since the Company is of the view that these amounts are recoverable, no provision is required against the same.
 - b) note 41 to the Financial Statements, regarding recoverability of claims aggregating to Rs. 243.03 crores and liquidated damages of Rs. 7.30 crores pertaining to earlier years and due as at March 31, 2013. These dues being subject matter of a conciliation, the Company has assessed recoverability of these amounts based on the terms and conditions implicit in the contract, and legal opinions from independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and liquidated damages would be waived by the customer, accordingly no adjustments have been made in the accompanying Financial Statements.

Report on Other Legal and Regulatory Requirements

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

Report of the Independent Auditors on the Financial Statements

9. As required by Section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. 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 an unincorporated joint venture not visited by us;
- c. we have received the reports on the financial statements of the branches audited under section 228 by other auditors, an un-incorporated joint venture and have appropriately dealt with these while forming our audit opinion;
- d. the Financial Statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- e. in our opinion, the Financial Statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
- f. on the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Other Matter

10. We did not audit the financial statements of certain branches and an un-incorporated joint ventures included in the Financial Statements, whose financial statements reflect total assets (net of eliminations) of Rs. 4,482.54 crores as at March 31, 2013; total revenues (net of eliminations) of Rs. 2,805.00 crores and net cash flows aggregating to Rs. 40.95 crores for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management/other auditors, and our audit opinion on the Financial Statements of the Company for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker, Chandio & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **David Jones**
Partner
Membership No.: 098113

Place of signature: New York
Date: May 29, 2013

Annexure to the Independent Auditors' Report of even date to the members of Punj Lloyd Limited on the financial statements for the year ended March 31, 2013

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off 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 between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (b) to 4(iii) (d) of the Order are not applicable.
- (e) 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 Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, 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.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act 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 within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a delay in a few cases. Further, no material undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:

Annexure to the Independent Auditors' Report of even date to the members of Punj Lloyd Limited on the financial statements for the year ended March 31, 2013

Name of the statute	Nature of dues	Amount outstanding (in Rs crores)*	Period to which the amount relates	Forum where the dispute is pending
Andhra Pradesh General Sales Tax Act, 1956	Sales tax on the material components of the works contract	0.70	1998-99, 2000-01 and 2004-05	Sales Tax Appellate Tribunal Hyderabad, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Sales tax on the material components of the works contract	2.22	2001-02 to 2003-04	Assessing Officer, Hyderabad, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for mis-use of concessional Form G against purchase of LDO	4.52	2002-03 to 2004-05	Sales Tax Appellate Tribunal, Vizag, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for mis-use of concessional Form G against purchase of Cement	2.19	2001-02 to 2004-05	Sales Tax Appellate Tribunal Vizag, Andhra Pradesh.
Uttar Pradesh, Central Sales Tax Act, 1956	Penalty against Form C usage for purchase of machinery	0.49	1998-1999	Additional Commissioner (Appeal), Mathura
Uttar Pradesh, Central Sales Tax Act, 1956	Entry Tax demand	0.05	1999-00 and 2000-01	Sales Tax Appellate Tribunal, Agra
Uttar Pradesh, Central Sales Tax Act, 1956	Entry Tax demand and sales tax form not accepted by the department	0.13	2004-05 and 2010-11	Allahabad High Court, Uttar Pradesh
Uttar Pradesh, Central Sales Tax Act, 1956	Entry Tax demand	0.01	2002-03 and 2004-05	Commercial Tax Tribunal, Agra
Haryana Local Area Development Tax, 2000	Entry Tax demand	0.40	2003-04	The Supreme Court of India, New Delhi
Haryana Value Added Tax Act, 2003	Disallowance of deduction	5.41	2003-04 to 2005-06	Sales tax Appellate Tribunal Chandigarh, Haryana
Bihar Value Added Tax Act, 2005	Non submission of statutory form	22.87	2009-10	Patna High Court
Kerala VAT Act, 2003	Disallowance of deduction	3.91	2005-06 and 2006-07	Deputy Commissioner (Appeals)-Ernakulam, Kerala
Maharashtra VAT Act, 2002	VAT on transportation, travelling charges and penalty	0.46	2006-07	Joint Commissioner (Appeal) Nasik, Maharashtra
MP Commercial Tax Act, 1994	Entry tax	0.06	2003-04	High Court, Gwalior, Madhya Pradesh
MP Value Added Tax Act	VAT Assessment	0.95	2008-09	High Court of Madhya Pradesh
MP Value Added Tax Act	VAT on sales in course of import and interest and penalty	2.98	2009-10	Additional Commissioner Commercial Tax, Gwalior
Chhattisgarh Entry Tax Act, 1976	Entry Tax demand on materials component	0.23	2005-06	Bilaspur High Court, Chhattisgarh
Rajasthan Tax on the entry of Goods in to the Local Area Act, 2001	Entry Tax demand on materials equipment	0.91	2005-06	High Court of Jodhpur, Rajasthan
Karnataka Sales Tax Act, 1957	Interest on Entry Tax imposed by DCCT, Bangalore	0.23	2003-04	Joint Commissioner (Appeal), Bangalore
Gujarat Sales Tax Act, 1969	Differential Sales Tax of non submission of statutory forms	6.21	1998-99 and 1999-00	Sales Tax Appellate Tribunal Ahmadabad, Gujarat
Gujarat Sales Tax Act, 1969	CST against Sales in transit	0.07	2002-03	Deputy Commissioner (Appeals)-Vadodara
West Bengal Value Added Tax, 2003	Differential Sales Tax of non submission of statutory forms	23.60	2009-10	Senior Joint Commissioner (Appeal), Midnapur (WB)

Annexure to the Independent Auditors' Report of even date to the members of Punj Lloyd Limited on the financial statements for the year ended March 31, 2013

Name of the statute	Nature of dues	Amount outstanding (in Rs crores)*	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 2004 and the Service Tax Rules	Penalty for late deposit of Service Tax	18.87	2003-04 to 2006-07	CESTAT, Delhi
Central Excise Act, 1944	Non payment of Excise duty	0.96	2006-07	Commissioner of Custom and Central Excise, Mumbai
The Income Tax Act, 1961	Demand by Income tax department	-	2004-05 to 2006-07	CIT Appeals

*(Net of amounts paid under protest)

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank or to debenture-holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has created security in respect of the outstanding debentures issued during the previous years. No debentures have been issued during the year.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandio & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **David Jones**
Partner
Membership No.: 098113

Place of signature: New York
Date: May 29, 2013

Balance Sheet as at March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Notes	As at March 31, 2013	As at March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	3	66.42	66.42
Reserves and surplus	4	3,781.80	3,740.09
		3,848.22	3,806.51
Non-current liabilities			
Long-term borrowings	5	1,297.30	1,448.93
Deferred tax liabilities (net)	6	128.48	122.51
Provisions	7	49.42	52.93
		1,475.20	1,624.37
Current liabilities			
Short-term borrowings	8	3,287.46	2,381.78
Trade payables	9	2,082.66	1,542.45
Other current liabilities	9	3,237.28	2,849.19
Provisions	7	17.96	23.31
		8,625.36	6,796.73
TOTAL		13,948.78	12,227.61
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	1,630.74	1,549.15
Intangible assets	11	4.01	4.48
Capital work-in-progress		-	131.63
Non-current investments	12	690.46	670.52
Deferred tax assets (net)	6	3.28	2.48
Loans and advances	13	481.54	534.60
Other assets	15	100.58	99.30
		2,910.61	2,992.16
Current assets			
Inventories	16	171.96	193.83
Unbilled revenue (work-in-progress)		5,196.10	4,991.84
Trade receivables	14	2,903.58	1,404.32
Cash and bank balances	17	193.02	250.98
Loans and advances	13	2,512.10	2,350.48
Other assets	15	61.41	44.00
		11,038.17	9,235.45
TOTAL		13,948.78	12,227.61
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

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

For Walker, Chandio & Co
Chartered Accountants

Per **David Jones**
Partner

Place: New York
Date: May 29, 2013

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

Atul Punj
Chairman

Pawan Kumar Gupta
Whole Time Director

Dinesh Thairani
Group President - Legal & Company Secretary

Place: Gurgaon
Date: May 10, 2013

Luv Chhabra
Director (Corporate Affairs)

P.N. Krishnan
Director Designate Finance

Statement of Profit and Loss for the year ended on March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenue from operations	18	8,518.64	5,878.03
Other income	19	226.93	302.27
Total income (I)		8,745.57	6,180.30
Expenses			
Projects materials consumed and cost of goods sold		2,829.49	1,940.54
Employee benefits expense	20	954.38	720.06
Other expenses	21	4,024.16	2,699.45
Total expenses (II)		7,808.03	5,360.05
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		937.54	820.25
Depreciation and amortization expense	10 & 11	228.13	187.68
Less: recoupment from revaluation reserve		0.25	0.25
Net depreciation and amortization expense		227.88	187.43
Finance costs	22	679.53	546.91
Profit before tax		30.13	85.91
Tax expenses			
- Current tax		6.20	19.66
- Minimum alternate tax credit entitlement		(0.94)	-
- Deferred tax		5.25	8.59
Total tax expense		10.51	28.25
Profit for the year		19.62	57.66
Earnings per equity share [nominal value per share Rs. 2 each (Previous year Rs. 2)]	23		
Basic (in Rs.)		0.59	1.74
Diluted (in Rs.)		0.59	1.74
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

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

For Walker, Chandio & Co
Chartered Accountants

Per **David Jones**
Partner

Place: New York
Date: May 29, 2013

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

Atul Punj
Chairman

Luv Chhabra
Director (Corporate Affairs)

Pawan Kumar Gupta
Whole Time Director

P.N. Krishnan
Director Designate Finance

Dinesh Thairani
Group President - Legal & Company Secretary

Place: Gurgaon
Date: May 10, 2013

Cash Flow Statement for the year ended on March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow used in operating activities		
Profit before tax	30.13	85.91
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	227.88	187.43
Loss on sale of fixed assets (net)	1.26	3.99
Provision for diminution in value of investments in subsidiary company	-	0.11
Provision for diminution in value of non-trade long term investment	0.75	-
Unrealised foreign exchange gain (net)	(144.95)	(249.51)
Unspent liabilities & provisions written back/ irrecoverable balances written off (net)	4.73	(3.86)
Interest expense	565.38	454.59
Interest income	(19.76)	(17.28)
Dividend income	(0.04)	(0.07)
Operating profit before working capital changes	665.38	461.31
Movement in working capital:		
Increase in trade payables	535.17	778.60
Increase/ (decrease) in provisions	(1.50)	5.59
Increase in other current liabilities	410.49	541.83
Increase in trade receivables	(1,465.12)	(136.10)
Increase in unbilled revenue (work-in-progress)	(204.27)	(1,470.24)
Decrease/ (increase) in inventories	21.87	(19.00)
Increase in loans and advances	(59.65)	(303.56)
Increase in other assets	-	(28.49)
Cash used in operations	(97.63)	(170.06)
Direct taxes paid (net of refunds)	(63.81)	(69.64)
Net cash flow used in operating activities (A)	(161.44)	(239.70)
Cash flow used in investing activities		
Purchase of fixed assets, including CWIP and capital advances	(53.81)	(568.72)
Proceeds from sale of fixed assets	19.90	4.41
Purchase of non-current investments	(21.07)	(15.11)
Proceeds from sale of non-current investments	0.39	-
(Investments in)/ Redemption/maturity of bank deposits (having original maturity of more than three months)	0.63	(2.15)
Interest received	2.35	16.08
Dividends received	0.04	0.07
Decrease/ (Increase) in margin money deposits	(16.87)	40.42
Net cash flow used in investing activities (B)	(68.44)	(525.00)
Cash flow from financing activities		
Proceeds from long-term borrowings	357.99	474.77
Repayment of long-term borrowings	(520.64)	(637.40)
Premium paid on redemption of foreign currency convertible bonds	-	(57.66)
Proceeds from short-term borrowings (net)	892.49	1,178.37
Interest paid	(576.76)	(465.31)
Dividend paid on equity shares	(4.98)	(4.98)
Tax on equity dividend paid	(0.81)	(0.81)
Net cash flow from financing activities (C)	147.29	486.98
Net decrease in cash and cash equivalents (A + B + C)	(82.59)	(277.72)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(2.93)	(5.22)
Exchange difference	11.31	171.07
Cash and cash equivalents at the beginning of the year	247.00	358.87
Cash and cash equivalents at the end of the year	172.79	247.00

Cash Flow Statement for the year ended on March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
Components of cash and cash equivalents		
Cash on hand	2.76	5.03
With banks		
- on current account	152.14	195.62
- on cash credit	14.28	1.99
- on EEFC accounts	0.48	14.92
- on deposit account	3.13	29.44
Total cash and cash equivalents (also refer note 17)	172.79	247.00

The accompanying notes form an integral part of the financial statements

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

For Walker, Chandio & Co
Chartered Accountants

Per **David Jones**
Partner

Place: New York
Date: May 29, 2013

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

Atul Punj
Chairman

Luv Chhabra
Director (Corporate Affairs)

Pawan Kumar Gupta
Whole Time Director

P.N. Krishnan
Director Designate Finance

Dinesh Thairani
Group President - Legal & Company Secretary

Place: Gurgaon
Date: May 10, 2013

1. Corporate information

Punj Lloyd Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the business of engineering, procurement and construction in the oil and gas sector and infrastructure sector. The Company caters to both domestic and international markets.

2. Basis of preparation

These financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and 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 "Act"). The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain fixed assets which are being carried at their revalued amounts and derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Company and are consistent with those of previous year.

2.1. Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible assets, except a piece of land and few plant and equipment items acquired before March 31, 1998, are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

During the year ended March 31, 1998, the Company revalued certain plant and equipment items. These plant and equipment items are measured at fair value less accumulated depreciation and impairment losses, if recognised after the date of the revaluation. During the year ended March 31, 2002, the Company revalued a piece of land at fair value. In case of revaluation of tangible assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit and loss,

in which case the increase is recognised in the statement of profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with Ministry of Corporate Affairs circular dated August 09, 2012, exchange differences adjusted to the cost of tangible assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

(c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

(d) Depreciation on tangible fixed assets and amortization of intangible assets.

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

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

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

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

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

- iv) Leasehold land is amortised on a straight line basis over the period of lease i.e. 30 years, except for leasehold land which is under perpetual lease.
- v) Individual assets costing upto Rs. 5,000 are depreciated @ 100%.
- vi) Leasehold improvements (included under furniture, fixtures and office equipments) are depreciated on a straight line basis over the period of lease or estimated useful life of six years, whichever is lower.
- vii) Intangible assets are amortized on a straight line basis, based on the nature and useful economic life of the assets as estimated by the management. The summary of amortization policies applied to the Company's intangible assets is as below:
- Software of project division is amortized over the period of licenses or six years, whichever is lower.
 - Software of an unincorporated joint venture is amortized over the period of license or three years, whichever is lower.

(e) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an

asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

(f) Leases

Where the Company is the lessee

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

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

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

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and

loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the statement of profit and loss.

(g) Investments

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

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

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

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

(h) 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) 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.

(i) Unbilled revenue (Work-in-progress)

Unbilled revenue (Work-in-progress) is valued at Net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the

revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- i) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue has been classified as "Other current liabilities" in the financial statements. Claims on construction contracts are included based on Management's estimate of the probability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Company assesses the carrying value of various claims periodically, and makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers. The Company collects service tax and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.
- ii) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company. Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Company's share in unincorporated joint ventures.
- iii) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.
- iv) Rental income from assets given under operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the lease.
- v) Revenue from Management services is recognised pro-rata over the period of the contract as and when the services are rendered. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

- vi) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- vii) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- viii) Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.
- ix) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

(k) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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

(l) Foreign currency translation
Foreign currency transactions and balances

i) Initial recognition

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

ii) Conversion

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

iii) Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- b. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- c. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- d. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of b and c above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

The exchange differences arising on forward contracts to hedge foreign currency risk of an underlying asset or liability existing on the date of the contract are recognised in the statement of profit and loss of the period in which the exchange rates change, based on the difference between:

- a. foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and
- b. the same foreign currency amount translated at the latter of the date of the inception of the contract and the last reporting date, as the case may be.

The premium or discount on all such contracts arising at the inception of each contract is amortised as expense or income over the life of the contract.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal.

Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date if such mark to market results in exchange loss. Such exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

v) Translation of integral and non integral foreign operations

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

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

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

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

(m) Employee benefits

- i) The Company makes contribution to statutory provident fund and pension funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the

balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- ii) Gratuity liability is a defined benefit obligation. The Company has taken an insurance policy under group gratuity scheme with Life Insurance Corporation of India/ ICICI Prudential Life Insurance Company Limited to cover the gratuity liability of the employees of project division and amount paid/payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of each financial year. Actuarial gains/losses are recognised in full in the period in which they occur in the statement of profit and loss.
- iii) In respect to overseas branches and unincorporated joint venture operations, provision for retirement and other employee benefits are made on the basis prescribed in the local labour laws of the respective country, for the accumulated period of service at the end of the financial year.
- iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(n) Income taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in shareholders' funds is recognised in shareholders' funds and not in the statement of profit and loss.

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

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

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

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

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

(o) Accounting for joint ventures

Accounting for joint ventures undertaken by the Company has been done as follows:

Type of Joint Venture	Accounting treatment
Jointly controlled operations	Company's share of revenue, expenses, assets and liabilities are included in the financial statements as Revenues, Expenses, Assets and Liabilities respectively.
Jointly controlled entities	Company's investment in joint ventures is reflected as investment and accounted for in accordance with para 2.1(g) above.

(p) Segment reporting

Identification of segments

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

Unallocated items

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

Segment accounting policies

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

(q) Earnings per share

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

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

(r) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on

Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

(s) Cash and cash equivalents

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

(t) Derivative instruments

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

(u) Contingent liabilities

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

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

(v) Provisions

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

(w) Operating cycle

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

(x) Measurement of EBITDA

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

3. Share Capital

	As at March 31, 2013	As at March 31, 2012
Authorized shares		
450,000,000 (Previous year 450,000,000) equity shares of Rs. 2 each	90.00	90.00
10,000,000 (Previous year 10,000,000) preference shares of Rs. 10 each	10.00	10.00
	100.00	100.00
Issued, subscribed and fully paid-up shares	66.42	66.42
332,095,745 (Previous year 332,095,745) equity shares of Rs. 2 each	66.42	66.42

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

Equity shares

	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	332,095,745	66.42	332,095,745	66.42
Issued during the year	-	-	-	-
Outstanding at the end of the year	332,095,745	66.42	332,095,745	66.42

(b) Terms/rights attached to equity shares

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

During the year ended March 31, 2013, the amount of per share dividend recognized as distribution to equity shareholders was Nil (Previous year Rs. 0.15).

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

(c) Details of shareholders holding more than 5% of the equity share capital of the Company

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	Nos.	% holding in the class	Nos.	% holding in the class
Spectra Punj Finance Private Limited	22,148,305	6.67	22,148,305	6.67
Cawdor Enterprises Limited	75,691,430	22.79	75,691,430	22.79

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Shares reserved for issue under options

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

4. Reserves and surplus

	As at March 31, 2013	As at March 31, 2012
Capital reserve	25.61	25.61
Securities premium account		
Balance as per the last financial statement	2,485.55	2,483.94
Add: premium on redemption of foreign currency convertible bonds	-	1.61
Closing Balance	2,485.55	2,485.55
Debenture redemption reserve		
Balance as per the last financial statement	112.87	97.50
Add: amount transferred from surplus balance in the statement of profit and loss	-	15.37
Closing Balance	112.87	112.87
Asset revaluation reserve		
Balance as per the last financial statement	3.88	4.23
Less: amount transferred to the statement of profit and loss as reduction from depreciation	0.25	0.25
Less: adjustment on account of sale/disposal of revalued assets	0.02	0.10
Closing Balance	3.61	3.88
General reserve	98.18	98.18
Foreign currency translation reserve		
Balance as per last financial statement	79.10	(114.99)
Add: Exchange difference during the year on net investment in non-integral operations	22.36	194.09
Closing Balance	101.46	79.10
Surplus in the statement of profit and loss		
Balance as per last financial statement	934.90	898.40
Profit for the year	19.62	57.66
Less: Appropriations		
Transfer to Debenture redemption reserve	-	(15.37)
Proposed final equity dividend (amount per equity share Nil (Previous year Rs.0.15))	-	(4.98)
Tax on proposed equity dividend	-	(0.81)
Total appropriations	-	(21.16)
Net surplus in the statement of profit and loss	954.52	934.90
Total reserves and surplus	3,781.80	3,740.09

5. Long-term borrowings

	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Debentures (secured)				
10.50% debentures redeemable at par at the end of 5 years from the deemed date of allotment i.e. October 15, 2010. These are secured by first charge on Flat No. 201, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India and subservient charge on the movable tangible assets and current assets of the Company.	300.00	300.00	-	-
12.00% debentures redeemable at par in ten equal half-yearly installments beginning the end of 5 years from the date of allotment i.e. January 02, 2009. These are secured by first pari passu charge on the moveable tangible assets of the project division of the Company and further secured by exclusive charge on the Flat No. 202, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India.	150.00	150.00	-	-
10.00% debentures redeemable at par in four half-yearly installments in the ratio of 20:20:30:30 beginning the end of 3.5 years from the deemed date of allotment i.e. September 10, 2009.	127.50	340.00	212.50	85.00
9.50% debentures redeemable at par at the end of three years of deemed date of allotment i.e. September 10, 2009. 10.00% and 9.50% debentures are secured by pari passu charge on the immovable land situated at Jarod District, Vadodra, Gujarat, India, pari passu first charge on the movable tangible assets of the project division of the Company (only upto Rs. 150.00 crores), subservient charge on movable tangible assets and current assets of project division of the Company (upto Rs. 450.00 crores only). Further secured by charge on some of the investments of the Company.	-	-	-	110.00
Term loans				
Indian rupee loan from banks (secured)				
Loans carrying weighted average rate of interest 11.34% (Previous year 11.39%) depending upon the tenor of the loans. These loans are repayable in 36 to 60 monthly/quarterly installments. These loans are secured by way of exclusive charge on the equipment purchased out of the proceeds of loans.	20.80	33.17	12.33	15.32
Loans carrying weighted average rate of interest 13.05% (Previous year 13.50%) depending upon the tenor of the loans. These loans are repayable in 8-17 quarterly installments beginning at the end of 1 year from the disbursement. These loans are secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	98.93	62.08	38.15	25.42
Loans carrying weighted average rate of interest 12.39% (Previous year 12.94%) depending upon the tenor of the loans. These loans are repayable in 16 to 22 equal quarterly installments beginning at the end of 1 year from the date of first disbursement. These loans are secured by way of pari passu first charge on the existing and future moveable tangible assets of the project division of the Company, pari passu second charge on current assets of the project division of the Company (excluding receivables of the projects financed by other banks).	68.21	104.82	39.62	39.77

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<p>Loan carried rate of interest of 12.75%, repayable in 14 equal quarterly installments beginning at the end of 21 months from the date of first disbursement.</p> <p>The loan was secured by way of Equitable Mortgage on both corporate offices of the Company at Plot No. 78 & 95, Institutional area, Sector 32, Gurgaon, Haryana, India. The same was further secured by subservient charge on the current assets of the project division of the Company.</p>	-	35.76	-	28.57
<p>Loan carrying rate of interest 12.75%, repayable in 17 equal quarterly installments beginning at the end of 12 months from the date of first disbursement.</p> <p>The loan is secured by way of Equitable Mortgage on both corporate offices of the Company at Plot No. 78 & 95, Institutional area, Sector 32 and Medicity Building at Sector 38, Gurgaon, Haryana, India and further secured by way of first pari passu charge on the movable tangible assets of the project division of the Company (upto Rs. 125.00 crores).</p>	227.06	-	22.94	-
<p><u>Foreign currency loan from banks (secured)</u></p> <p>Loan carried rate of interest of 3 months EBOR plus 2.50%. The loan was repayable in 36-56 monthly installments, beginning at the end of 2 months from the date of its origination.</p> <p>The loan was secured by way of exclusive charge on the equipment purchased out of the proceeds of loan.</p>	-	-	-	3.94
<p>3 months EBOR plus 2.50% (Previous year 3 months EBOR plus 2.50%) loan repayable in 14 equal quarterly installments, beginning at the end of 1 quarter from the date of its origination.</p> <p>The loan is secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.</p>	55.81	76.53	40.15	35.50
<p><u>Foreign currency loan from others - (secured)</u></p> <p>5.77% (Previous year 6.02%) loan repayable in 17 equal half yearly installments, beginning at the end of 4 years from the date of its origination.</p> <p>The loan is secured by first pari passu charge on the moveable tangible assets of the project division of the Company.</p>	78.23	83.46	13.04	11.92
<p><u>Indian rupee loan from Financial Institutions (secured)</u></p> <p>Loans carrying weighted average rate of interest 12.84% (Previous year 13.05%) depending upon the tenor of the loan. These loans are repayable in 30 to 60 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan.</p> <p>These loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.</p>	68.49	92.20	37.58	34.57
<p>Loan carrying rate of interest of 14.00% (Previous year 14.00%), repayable in 24 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan.</p> <p>The loan is secured by way of first charge on the current assets of the project division of the Company (excluding receivables of the projects finance by the other banks).</p>	-	30.38	30.38	49.14

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<p>Loan carrying rate of interest of 13.50% (Previous year 13.50%), repayable in 16 quarterly installments beginning at the end of 12 months from the date of first disbursement of the loan. The loan is secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.</p>	25.00	37.50	9.38	-
<p>Loan carrying rate of interest of 14.00% (previous year 13.00%), repayable in 48 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan. The loan is secured by way of first charge on pari passu basis on current assets (excluding receivables of the project financed by the other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company.</p>	75.00	97.92	22.92	2.08
<p>Loan carried rate of interest of 13.25%, repayable in 6 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan. The loan was secured by way of subservient charge on current and moveable tangible assets of the project division of the Company.</p>	-	-	-	50.00
<p>Other loan and advances Finance lease obligation is secured @ 4.00% (previous year 4.00%). The loan is secured by first and exclusive charge by way of hypothecation on certain specific equipment finance through the loan.</p>	2.27	5.11	4.16	2.93
	1,297.30	1,448.93	483.15	494.16
The above amount includes				
Secured borrowings	1,297.30	1,448.93	483.15	494.16
Amount disclosed under the head "Other current liabilities" (note 9)	-	-	(483.15)	(494.16)
Net amount	1,297.30	1,448.93	-	-

6. Deferred tax liabilities (net)

	As at March 31, 2013	As at March 31, 2012
Impact of difference between tax depreciation and depreciation/amortization as per books	76.16	75.91
Effect of expenditure not debited to statement of profit and loss but allowed/allowable in Income Tax	52.17	45.49
Unrealised foreign exchange on purchase of tangible assets	(3.73)	(1.19)
Difference in carrying value of Scaffolding as per income tax and financial books	6.96	8.16
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	(6.36)	(8.34)
Net deferred tax liabilities*	125.20	120.03

*After setting off deferred tax assets aggregating Rs. 3.28 crores (Previous year Rs. 2.48 crores) in respect of certain branches.

7. Provisions

	Long-term		Short-term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits				
Provision for gratuity (also refer note 24)	0.11	2.04	2.40	2.17
Provision for compensated absences	-	-	15.56	15.35
	0.11	2.04	17.96	17.52
Other provisions				
Proposed equity dividend	-	-	-	4.98
Provision for tax on proposed equity dividend	-	-	-	0.81
Provision for current tax (net of advance tax)	49.31	50.89	-	-
	49.31	50.89	-	5.79
	49.42	52.93	17.96	23.31

8. Short term borrowings

	As at March 31, 2013	As at March 31, 2012
Secured		
Working capital loan repayable on demand		
Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company. These borrowings from banks carry weighted average rate of interest 12.18% (Previous year 13.18%).	971.74	925.61
Secured by way of exclusive charge on the receivables of the specific projects financed by the bank, first pari passu charge on the current assets of the project division (excluding receivables of the projects financed by the other banks), pari passu second charge on the movable tangible assets of the project division of the Company. These borrowings from banks carry weighted average rate of interest 11.47% (Previous year 11.17%).	1,644.52	1,066.40
Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks), pari passu charge on the receivables of the project financed and second charge on pari passu basis on movable tangible assets of the project division of the Company. These borrowings from banks carry weighted average rate of interest 5.52% (Previous year 6.22%).	249.35	91.14
Secured by way of pari passu charge on the receivables financed. These borrowings from banks carry rate of interest of 4.29% (Previous year 5.75%).	92.56	138.95
Secured by way of charge on the receivables and assets of the project. These borrowing from banks carries rate of interest 3 Months FGB EBOR + 2.5% P.A. (Previous year 3 Months FGB EBOR + 2.5% P.A.)	166.19	41.59

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	As at March 31, 2013	As at March 31, 2012
Unsecured		
Buyer's line of credit from a bank carrying weighted average rate of interest 1.41% (Previous year 3.06%).	160.40	63.43
10% Inter-corporate deposit repayable on demand.	2.70	-
These borrowings from banks carried weighted average rate of interest 6.61%.	-	44.66
Commercial papers from bank and others carried interest rate of 10.60%.	-	10.00
	3,287.46	2,381.78
The above amount includes:		
Secured borrowings	3,124.36	2,263.69
Unsecured borrowings	163.10	118.09
	3,287.46	2,381.78

9. Other current liabilities

	As at March 31, 2013	As at March 31, 2012
Trade payables (including acceptances) (also refer note 35 for details of dues to micro and small enterprises)	2,082.66	1,542.45
Other liabilities		
Interest accrued but not due on borrowings	40.26	51.64
Current maturities of long term borrowings	483.15	494.16
Service tax payable	30.40	27.81
Value added tax payable	36.24	27.34
Tax deducted at source payable	19.75	9.55
Advance billing	820.70	138.34
Advance from customers	1,588.43	1,842.57
Due to subsidiaries	116.73	63.25
Security deposits	7.91	7.65
Capital goods suppliers	84.02	177.49
Others	9.69	9.39
	3,237.28	2,849.19
	5,319.94	4,391.64

10. Tangible assets

	Land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Tools	Vehicles	Total
Gross block at cost or valuation								
At April 01, 2011	30.04	59.12	1,719.58	29.29	22.56	11.43	72.56	1,944.58
Additions	-	-	441.95	6.59	0.23	0.35	18.22	467.34
Disposals (-)	-	-	17.80	0.62	-	0.00	2.72	21.14
Other adjustments								
-Exchange differences	-	-	10.67	-	-	-	-	10.67
-Foreign currency translation	-	-	37.92	1.30	1.48	-	7.66	48.36
At March 31, 2012	30.04	59.12	2,192.32	36.56	24.27	11.78	95.72	2,449.81
Additions	3.70	134.94	163.23	1.72	1.92	3.40	1.38	310.29
Disposals(-)	15.75	-	10.84	0.21	3.31	1.96	6.08	38.15
Other adjustments								
-Exchange differences	-	-	8.59	-	-	-	-	8.59
-Foreign currency translation	-	-	21.17	(4.18)	0.50	-	2.41	19.90
At March 31, 2013	17.99	194.06	2,374.47	33.89	23.38	13.22	93.43	2,750.44
Accumulated depreciation								
At April 01, 2011	0.28	10.19	638.47	12.77	7.91	3.32	28.14	701.08
Charge for the year	-	1.14	167.89	2.87	2.00	0.56	12.41	186.87
Disposals(-)	-	-	11.70	0.01	-	-	1.26	12.97
Other adjustments								
-Foreign currency translation	-	-	20.98	0.36	0.57	-	3.56	25.47
-Other*	0.21	-	-	-	-	-	-	0.21
At March 31, 2012	0.49	11.33	815.64	15.99	10.48	3.88	42.85	900.66
Charge for the year	0.21	2.90	206.75	3.93	1.75	0.79	10.81	227.14
Disposals(-)	-	-	8.88	0.20	2.74	0.92	4.23	16.97
Other adjustments								
-Foreign currency translation	-	-	8.40	(1.23)	0.42	-	1.36	8.95
-Other	-	-	-	(0.08)	-	-	-	(0.08)
At March 31, 2013	0.70	14.23	1,021.91	18.41	9.91	3.75	50.79	1,119.70
Net block								
At March 31, 2012	29.55	47.79	1,376.68	20.57	13.79	7.90	52.87	1,549.15
At March 31, 2013	17.29	179.83	1,352.56	15.48	13.47	9.47	42.64	1,630.74

* Capitalized as preoperative expenses (also refer note 27)

- Gross block of Plant and equipment includes Rs. 6.27 crores and accumulated depreciation includes Rs. 2.66 crores (Previous year Rs. 24.02 crores and Rs. 20.14 crores respectively) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 1998 by an external agency using "price indices released by the Economic Advisor's Office, Ministry of Industry/verbal Quotation/Comparison/estimation or any other method considered prudent in specific cases". Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 0.25 crores (Previous year Rs. 0.25 crores). In accordance with the option given in the guidance note on accounting for the depreciation in companies, the Company recoups such additional depreciation out of asset revaluation reserve. There is additional profit of Rs. 0.02 crores (Previous year Rs. 0.10 crores) on account of sale of assets, an equivalent amount has been withdrawn from revaluation reserve and credited to Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

2. Gross block of Land includes Rs. 2.10 crores (Previous year Rs. 2.10 crores) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 2002 by an external agency using "price indices released by the Economic Advisor's Office, Ministry of Industry/Verbal Quotation/Comparison/estimation or any other method considered prudent in specific cases".
3. In compliance with the notification dated March 31, 2009 (as amended) issued by Ministry of Corporate Affairs, the Company has exercised the option available under paragraph 46 to the Accounting Standards 11- The effect of changes in foreign exchange rates. Accordingly, during the current year, the foreign exchange loss of Rs. 8.59 crores (Previous year Rs. 10.67 crores) has been added to gross block of Plant and equipment.
4. Gross block of Land includes leasehold land Rs. 6.41 crores (Previous year Rs.6.41 crores).
5. Gross block of Vehicles includes vehicles of cost Rs. 6.71 crores (Previous year Rs. 6.25 crores) taken on finance lease. Accumulated depreciation there on is Rs. 2.10 crores (Previous year Rs. 0.71 crores).
6. Gross block of Plant and equipment includes equipments of cost Rs. 10.02 crores (Previous year Rs. 6.25 crores) taken on finance lease. Accumulated depreciation thereon is Rs. 2.25 crores (Previous year Rs. 0.31 crores).
7. Gross block of Buildings includes building of cost Rs. 98.76 crores (Previous year Nil) taken on finance lease. Accumulated depreciation thereon is Rs. 0.79 crores (Previous year Nil).
8. During the year, the Company has revised estimated useful life of cranes (included under Plant and equipments) based on technical estimates made by the management. Accordingly, additional depreciation of Rs. 2.25 crores has been accounted for in the financial statements. Had the Company continued to use earlier basis of providing depreciation, the change to the statement of profit and loss for the current year would have been lower by Rs. 2.25 crores and net block correspondingly would have been higher by same amount.

11. Intangible Assets

	Computer software	Total
Gross block		
At April 01, 2011	10.23	10.23
Additions	2.58	2.58
Other adjustments		
-Foreign currency translation	0.01	0.01
At March 31, 2012	12.82	12.82
Additions	0.60	0.60
Other adjustments		
-Foreign currency translation	0.00	0.00
At March 31, 2013	13.42	13.42
Amortization		
At April 01, 2011	7.53	7.53
Charge for the year	0.81	0.81
Other adjustments		
-Foreign currency translation	0.00	0.00
At March 31, 2012	8.34	8.34
Charge for the year	0.99	0.99
Other adjustments		
-Foreign currency translation	0.00	0.00
-Other	0.08	0.08
At March 31, 2013	9.41	9.41
Net block		
At March 31, 2012	4.48	4.48
At March 31, 2013	4.01	4.01

12. Non-Current Investments

	As at March 31, 2013	As at March 31, 2012
Trade investments (valued at cost unless stated otherwise)		
<u>Unquoted equity instruments</u>		
<u>Investment in subsidiaries</u>		
Punj Lloyd International Limited	0.44	0.44
100,000 (Previous year 100,000) equity shares of USD 1 each fully paid up. Of the above, 100,000 (Previous year 100,000) equity shares are under first pari passu charge with Debenture trustee.		
Punj Lloyd Industries Limited	11.50	11.50
11,500,200 (Previous year 11,500,200) equity shares of Rs. 10 each fully paid up. Of the above, 11,500,194 (Previous year 11,500,194) equity shares are under first pari passu charge with Debenture trustee.		
Atna Investments Limited	0.39	0.39
515,221 (Previous year 515,221) equity shares of Rs. 100 each fully paid up. Of the above, 399,215 (Previous year 399,215) equity shares are under first pari passu charge with Debenture trustee. (At cost less provision for other than temporary diminution in value Rs. 4.77 crores (Previous year Rs. 4.77 crores))		
Punj Lloyd Kazakhstan LLP	36.28	36.28
KZT 1,107,977,200 (Previous year 1,107,977,200) being 100% of the amount of Charter Capital. Of the above, KZT 1,107,977,200 (Previous year 1,107,977,200) are under first pari passu charge with Debenture trustee.		
PLN Construction Limited	3.09	3.09
2,000,000 (Previous year 2,000,000) equity shares of Rs. 10 each fully paid up. Of the above, 1,999,994 (Previous year 1,999,994) equity shares are under first pari passu charge with Debenture trustee.		
Punj Lloyd Pte Limited	167.97	167.97
573,346 (Previous year 573,346) equity shares of SGD 100 each and 1 (Previous year 1) equity share of SGD 1 each fully paid up. Of the above, 286,673 (Previous year 286,673) equity shares are under first pari passu charge with Debenture trustee.		
PL Engineering Limited	5.00	5.00
5,000,000 (Previous year 5,000,000) equity shares of Rs 10 each fully paid up. Of the above, 4,999,994 (Previous year 4,999,994) equity shares are under first pari passu charge with Debenture trustee.		
PLI Ventures Advisory Services Private Limited	0.01	0.01
10,100 (Previous year 5,100) equity shares of Rs. 10 each, fully paid up.		
Punj Lloyd Aviation Limited	54.00	54.00
53,998,710 (Previous year 53,998,710) equity shares of Rs 10 each fully paid up. Of the above, 53,998,704 (Previous year 53,998,704) equity shares are under first pari passu charge with Debenture trustee.		
Punj Lloyd Infrastructure Limited	30.15	30.15
22,650,000 (Previous year 22,650,000) equity shares of Rs 10 each, fully paid up. Out of above Nil (Previous year 7,500,000) equity shares issued at a premium of Rs 10 each.		

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	As at March 31, 2013	As at March 31, 2012
Punj Lloyd Upstream Limited 36,397,350 (Previous year 36,397,350) equity shares of Rs 10 each fully paid up.	36.40	36.40
Sembawang Infrastructure (India) Private Limited 9,575,000 (Previous year 9,575,000) equity shares of Rs.10 each fully paid up.	0.10	0.10
Indtech Global Systems Limited 82,418 (Previous year 82,418) equity shares of Rs.100 each fully paid up. Of the above, 82,413 (Previous year 82,413) equity shares are under first pari passu charge with Debenture trustee.	1.70	1.70
Punj Lloyd Systems Limited 102,000 (Previous year 102,000) equity shares of Rs. 10 each fully paid up.	0.10	0.10
Dayim Punj Lloyd Construction Contracting Company Limited 51,000 (Previous year 51,000) equity shares of SAR 20 each, fully paid up.	1.23	1.23
Spectra Punj Lloyd Limited 5,000,000 (Previous year 5,000,000) equity shares of Rs.10 each, fully paid up. Of the above, 4,871,850 (Previous year 4,871,850) equity shares are under first pari passu charge with Debenture trustee.	5.05	5.05
PT Punj Lloyd Indonesia Nil (Previous year 7,805) equity shares of USD 500 each fully paid up. Of the above, Nil (Previous year 7,800) equity shares are under first pari passu charge with Debenture trustee.	-	17.09
Investment in joint ventures		
Thiruvananthapuram Road Development Company Limited 17,030,000 (Previous year 17,030,000) equity shares of Rs. 10 each, fully paid up.	17.03	17.03
Swissport Punj Lloyd India Private Limited (under liquidation) Nil (Previous year 1,053,500) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Nil (Previous year Rs. 0.67 crore))	-	0.38
Kaefer Punj Lloyd Limited (also refer note 28) Nil (Previous year 74,520) equity shares of Rs. 100 each fully paid up.	-	3.86
Ramprastha Punj Lloyd Developers Private Limited 5,000 (Previous year 5,000) equity shares of Rs. 10 each fully paid up.	0.01	0.01
Investment in others		
Rajahmundry Expressway Limited 1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.	1.89	1.89
Andhra Expressway Limited 1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.	1.89	1.89
North Karnataka Expressway Limited 3,860,456 (Previous year 3,860,456) equity shares of Rs.10 each fully paid up.	3.86	3.86
GMR Hyderabad Vijaywada Expressways Private Limited 500,000 (Previous year 500,000) equity shares of Rs. 10 each fully paid up.	0.50	0.50

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	As at March 31, 2013	As at March 31, 2012
Kafer Punj Lloyd Limited (also refer note 28) 74,520 (Previous year Nil) equity shares of Rs. 100 each fully paid up.	3.86	-
PT Punj Lloyd Indonesia 7,805 (Previous year Nil) equity shares of USD 500 each fully paid up. Of the above, 7,800 (Previous year Nil) equity shares are under first pari passu charge with Debenture trustee.	17.09	-
Unquoted preference instruments		
Punj Lloyd Pte Limited 450,000 (Previous year 450,000) redeemable convertible preference share of SGD 100 each, fully paid up. Of the above, 450,000 (Previous year 450,000) redeemable convertible preference share are under first pari passu charge with Debenture trustee.	131.74	131.74
Investments in Associates - Trade (unquoted)		
Hazaribagh Ranchi Expressway Limited 13,000 (Previous year 13,000) equity shares of Rs. 10 each fully paid up.	0.01	0.01
Olive Group India Private Limited 750,000 (Previous year 750,000) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.75 crore (Previous year Nil))	-	0.75
Non-trade Investment in others		
RFB Latex Limited 200,000 (Previous year 200,000) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.52 crore (Previous year Rs. 0.52 crore))	-	-
Arooshi Enterprises Private Limited 598,500 (Previous year 598,500) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.60 crore (Previous year Rs. 0.60 crore))	-	-
Global Health Private Limited 8,601,979 (Previous year 8,000,000) equity shares of Rs. 10 each fully paid up. Of the above, 8,000,000 (Previous year 8,000,000) equity shares are under first pari passu charge with Debenture trustee.	159.07	138.00
Quoted Investment in others		
Berger Paints Limited 61,600 (Previous year 61,600) equity shares of Rs. 2 each fully paid up.	0.10	0.10
Pipavav Defence and Offshore Engineering Company Limited 1,000 (Previous year 1,000) equity shares of Rs. 10 each fully paid up. *Rs 27,000 only	0.00*	0.00*
	690.46	670.52
Aggregate amount of quoted investments (Market value: Rs. 1.40 crores (Previous year Rs. 0.67 crores))	0.10	0.10
Aggregate amount of unquoted investments	697.00	676.98
Aggregate provision for diminution in value of investments	6.64	6.56

13. Loans and advances

	Non-current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Capital advances				
Unsecured, considered good	4.49	138.54	-	-
	4.49	138.54	-	-
Security deposits				
Unsecured, considered good	-	-	10.82	9.72
	-	-	10.82	9.72
Loan and advances to related parties				
Unsecured, considered good	-	-	2,055.64	1,925.04
	-	-	2,055.64	1,925.04
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	409.78	353.71
	-	-	409.78	353.71
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for taxation)	304.51	248.48	-	-
Loans to employees	-	-	1.26	6.20
Balances with statutory/government authorities	-	-	30.80	49.71
Minimum alternate tax credit entitlement (Refer note 42)	8.23	7.29	-	-
Prepaid expenses	-	-	3.80	6.10
Value added tax / Sales tax recoverable	164.31	140.29	-	-
	477.05	396.06	35.86	62.01
	481.54	534.60	2,512.10	2,350.48

Loans and advances due by directors, other officers, private limited companies in which Company's director is a director etc.

	Non-current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Loans and advances to related parties include:				
Dues from PLI Ventures Advisory Services Private Limited in which the Company's director is a director	-	-	1.23	1.40
Dues from Sembawang Infrastructure (India) Private Limited in which the Company's directors are directors	-	-	10.70	8.52
Advances recoverable in cash or kind include:				
Dues from Ramprastha Punj Lloyd Developers Private Limited in which the Company's directors are directors	-	-	10.00	10.00

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

14. Trade receivables

	As at March 31, 2013	As at March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good (Includes retention money Rs. 151.23 crores (Previous year Rs. 26.60 crores))	866.33	762.43
(A)	866.33	762.43
Other receivables		
Unsecured, considered good (Includes retention money Rs. 468.87 crores (Previous year Rs. 357.92 crores))	2,037.25	641.89
(B)	2,037.25	641.89
Total (A+B)	2,903.58	1,404.32

Trade receivables include:

	As at March 31, 2013	As at March 31, 2012
Dues from PLI Ventures Advisory Services Private Limited in which the Company's director is a director	0.35	0.49
Dues from Sembawang Infrastructure (India) Private Limited in which the Company's directors are directors	5.61	2.75
Dues from AirWorks India (Engineering) Private Limited in which the Company's director is a director	2.43	2.43
Dues from Punj Lloyd Delta Renewables Private Limited in which the Company's director is a director	6.97	2.62
Dues from Olive Group India Private Limited in which the Company's director is a director	0.45	0.45
Dues from Global Health Private Limited in which the Company's director is a director	4.19	3.80

15. Other assets

	Non-current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good				
Interest receivables	-	-	60.99	43.58
Export benefit receivables	100.58	99.30	-	-
Receivables against sale of investments	-	-	0.42	0.42
	100.58	99.30	61.41	44.00

16. Inventories

	As at March 31, 2013	As at March 31, 2012
Project materials	170.25	193.61
Scrap	1.71	0.22
	171.96	193.83

17. Cash and bank balances

	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Balances with banks:		
– On current accounts	152.14	195.62
– On cash credit accounts	14.28	1.99
– On EEFC account	0.48	14.92
Deposit with original maturity of less than three months	3.13	29.44
Cash on hand	2.76	5.03
	172.79	247.00
Other bank balances		
– Deposits with original maturity for more than 12 months*	1.53	2.15
– Margin money deposit**	18.70	1.83
	20.23	3.98
	193.02	250.98

* Fixed deposits pledged for Rs 1.53 crores (Previous year Rs 2.15 crores) against guarantees.

** Margin money deposits with a carrying amount of Rs. 18.70 crores (Previous year Rs. 1.83 crores) are subject to first charge to secure the Company's cash credit loans.

18. Revenue from operations

	Year ended March 31, 2013	Year ended March 31, 2012
Contract revenue (includes export benefit of Rs. Nil (Previous year Rs. 45.72 crores))	8,127.54	5,667.85
Sales (net of discounts) export	273.02	-
Hire charges	50.91	39.70
Management services	67.17	170.48
	8,518.64	5,878.03

19. Other Income

	Year ended March 31, 2013	Year ended March 31, 2012
Scrap sale	11.52	5.39
Unspent liabilities and provisions written back	0.53	8.57
Exchange differences (net)	190.39	268.43
Interest income on		
Bank deposits	1.30	1.09
Others	18.46	16.19
Dividend income on non-trade long term investments	0.04	0.07
Others	4.69	2.53
	226.93	302.27

20. Employee benefit expense

	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and bonus	851.88	653.93
Contribution to provident funds	20.09	20.59
Gratuity expense (also refer note 24)	1.15	3.64
Compensated absences	8.04	8.40
Staff welfare expenses	73.22	33.50
	954.38	720.06

21. Other Expenses

	Year ended March 31, 2013	Year ended March 31, 2012
Contractor charges	2,294.23	1,311.04
Site expenses	145.61	145.08
Diesel and fuel	270.47	233.45
Repair and maintenance		
Buildings	0.69	0.54
Plant and equipments	8.34	23.50
Others	5.65	0.16
Rent	31.63	31.79
Freight and cartage	83.97	64.74
Hire charges	463.83	268.05
Rates and taxes	199.32	124.71
Insurance	35.17	81.28
Travelling and conveyance	98.21	42.04
Payment to auditors (refer below)	1.23	1.36
Consultancy and professional charges	280.61	257.80
Irrecoverable balances written off	5.26	4.71
Provision for diminution in value of non-trade long term investment	0.75	-
Provision for diminution in value of subsidiary	-	0.11
Donations	2.52	1.25
Loss on disposal/discard of fixed assets (net)	1.26	3.99
Miscellaneous expenses	95.41	103.85
	4,024.16	2,699.45

Payment to auditors

	Year ended March 31, 2013	Year ended March 31, 2012
As auditors:		
Audit fee	0.34	0.64
Limited reviews	0.62	0.45
Certification fees, etc.	0.18	0.25
Reimbursement of expenses	0.09	0.02
	1.23	1.36

22. Finance Cost

	Year ended March 31, 2013	Year ended March 31, 2012
Interest	565.38	454.59
Bank charges	112.99	89.08
Discounting charges on commercial papers	1.16	3.24
	679.53	546.91

23. Earnings per share

Basic Earnings

	2012-13	2011-12
a) Calculation of weighted average number of equity shares of Rs. 2 each		
Number of equity shares at the beginning of the year	332,095,745	332,095,745
Equity shares at the end of the year	332,095,745	332,095,745
Weighted average number of equity shares outstanding during the year	332,095,745	332,095,745
b) Net profit after tax available for equity share holders (Rs. crores)	19.62	57.66
c) Basic earnings per share (Rs.)	0.59	1.74
d) Nominal value of share (Rs.)	2	2

Diluted Earnings

	2012-13	2011-12
a) Calculation of weighted average number of equity shares of Rs. 2 each		
Number of equity shares at the beginning of the year	332,095,745	332,095,745
Equity shares at the end of the year	332,095,745	332,095,745
Weighted average number of equity shares outstanding during the year	332,095,745	332,095,745
b) Net profit after tax available for equity share holders (Rs. crores)	19.62	57.66
c) Diluted earnings per share (Rs.)	0.59	1.74
d) Nominal value of share (Rs.)	2	2

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

Description	2012-13	2011-12
Weighted average number of equity shares considered for Basic Earnings	332,095,745	332,095,745
Add: Equity shares to be issued on stock options	-	-
Weighted average number of equity shares considered for Diluted Earnings	332,095,745	332,095,745

24. Gratuity and other post-employment benefit plans

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

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

Statement of profit and loss

Net employee benefit expense recognised in the employee cost

	2012-13	2011-12
Current service cost	2.36	2.04
Interest cost on benefit obligation	0.88	0.69
Expected return on plan assets	(0.61)	(0.52)
Net actuarial (gain)/loss	(1.48)	1.43
Net benefit expense	1.15	3.64
Actual return on plan assets	0.12	(0.49)

Balance sheet

Benefit asset/liability

	2012-13	2011-12
Present value of defined benefit obligation	11.07	11.43
Fair value of plan assets	(8.56)	(7.22)
	2.51	4.21
Less: Unrecognised past service cost	-	-
Net defined benefit obligation	2.51	4.21

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

	2012-13	2011-12
Opening defined benefit obligation	11.43	8.57
Interest cost	0.88	0.69
Current service cost	2.36	2.04
Benefits paid	(2.24)	(1.27)
Actuarial (gains)/losses on obligation	(1.36)	1.40
Closing defined benefit obligation	11.07	11.43

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

	2012-13	2011-12
Opening fair value of plan assets	7.22	5.81
Expected return	0.61	0.52
Contributions by employer	2.85	2.19
Benefits paid	(2.24)	(1.27)
Actuarial gains/(losses)	0.12	(0.03)
Closing fair value of plan assets	8.56	7.22

The Company expects to contribute Rs. 2.40 crores to gratuity fund in the next year (Previous year Rs. 2.17 crores).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2012-13 %	2011-12 %
Group Gratuity Cash Accumulation Policy with Life Insurance Corporation of India	35.16	38.30
Group Balance Fund with ICICI Prudential Life Insurance Co. Ltd.	0.08	0.09
Group Short Term Debt Fund with ICICI Prudential Life Insurance Co. Ltd.	54.52	52.05
Group Debt Fund with ICICI Prudential Life Insurance Co. Ltd.	10.24	9.56

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	2012-13 %	2011-12 %
Discount rate	8.20	8.00
Expected rate of return on assets	9.00	9.00

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

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

Amounts for the current and previous four periods are as follows:

	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	11.07	11.43	8.57	9.11	9.52
Plan assets	8.56	7.22	5.81	4.48	3.84
Surplus/(deficit)	(2.51)	(4.21)	(2.76)	(4.64)	(5.68)
Experience adjustments on plan liabilities – (loss)/gain	1.16	(0.56)	0.57	(1.62)	-
Experience adjustments on plan assets – (loss)/gain	0.12	(0.01)	0.40	0.21	-

25. The Company provides various share based payment schemes to its employees. During the year ended March 31, 2013, the relevant details of the scheme are as follows

	ESOP 2005 (Plan 1 and 2)	ESOP 2006 (Plan 1, 2, 3, 4, 5 and 6)
Date of Board of Directors approval	September 05, 2005	June 27, 2006
Date of Remuneration Committee approval	Various dates subsequent to September 05, 2005	Various dates subsequent to June 27, 2006
Date of Shareholder's approval	September 29, 2005 and April 3, 2006 for ESOP Plan 1 and 2 respectively	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 or one month from the date of resignation from service, whichever is earlier.	Three years from the date of vesting or one year from the date of resignation from service, whichever is earlier.
Vesting condition	Employee should be in Service at vesting and exercise date	Employee should be in Service at vesting and exercise date

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	422,355	599,600	126.00	126.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	422,355	177,245	126.00	126.00
Outstanding at the end of the year	-	422,355	-	126.00
Exercisable at the end of the year	-	422,355	-	126.00

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	152,155	224,975	235.99	235.99
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	80,780	72,820	235.99	235.99
Outstanding at the end of the year	71,375	152,155	235.99	235.99
Exercisable at the end of the year	71,375	152,155	235.99	235.99

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	419,230	693,435	154.46	154.46
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	194,490	274,205	154.46	154.46
Outstanding at the end of the year	224,740	419,230	154.46	154.46
Exercisable at the end of the year	224,740	419,230	154.46	154.46

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	-	9,000	-	299.90
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	9,000	-	299.90
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	-	6,000	-	310.35
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	6,000	-	310.35
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	6,000	27,000	90.40	90.40
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	6,000	21,000	90.40	90.40
Outstanding at the end of the year	-	6,000	-	90.40
Exercisable at the end of the year	-	6,000	-	90.40

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-13	2011-12	2012-13	2011-12
Outstanding at the beginning of the year	30,000	30,000	132.45	132.45
Granted during the year	6,000	3,000	132.45	132.45
Exercised during the year	-	-	-	-
Expired during the year	21,000	-	132.45	-
Outstanding at the end of the year	9,000	30,000	132.45	132.45
Exercisable at the end of the year	9,000	30,000	132.45	132.45

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

The weighted average share price at the date of exercise is not applicable since no option is exercised (Previous year not applicable since no options were exercised).

For the purpose of valuation of the options granted upto year ended March 31, 2013 under ESOP 2005 and ESOP 2006, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method, is Rs. Nil.

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 Pro-forma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Since the enterprise used the intrinsic value method and the management has obtained fair value of the options at the date of grant from a valuer, using the 'Black Scholes Valuation Model' at "Rs. Nil" per option, there is no impact on the reported profits and earnings per share.

26. Leases

a) Finance Lease: Company as lessee

The Company has finance leases and hire purchase contracts for certain project equipments, vehicles and building, the cost of which is included in the gross block of plant and equipment, vehicles and buildings respectively under tangible assets. The lease term is for one to ninety nine years. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

	2012-13	2011-12
Gross block at the end of financial year	115.50	12.50
Written down value at the end of financial year	110.37	11.48
Details of payments made during the year:		
Principal	3.88	1.86
Interest	0.52	0.28

The break-up of minimum lease payments outstanding as at reporting date is as under

	As at March 31, 2013		
	Principal	Interest	Total
Payable within one year	4.17	0.37	4.54
Payable after one year but before end of fifth year	2.33	0.10	2.43

	As at March 31, 2012		
	Principal	Interest	Total
Payable within one year	2.93	0.47	3.40
Payable after one year but before end of fifth year	3.27	0.65	3.92

b) Operating lease: Company as lessee

The Company had entered into commercial leases on certain project equipment and office premises. There were no contingent rents in the lease agreements. The lease term was for 1-3 years and was renewable at the mutual agreement of both the parties. There was no escalation clause in the lease agreements. There were no restrictions imposed by lease arrangements.

	Year ended	
	March 31, 2013	March 31, 2012
Future minimum lease payments		
Not later than one year	-	1.22
Later than one year and not later than five years	-	-
Later than five years	-	-

27. Capitalization of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of tangible asset/capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	As at March 31, 2013	As at March 31, 2012
Balance brought forward	23.62	8.47
Rates and taxes	-	0.06
Site expenses	-	0.18
Diesel and fuel	-	0.02
Hire charges	-	0.20
Salaries, wages and bonus	-	3.08
Contribution to provident funds	-	0.12
Staff welfare	-	0.07
Consultancy and professional charges	-	0.30
Travelling and conveyance	-	0.34
Interest	-	9.65
Depreciation	-	0.21
Bank charges	-	0.10
Miscellaneous expenses	-	0.82
Total	23.62	23.62
Less: transferred to tangible assets	(23.62)	-
Balance carried forward	-	23.62

28. Interest in Joint Ventures:

The Company's interest and share in joint ventures in the jointly controlled entities/operations are as follows:

(a) List of Joint Ventures
(i) Joint Ventures of the Company

S. No	Name of joint ventures	Description of interest	Nature of project	Ownership interest as at		Country of incorporation
				March 31, 2013	March 31, 2012	
1	Thiruvananthapuram Road Development Company Limited	Jointly controlled entity	Thiruvananthapuram city improvement	50.00%	50.00%	India
2	Kaefer Punj Lloyd Limited #	Jointly controlled entity	Insulation works	13.66%	49.00%	India
3	Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Jointly controlled operations	Revival of Ratnagiri Gas and Power Private Limited LNG Terminal project	See Note below	See Note below	*
4	Ramprastha Punj Lloyd Developers Private Limited	Jointly controlled entity	Real estate developers	50.00%	50.00%	India
5	Punj Lloyd PT Sempec Indonesia	Jointly controlled operations	Installation of 4 new well platforms	See Note below	See Note below	*
6	Punj Lloyd Group Joint Venture, Thailand	Jointly controlled operations	Design and construction services of platform compression facilities	See Note below	See Note below	*
7	Public Works Company Tripoli Punj Lloyd Joint Venture	Jointly controlled operations	Laying of sewerage and water pipeline and city road development	See Note below	See Note below	*

The Company has ceased to have the control over the operations of the joint venture w.e.f. February 15, 2013.

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

(ii) Joint ventures of subsidiaries

S. No	Name of joint ventures	Description of interest	Nature of project	Ownership interest as at		Country of incorporation
				March 31, 2013	March 31, 2012	
1	Asia Drilling Services Limited	Jointly controlled entity	Horizontal Directional Drilling works	-	50.00%	Mauritius
2	Total-CDC-DNC Joint Operation	Jointly controlled operations	Construction of a hotel and golf course recreation centre	38.72%	38.72%	*
3	Kumagai-Sembawang-Mitsui Joint Venture	Jointly controlled operations	Design and construction of the Potong Pasir and on Keng MRT Stations, including tunnels	43.56%	43.56%	*
4	Kumagai-SembCorp Joint Venture (DTSS)	Jointly controlled operations	Design and construction of Paya Lebar Deep Tunnel Sewerage System	48.40%	48.40%	*
5	Kumagai-SembCorp Joint Venture	Jointly controlled operations	Design and construction the Changi Airport MRT Station, including tunnels	48.40%	48.40%	*
6	Philipp Holzmann -SembCorp Joint Venture	Jointly controlled operations	Design and construction of Kranji Deep Tunnel Sewerage System	96.79%	96.79%	*
7	Semb-Corp Daewoo Joint Venture	Jointly controlled operations	Design and construction of Kallang and Paya Lebar Expressway	58.07%	58.07%	*
8	Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture	Jointly controlled operations	Engineering, procurement and construction works	48.40%	48.40%	*
9	Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture	Jointly controlled operations	Mechanical and piping erection works	48.40%	48.40%	*
10	PT Kekal Adidaya	Jointly controlled entity	Extraction of coal	48.40%	48.40%	Indonesia
11	Sembawang Precast System LLC	Jointly controlled operations	Pre cast production including precasting of columns and tunnel segments	48.40%	48.40%	Dubai
12	Total Sempec Joint Operation	Jointly controlled operations	Construction and completion of hotel property	50.00%	50.00%	*
13	AeroEuro Engineering India Private Limited	Jointly controlled entity	Designing in aerospace sector	40.16%	40.16%	India
14	PLE TCI Engineering Limited	Jointly controlled entity	Engineering and Designing	39.36%	39.36%	India
15	Punj Lloyd Dynamic LLC	Jointly controlled entity	Construction work	48.00%	48.00%	Qatar
16	Sembawang Caspi Engineers and Constructors LLP	Jointly controlled entity	Engineering, procurement and construction work	48.40%	48.40%	Kazakhstan
17	Sembawang-Leader Joint Venture	Jointly controlled operations	Construction of Shatin to Central Link Diamond Hill Station	53.20%	-	*
18	PLE TCI Engenharia Ltda	Jointly controlled entity	Engineering and design consultancy services	39.36%	39.36%	Brazil

* Country of incorporation not applicable, as these are Unincorporated Joint Ventures

Note: As per 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 and severally liable to clients for any claims in these projects.

(b) Interest in jointly controlled entities of the Company

Company's share of	Name of jointly controlled entities					
	Thiruvananthapuram Road Development Company Limited		Kaefer Punj Lloyd Limited*		Ramprastha Punj Lloyd Developers Private Limited	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Assets						
Non-current	114.09	104.15	-	8.73	0.58	-
Current	9.36	11.60	-	33.01	39.66	40.24
Liabilities						
Non-current	63.53	60.76	-	-	-	-
Current	53.74	44.34	-	40.78	40.24	40.24
Revenue	14.25	8.97	-	35.78	-	-
Expenditure	18.72	9.88	2.09	43.71	0.00	0.00
Income tax expenses	-	-	-	0.05	-	-
Capital commitments**	30.00	51.21	-	-	-	-
Contingent liabilities	-	-	-	-	-	-

Notes:

* The Company's share of assets, liabilities, revenue and expenditure has been included upto February 15, 2013 i.e. the date when the Company has ceased to have the control over the operations of the joint venture.

** Capital Commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).

29. Segment Information

Business Segments:

The Company'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 Company's major operating divisions are managed on a worldwide basis, they operate in two principal geographical areas of the world, in India, its home country, and the other countries.

The following table presents revenue from operations, unbilled revenue (work-in-progress) and trade receivables regarding geographical segments as at March 31, 2013 and March 31, 2012.

	Revenue from operations		Unbilled revenue (Work-in-progress)		Trade receivable (including retention money)	
	Year ended March 31, 2013	Year ended March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
	India	4,442.04	3,923.62	2,377.81	2,359.89	1,635.16
Other countries	4,076.60	1,954.41	2,818.29	2,631.95	1,268.42	527.31
	8,518.64	5,878.03	5,196.10	4,991.84	2,903.58	1,404.32

* All the major assets other than unbilled revenue (work-in-progress) and trade receivables are situated in India and hence, separate figures for assets/additions to assets cannot be furnished.

30. Related Parties

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

Subsidiary Companies

Spectra Punj Lloyd Limited
Punj Lloyd International Limited
Punj Lloyd Kazakhstan LLP
Punj Lloyd Industries Limited
Punj Lloyd Aviation Limited
Punj Lloyd Infrastructure Limited
Atna Investments Limited
Punj Lloyd Upstream Limited
PT Punj Lloyd Indonesia (upto December 31, 2012)
PLN Construction Limited
Punj Lloyd Pte Limited
PL Engineering Limited
Sembawang Infrastructure (India) Private Limited
Indtech Global Systems Limited
Punj Lloyd Systems Limited
PLI Ventures Advisory Services Private Limited
Dayim Punj Lloyd Construction Contracting Company Limited

Step Down Subsidiary Companies

Sembawang Engineers and Constructors Pte. Limited
PT Punj Lloyd Indonesia (w.e.f. January 01, 2013)
PT Sempec Indonesia
Sembawang Development Pte Limited
PT Indo Precast Utama
PT Indo Unggul Wasturaya
Sembawang (Tianjin) Construction Engineering Co. Limited
Contech Trading Pte Limited
PT Contech Bulan
Construction Technology (B) Sdn Bhd
Sembawang Infrastructure (Mauritius) Limited
Sembawang UAE Pte Limited
SC Architects and Engineers Pte Limited
Sembawang (Malaysia) Sdn Bhd
Jurubina Sembawang (M) Sdn Bhd
Simon Carves Limited- under liquidation (upto July 07, 2011)
Tueri Aquila FZE (formerly Sembawang Engineers and Constructors Middle East FZE)
Simon Carves Singapore Pte Limited (upto March 31, 2012)
Sembawang Bahrain SPC
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd
Punj Lloyd Engineers & Constructors Pte Limited
Punj Lloyd Engineers & Constructors Zambia Limited (w.e.f. January 14, 2013) *
Punj Lloyd Delta Renewables Private Limited
Punj Lloyd Delta Renewables (Bangladesh) Limited
Punj Lloyd Delta Renewables Pte Limited
Buffalo Hills Limited
PLE TCI Engineering Limited (upto March 18, 2012)
Sembawang Libya General Contracting and Investment Company
Sembawang Australia Pty Limited

Sembawang Hong Kong Limited
Sembawang of Singapore - Global Project Underwriters Pte Limited (formerly known as Sembawang Securities Pte Limited)
Sembawang of Singapore - Global Project Underwriters Limited (w.e.f. August 09, 2012) *
Sembawang Equity Capital Pte Limited
Sembawang Commodities Pte Limited (w.e.f. December 04, 2012) *
Punj Lloyd Solar Power Limited
Khagaria Purnea Highway Project Limited
Indraprastha Metropolitan Development Limited (w.e.f. February 25, 2012)
Indtech Trading FZ LLC
Sembawang (Tianjin) Investment Management Co. Limited
Sembawang Mining (Kekal) Pte Limited
Sembawang Tianjin Pte Limited
PLI Ventures Limited
PT Sembawang Indonesia
Punj Lloyd Kenya Limited
Punj Lloyd Infrastructure Pte Limited
Punj Lloyd Engineering Pte Limited
PL Delta Technologies Limited (from September 10, 2012 to March 01, 2013)*
Sembawang International Limited
Punj Lloyd Sdn Bhd
Punj Lloyd Thailand Co. Limited (w.e.f. June 06, 2011)
Punj Lloyd Iraq Pte Limited (upto September 25, 2012)*
Sembawang Group Pte Limited (w.e.f. May 10, 2011)
Simon Carves Engineering Limited (w.e.f. April 08, 2011)
Punj Lloyd Singapore Pte Limited (w.e.f. February 15, 2012)
Sembawang Tianjin Heping Pte Limited (w.e.f. July 07, 2011)
Christos Trading Limited (w.e.f. February 23, 2012)
Christos Aviation Limited (w.e.f. October 24, 2012) **
Graystone Bay Limited (w.e.f. February 05, 2013) **

Joint Ventures

Thiruvananthpuram Road Development Company Limited
Asia Drilling Services Limited (upto June 30, 2012)*
Kaefer Punj Lloyd Limited (upto February 15, 2013)#
Swissport Punj Lloyd India Private Limited (under liquidation) (upto September 30, 2011)
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited
Ramprastha Punj Lloyd Developers Private Limited
Total-CDC-DNC Joint Operation
Kumagai-Sembawang-Mitsui Joint Venture
Kumagai-SembCorp Joint Venture (DTSS)
Kumagai-SembCorp Joint Venture
Philipp Holzmann-SembCorp Joint Venture
Semb-Corp Daewoo Joint Venture
Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture
Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture
Punj Lloyd PT Sempec Indonesia
PT Kekal Adidaya
Punj Lloyd Group Joint Venture
Public Works Company Tripoli Punj Lloyd Joint Venture
Sembawang Precast System LLC
Total Sempac joint Operation
Aero Euro Engineering India Private Limited (w.e.f. May 13, 2011)

Punj Lloyd Dynamic LLC (w.e.f. March 19, 2012)
 Sembawang Caspi Engineering and Construction LLP
 PLE TCI Engineering Limited (w.e.f. March 19, 2012)
 Sembawang-Leader Joint Venture (w.e.f. August 03, 2012)*
 PLE TCI Engenharia Ltda (w.e.f. March 09, 2012)

Associates

Reliance Contractors Private Limited
 Ventura Development (Myanmar) Pte Limited
 Reco Sin Han Pte Limited
 Air Works India (Engineering) Private Limited
 Olive Group Capital Limited
 Olive Group India Private Limited
 Hazaribagh Ranchi Expressway Limited

* These entities have been incorporated / formed/ disposed off during the year.

** These entities have been acquired during the year.

The Company has ceased to have the control over the operations of the joint venture w.e.f. February 15, 2013.

Key Managerial Personnel

Atul Punj	-	Chairman
Luv Chhabra	-	Director (Corporate Affairs)
Pawan Kumar Gupta	-	Whole Time Director

Relatives of Key Managerial Personnel

S.N.P. Punj	-	Father of Chairman
Arti Singh	-	Sister of Chairman
Indu Rani Punj	-	Mother of Chairman
Navina Punj	-	Wife of Chairman
Uday Punj	-	Brother of Chairman
Manglam Punj	-	Wife of Brother of Chairman
Shiv Punj	-	Son of Chairman
Jai Punj	-	Son of Brother of Chairman
Dev Punj	-	Son of Brother of Chairman
Jyoti Punj	-	Sister of Chairman

Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence

Pt. Kanahya Lal Dayawanti Punj Charitable Society	-	Chairmanship of Father of Chairman
Collectible @ The Inside Story	-	Owned by Sister of Chairman
Spectra Punj Finance Private Limited	-	Shareholding of Chairman
Cawdor Enterprises Limited	-	Shareholding of Chairman
Uday Punj (HUF)	-	HUF of Brother of Chairman
K.R. Securities Private Limited	-	Shareholding of Brother of Chairman
Atul Punj (HUF)	-	HUF of Chairman
Vishwadeva Builders and Promoters Private Limited	-	Shareholding of Sister of Chairman
PTA Engineering and Manpower Services Private Limited	-	Shareholding of Chairman
PLE Hydraulics Private Limited	-	Shareholding of Chairman
Petro IT Limited	-	Shareholding of Brother of Chairman
Artcon Private Limited	-	Shareholding of Chairman
Mangalam Equipment Private Limited	-	Shareholding of Chairman
Intramural Design Limited	-	Shareholding of Sister of Chairman

Notes to the Financial Statements for the year ended March 31, 2013

(All amount in INR Crores, unless otherwise stated)

Related Party Transactions

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
INCOME												
Contract Revenue												
Khagaria Purnea Highway Project Limited	291.80	12.01	-	-	-	-	-	-	-	-	291.80	12.01
Indraprastha Metropolitan Development Limited	1.40	-	-	-	-	-	-	-	-	-	1.40	-
Sales (net of discounts) export												
Punj Lloyd Pte Limited	273.02	-	-	-	-	-	-	-	-	-	273.02	-
Hire charges												
Spectra Punj Lloyd Limited	0.30	0.17	-	-	-	-	-	-	-	-	0.30	0.17
PLN Construction Limited	1.01	1.13	-	-	-	-	-	-	-	-	1.01	1.13
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd	12.05	11.02	-	-	-	-	-	-	-	-	12.05	11.02
Sembawang Infrastructure (India) Private Limited	1.24	1.70	-	-	-	-	-	-	-	-	1.24	1.70
Kaefer Punj Lloyd Limited	-	-	0.06	0.09	-	-	-	-	-	-	0.06	0.09
PT Punj Lloyd Indonesia	-	25.09	-	-	-	-	-	-	-	-	-	25.09
Dayim Punj Lloyd Construction Contracting Company Limited	35.80	-	-	-	-	-	-	-	-	-	35.80	-
Management services												
Kaefer Punj Lloyd Limited	-	-	-	0.65	-	-	-	-	-	-	-	0.65
Punj Lloyd Pte Limited	10.10	133.61	-	-	-	-	-	-	-	-	10.10	133.61
PL Engineering Limited	0.57	1.60	-	-	-	-	-	-	-	-	0.57	1.60
Punj Lloyd Kazakhstan LLP	0.01	0.18	-	-	-	-	-	-	-	-	0.01	0.18
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd	13.74	3.14	-	-	-	-	-	-	-	-	13.74	3.14
Punj Lloyd Aviation Limited	0.32	-	-	-	-	-	-	-	-	-	0.32	-
PT Punj Lloyd Indonesia	5.96	1.12	-	-	-	-	-	-	-	-	5.96	1.12
Dayim Punj Lloyd Construction Contracting Company Limited	13.74	5.89	-	-	-	-	-	-	-	-	13.74	5.89
Punj Lloyd Delta Renewables Private Limited	0.54	0.53	-	-	-	-	-	-	-	-	0.54	0.53
Punj Lloyd Upstream Limited	2.20	1.30	-	-	-	-	-	-	-	-	2.20	1.30
Spectra Punj Lloyd Limited	0.01	0.03	-	-	-	-	-	-	-	-	0.01	0.03
Punj Lloyd Infrastructure Limited	-	2.39	-	-	-	-	-	-	-	-	-	2.39

Notes to the Financial Statements for the year ended March 31, 2013

Related Party Transactions

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Sembawang Infrastructure (India) Private Limited	0.65	0.02	-	-	-	-	-	-	-	-	0.65	0.02
Sembawang Engineers and Constructors Pte Limited	23.59	9.32	-	-	-	-	-	-	-	-	23.59	9.32
Interest income												
Punj Lloyd Kazakhstan LLP	0.40	2.35	-	-	-	-	-	-	-	-	0.40	2.35
Punj Lloyd Pte Limited	2.12	2.80	-	-	-	-	-	-	-	-	2.12	2.80
PLI Ventures Advisory Services Private Limited	0.11	0.11	-	-	-	-	-	-	-	-	0.11	0.11
Punj Lloyd International Limited	0.31	0.28	-	-	-	-	-	-	-	-	0.31	0.28
Punj Lloyd Upstream Limited	1.37	1.10	-	-	-	-	-	-	-	-	1.37	1.10
Punj Lloyd Delta Renewables Private Limited	0.14	0.39	-	-	-	-	-	-	-	-	0.14	0.39
Spectra Punj Lloyd Limited	4.63	1.30	-	-	-	-	-	-	-	-	4.63	1.30
PT Punj Lloyd Indonesia	0.29	-	-	-	-	-	-	-	-	-	0.29	-
PLN Construction Limited	2.46	-	-	-	-	-	-	-	-	-	2.46	-
Other income												
Spectra Punj Lloyd Limited	2.66	0.07	-	-	-	-	-	-	-	-	2.66	0.07
PLN Construction Limited	0.18	0.23	-	-	-	-	-	-	-	-	0.18	0.23
Punj Lloyd Aviation Limited	0.17	0.10	-	-	-	-	-	-	-	-	0.17	0.10
Punj Lloyd Upstream Limited	0.32	0.26	-	-	-	-	-	-	-	-	0.32	0.26
PLI Ventures Advisory Services Private Limited	-	0.21	-	-	-	-	-	-	-	-	-	0.21
Punj Lloyd Delta Renewables Private Limited	0.50	0.75	-	-	-	-	-	-	-	-	0.50	0.75
Punj Lloyd Infrastructure Limited	0.55	0.09	-	-	-	-	-	-	-	-	0.55	0.09
PL Engineering Limited	-	0.02	-	-	-	-	-	-	-	-	-	0.02
EXPENSES												
Contractors charges												
Kafer Punj Lloyd Limited	-	-	0.68	1.90	-	-	-	-	-	-	0.68	1.90
Punj Lloyd Delta Renewables Private Limited	5.70	1.53	-	-	-	-	-	-	-	-	5.70	1.53
PLN Construction Limited	10.33	2.55	-	-	-	-	-	-	-	-	10.33	2.55
Punj Lloyd Pte Limited	0.73	-	-	-	-	-	-	-	-	-	0.73	-

Notes to the Financial Statements for the year ended March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
PT Punj Lloyd Indonesia	8.15	-	-	-	-	-	-	-	-	-	8.15	-
PT Sempec Indonesia	0.65	-	-	-	-	-	-	-	-	-	0.65	-
Project material consumed												
Punj Lloyd Delta Renewables Private Limited	50.11	31.33	-	-	-	-	-	-	-	-	50.11	31.33
Kaefer Punj Lloyd Limited	-	-	1.18	11.20	-	-	-	-	-	-	1.18	11.20
Spectra Punj Lloyd Limited	-	0.23	-	-	-	-	-	-	-	-	-	0.23
Punj Lloyd Kazakhstan LLP	-	0.14	-	-	-	-	-	-	-	-	-	0.14
Hire charges												
Punj Lloyd Aviation Limited	3.02	3.09	-	-	-	-	-	-	-	-	3.02	3.09
Spectra Punj Lloyd Limited	1.25	1.92	-	-	-	-	-	-	-	-	1.25	1.92
Consultancy and professional charges												
PL Engineering Limited	59.57	32.08	-	-	-	-	-	-	-	-	59.57	32.08
Punj Lloyd Pte Limited	15.55	38.26	-	-	-	-	-	-	-	-	15.55	38.26
Dayim Punj Lloyd Construction Contracting Company Limited	21.80	-	-	-	-	-	-	-	-	-	21.80	-
Punj Lloyd Infrastructure Pte Limited	-	1.75	-	-	-	-	-	-	-	-	-	1.75
Simon Carves Engineering Limited	0.45	1.30	-	-	-	-	-	-	-	-	0.45	1.30
Managerial remuneration												
Atul Punj	-	-	-	-	-	-	0.30	1.00	-	-	0.30	1.00
Luv Chhabra	-	-	-	-	-	-	1.82	3.99	-	-	1.82	3.99
Pawan Kumar Gupta	-	-	-	-	-	-	2.24	3.26	-	-	2.24	3.26
Dividend payment												
Cawdor Enterprises Limited	-	-	-	-	-	-	-	-	1.14	1.14	1.14	1.14
Spectra Punj Finance Private Limited	-	-	-	-	-	-	-	-	0.33	0.33	0.33	0.33
Atul Punj	-	-	-	-	-	-	0.02	0.02	-	-	0.02	0.02
S.N.P. Punj	-	-	-	-	-	-	0.15	0.15	-	-	0.15	0.15
Indu Rani Punj	-	-	-	-	-	-	0.15	0.15	-	-	0.15	0.15
Uday Punj	-	-	-	-	-	-	0.03	0.03	-	-	0.03	0.03

Notes to the Financial Statements for the year ended March 31, 2013

Related Party Transactions

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013
Arti Singh	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Jyoti Punj	-	-	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Navina Punj	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Magalam Punj	-	-	-	-	-	-	0.02	0.02	-	-	0.02	0.02
Petro IT Limited	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Pawan Kumar Gupta	-	-	-	-	-	-	-	0.00	-	-	-	0.00
Others	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Rent												
Pt. Kanahya Lal Dayawanti Punj Charitable Society	-	-	-	-	-	-	-	-	1.37	1.37	1.37	1.37
ASSETS												
Tangible assets sold												
Dayim Punj Lloyd Construction Contracting Company Limited	0.22	-	-	-	-	-	-	-	-	-	0.22	-
Tangible assets purchased												
Punj Lloyd Kazakhstan LLP	4.77	-	-	-	-	-	-	-	-	-	4.77	-
Spectra Punj Lloyd Limited	0.55	-	-	-	-	-	-	-	-	-	0.55	-
Investment made during the year												
Punj Lloyd Infrastructure Limited	-	15.00	-	-	-	-	-	-	-	-	-	15.00
Atra Investments Limited	-	0.11	-	-	-	-	-	-	-	-	-	0.11
PLI Ventures Advisory Services Private Limited	0.00	-	-	-	-	-	-	-	-	-	0.00	-
Bank Guarantees issued during the year												
Punj Lloyd Kazakhstan LLP	62.34	38.47	-	-	-	-	-	-	-	-	62.34	38.47
Punj Lloyd Pte Limited	94.60	-	-	-	-	-	-	-	-	-	94.60	-
Punj Lloyd Infrastructure Limited	16.65	100.62	-	-	-	-	-	-	-	-	16.65	100.62
Punj Lloyd Upstream Limited	28.03	1.37	-	-	-	-	-	-	-	-	28.03	1.37
Sembawang Infrastructure (India) Private Limited	3.00	12.16	-	-	-	-	-	-	-	-	3.00	12.16
PT Punj Lloyd Indonesia	-	36.50	-	-	-	-	-	-	-	-	-	36.50
Sembawang Engineers and Constructors Pte. Limited	11.84	-	-	-	-	-	-	-	-	-	11.84	-

Notes to the Financial Statements for the year ended March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Punj Lloyd Delta Renewables Private Limited	11.18	3.40	-	-	-	-	-	-	-	-	11.18	3.40
Punj Lloyd Solar Power Limited	3.40	2.58	-	-	-	-	-	-	-	-	3.40	2.58
Bank Guarantees redeemed during the year												
PL Engineering Limited	-	0.03	-	-	-	-	-	-	-	-	-	0.03
Punj Lloyd Infrastructure Limited	9.18	34.43	-	-	-	-	-	-	-	-	9.18	34.43
Punj Lloyd Upstream Limited	-	1.33	-	-	-	-	-	-	-	-	-	1.33
Sembawang Infrastructure (India) Private Limited	7.26	0.11	-	-	-	-	-	-	-	-	7.26	0.11
PT Punj Lloyd Indonesia	20.07	-	-	-	-	-	-	-	-	-	20.07	-
Punj Lloyd Delta Renewables Private Limited	12.96	3.01	-	-	-	-	-	-	-	-	12.96	3.01
Corporate Guarantees issued during the year												
Punj Lloyd Kazakhstan LLP	-	5.07	-	-	-	-	-	-	-	-	-	5.07
Punj Lloyd Pte Limited	249.35	-	-	-	-	-	-	-	-	-	249.35	-
PL Engineering Limited	-	8.00	-	-	-	-	-	-	-	-	-	8.00
Punj Lloyd Aviation Limited	-	56.84	-	-	-	-	-	-	-	-	-	56.84
PT Punj Lloyd Indonesia	-	91.92	-	-	-	-	-	-	-	-	-	91.92
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd	-	301.94	-	-	-	-	-	-	-	-	-	301.94
Punj Lloyd Delta Renewables Private Limited	0.06	55.50	-	-	-	-	-	-	-	-	0.06	55.50
Khagaria Purania Highway Project	-	616.00	-	-	-	-	-	-	-	-	-	616.00
Punj Lloyd Solar Power Limited	44.74	-	-	-	-	-	-	-	-	-	44.74	-
Corporate Guarantees redeemed during the year												
Punj Lloyd Kazakhstan LLP	10.13	40.17	-	-	-	-	-	-	-	-	10.13	40.17
Punj Lloyd Pte Limited	-	138.98	-	-	-	-	-	-	-	-	-	138.98
PL Engineering Limited	6.00	-	-	-	-	-	-	-	-	-	6.00	-
Punj Lloyd Aviation Limited	0.20	0.09	-	-	-	-	-	-	-	-	0.20	0.09
Punj Lloyd Upstream Limited	28.50	154.54	-	-	-	-	-	-	-	-	28.50	154.54
Sembawang Infrastructure (India) Private Limited	17.84	131.68	-	-	-	-	-	-	-	-	17.84	131.68
Spectra Punj Lloyd Limited	-	5.00	-	-	-	-	-	-	-	-	-	5.00

Notes to the Financial Statements for the year ended March 31, 2013

Related Party Transactions

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Dayim Punj Lloyd Construction Contracting Company Limited	318.09	-	-	-	-	-	-	-	-	-	318.09	-
PT Punj Lloyd Indonesia	41.35	70.94	-	-	-	-	-	-	-	-	41.35	70.94
Sembawang Engineers and Constructors Pte Limited	63.68	597.32	-	-	-	-	-	-	-	-	63.68	597.32
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd	501.56	-	-	-	-	-	-	-	-	-	501.56	-
Kaefer Punj Lloyd Limited	-	-	-	19.40	-	-	-	-	-	-	-	19.40
Loans given during the year												
PLN Construction Limited	15.21	13.10	-	-	-	-	-	-	-	-	15.21	13.10
Punj Lloyd Kazakhstan LLP	1.44	-	-	-	-	-	-	-	-	-	1.44	-
Punj Lloyd Pte Limited	91.96	86.29	-	-	-	-	-	-	-	-	91.96	86.29
Punj Lloyd Aviation Limited	-	9.00	-	-	-	-	-	-	-	-	-	9.00
Punj Lloyd Infrastructure Limited	38.12	37.10	-	-	-	-	-	-	-	-	38.12	37.10
Punj Lloyd Upstream Limited	6.13	-	-	-	-	-	-	-	-	-	6.13	-
Sembawang Infrastructure (India) Private Limited	0.77	4.40	-	-	-	-	-	-	-	-	0.77	4.40
Spectra Punj Lloyd Limited	-	37.78	-	-	-	-	-	-	-	-	-	37.78
PT Punj Lloyd Indonesia	5.54	-	-	-	-	-	-	-	-	-	5.54	-
Punj Lloyd Delta Renewables Private Limited	4.00	23.36	-	-	-	-	-	-	-	-	4.00	23.36
Loans received back during the year												
Punj Lloyd Kazakhstan LLP	19.90	9.81	-	-	-	-	-	-	-	-	19.90	9.81
Punj Lloyd Pte Limited	146.97	140.01	-	-	-	-	-	-	-	-	146.97	140.01
Punj Lloyd Aviation Limited	-	9.00	-	-	-	-	-	-	-	-	-	9.00
Punj Lloyd Infrastructure Limited	7.00	11.37	-	-	-	-	-	-	-	-	7.00	11.37
Punj Lloyd Upstream Limited	-	1.40	-	-	-	-	-	-	-	-	-	1.40
Sembawang Infrastructure (India) Private Limited	-	2.45	-	-	-	-	-	-	-	-	-	2.45
Spectra Punj Lloyd Limited	-	4.70	-	-	-	-	-	-	-	-	-	4.70
Punj Lloyd Delta Renewables Private Limited	4.00	23.36	-	-	-	-	-	-	-	-	4.00	23.36
Balance outstanding as at end of the year												
Receivable/(payables)												

Notes to the Financial Statements for the year ended March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total		
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	
Spectra Punj Lloyd Limited	12.39	8.54	-	-	-	-	-	-	-	-	-	12.39	8.54
Kaefer Punj Lloyd Limited	-	-	(0.32)	0.89	-	-	-	-	-	-	-	(0.32)	0.89
PT Punj Lloyd Indonesia	(9.28)	24.16	-	-	-	-	-	-	-	-	-	(9.28)	24.16
Punj Lloyd International Limited	(3.29)	3.66	-	-	-	-	-	-	-	-	-	(3.29)	3.66
Punj Lloyd Kazakhstan LLP	8.41	15.77	-	-	-	-	-	-	-	-	-	8.41	15.77
PLN Construction Limited	46.38	32.66	-	-	-	-	-	-	-	-	-	46.38	32.66
Punj Lloyd Pte Limited	261.98	110.60	-	-	-	-	-	-	-	-	-	261.98	110.60
Sembawang Engineers and Constructors Pte. Limited	36.31	25.40	-	-	-	-	-	-	-	-	-	36.31	25.40
PL Engineering Limited	(30.82)	26.84	-	-	-	-	-	-	-	-	-	(30.82)	26.84
Punj Lloyd Delta Renewables Private Limited	(22.21)	14.54	-	-	-	-	-	-	-	-	-	2.21	14.54
Dayim Punj Lloyd Construction Contracting Company Limited	26.48	17.19	-	-	-	-	-	-	-	-	-	26.48	17.19
Punj Lloyd Infrastructure Limited	5.27	4.76	-	-	-	-	-	-	-	-	-	5.27	4.76
Punj Lloyd Aviation Limited	48.86	43.57	-	-	-	-	-	-	-	-	-	48.86	43.57
Punj Lloyd Upstream Limited	11.02	7.23	-	-	-	-	-	-	-	-	-	11.02	7.23
Sembawang Infrastructure (India) Private Limited	11.10	6.82	-	-	-	-	-	-	-	-	-	11.10	6.82
PT Sempec Indonesia	(1.18)	1.16	-	-	-	-	-	-	-	-	-	(1.18)	1.16
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd	33.77	12.41	-	-	-	-	-	-	-	-	-	33.77	12.41
PLI Ventures Advisory Services Private Limited	0.82	0.89	-	-	-	-	-	-	-	-	-	0.82	0.89
Sembawang UAE Pte Limited	0.53	0.50	-	-	-	-	-	-	-	-	-	0.53	0.50
Tueri Aquila FZE (formerly Sembawang Engineers and Constructors Middle East FZE)	0.69	0.40	-	-	-	-	-	-	-	-	-	0.69	0.40
Punj Lloyd Engineers and Constructors Pte Limited	36.45	27.68	-	-	-	-	-	-	-	-	-	36.45	27.68
Indtech Trading FZ LLC	0.33	0.05	-	-	-	-	-	-	-	-	-	0.33	0.05
Air Works India (Engineering) Private Limited	-	-	-	-	1.53	-	-	-	-	-	-	1.53	-
Khagaria Purania Highway Project Limited	(1.84)	0.03	-	-	-	-	-	-	-	-	-	(1.84)	0.03
Punj Lloyd Solar Power Limited	0.09	0.04	-	-	-	-	-	-	-	-	-	0.09	0.04
Indraprastha Metropolitan Development Limited	(0.78)	-	-	-	-	-	-	-	-	-	-	(0.78)	-

Notes to the Financial Statements for the year ended March 31, 2013

Related Party Transactions

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Punj Lloyd Infrastructure Pte Limited	1.54	4.03	-	-	-	-	-	-	-	-	1.54	4.03
Punj Lloyd Kenya Limited	0.43	-	-	-	-	-	-	-	-	-	0.43	-
Punj Lloyd Engineers and Constructors Zambia Limited	0.17	-	-	-	-	-	-	-	-	-	0.17	-
Punj Lloyd Thailand Co. Limited	8.43	-	-	-	-	-	-	-	-	-	8.43	-
Punj Lloyd Engineering Pte Limited	0.08	-	-	-	-	-	-	-	-	-	0.08	-
Remuneration payable												
Atul Punj	-	-	-	-	-	-	-	1.00	-	-	-	1.00
Luv Chhabra	-	-	-	-	-	-	0.06	1.15	-	-	0.06	1.15
Pawan Kumar Gupta	-	-	-	-	-	-	0.11	1.11	-	-	0.11	1.11
Loans Receivable												
Punj Lloyd International Limited	3.88	3.55	-	-	-	-	-	-	-	-	3.88	3.55
Punj Lloyd Kazakhstan LLP	14.18	31.56	-	-	-	-	-	-	-	-	14.18	31.56
PLN Construction Limited	28.31	13.10	-	-	-	-	-	-	-	-	28.31	13.10
Punj Lloyd Pte Limited	1,538.71	1,466.31	-	-	-	-	-	-	-	-	1,538.71	1,466.31
PLI Ventures Advisory Services Private Limited	0.99	0.99	-	-	-	-	-	-	-	-	0.99	0.99
Punj Lloyd Aviation Limited	15.07	15.07	-	-	-	-	-	-	-	-	15.07	15.07
Punj Lloyd Infrastructure Limited	146.95	115.83	-	-	-	-	-	-	-	-	146.95	115.83
Punj Lloyd Upstream Limited	15.01	8.88	-	-	-	-	-	-	-	-	15.01	8.88
Sembawang Infrastructure (India) Private Limited	5.22	4.45	-	-	-	-	-	-	-	-	5.22	4.45
Spectra Punj Lloyd Limited	33.08	33.08	-	-	-	-	-	-	-	-	33.08	33.08
PT Punj Lloyd Indonesia	5.54	-	-	-	-	-	-	-	-	-	5.54	-
Investments												
Punj Lloyd International Limited	0.45	0.45	-	-	-	-	-	-	-	-	0.45	0.45
Punj Lloyd Industries Limited	11.50	11.50	-	-	-	-	-	-	-	-	11.50	11.50
Atna Investments Limited	5.16	5.16	-	-	-	-	-	-	-	-	5.16	5.16
Punj Lloyd Kazakhstan LLP	36.28	36.28	-	-	-	-	-	-	-	-	36.28	36.28
PLN Construction Limited	3.09	3.09	-	-	-	-	-	-	-	-	3.09	3.09

Notes to the Financial Statements for the year ended March 31, 2013

(All amount in INR Crores, unless otherwise stated)

Related Party Transactions

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Punj Lloyd Pte Limited	299.71	299.71	-	-	-	-	-	-	-	-	299.71	299.71
PL Engineering Limited	5.00	5.00	-	-	-	-	-	-	-	-	5.00	5.00
PLI Ventures Advisory Services Private Limited	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Punj Lloyd Aviation Limited	54.00	54.00	-	-	-	-	-	-	-	-	54.00	54.00
Punj Lloyd Infrastructure Limited	30.15	30.15	-	-	-	-	-	-	-	-	30.15	30.15
Punj Lloyd Upstream Limited	36.40	36.40	-	-	-	-	-	-	-	-	36.40	36.40
Sembawang Infrastructure (India) Private Limited	0.10	0.10	-	-	-	-	-	-	-	-	0.10	0.10
Indtech Global Systems Limited	1.70	1.70	-	-	-	-	-	-	-	-	1.70	1.70
Punj Lloyd Systems Limited	0.10	0.10	-	-	-	-	-	-	-	-	0.10	0.10
Dayim Punj Lloyd Construction Contracting Company Limited	1.23	1.23	-	-	-	-	-	-	-	-	1.23	1.23
Spectra Punj Lloyd Limited	5.05	5.05	-	-	-	-	-	-	-	-	5.05	5.05
PT Punj Lloyd Indonesia	17.09	17.09	-	-	-	-	-	-	-	-	17.09	17.09
Thiruvananthapuram Road Development Company Limited	-	-	17.03	17.03	-	-	-	-	-	-	17.03	17.03
Swissport Punj Lloyd India Private Limited	-	-	-	1.05	-	-	-	-	-	-	-	1.05
Kaefer Punj Lloyd Limited	-	-	-	3.86	-	-	-	-	-	-	-	3.86
Ramprastha Punj Lloyd Developers Private Limited	-	-	0.01	0.01	-	-	-	-	-	-	0.01	0.01
Olive Group India Private Limited	-	-	-	-	0.75	0.75	-	-	-	-	0.75	0.75
Hazaribagh Ranchi Expressway Limited	-	-	-	-	0.01	0.01	-	-	-	-	0.01	0.01
Provision for diminutions in the value of investment												
Atna Investments Limited	4.77	4.77	-	-	-	-	-	-	-	-	4.77	4.77
Swissport Punj Lloyd India Private Limited	-	-	-	0.67	-	-	-	-	-	-	-	0.67
Olive Group India Private Limited	-	-	-	-	0.75	-	-	-	-	-	0.75	-
Bank Guarantees outstanding												
Punj Lloyd Kazakhstan LLP	100.81	38.47	-	-	-	-	-	-	-	-	100.81	38.47
PLN Construction Limited	19.29	19.29	-	-	-	-	-	-	-	-	19.29	19.29
Punj Lloyd Pte Limited	94.60	-	-	-	-	-	-	-	-	-	94.60	-
Punj Lloyd Aviation Limited	17.90	17.90	-	-	-	-	-	-	-	-	17.90	17.90

Notes to the Financial Statements for the year ended March 31, 2013

Related Party Transactions

(All amount in INR Crores, unless otherwise stated)

	Subsidiaries and step down subsidiaries		Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Punj Lloyd Infrastructure Limited	82.85	75.38	-	-	-	-	-	-	-	-	82.85	75.38
Punj Lloyd Upstream Limited	28.77	0.74	-	-	-	-	-	-	-	-	28.77	0.74
Sembawang Infrastructure (India) Private Limited	15.64	19.90	-	-	-	-	-	-	-	-	15.64	19.90
PT Punj Lloyd Indonesia	16.43	36.50	-	-	-	-	-	-	-	-	16.43	36.50
Sembawang Engineers and Constructors Pte. Limited	11.84	-	-	-	-	-	-	-	-	-	11.84	-
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd	251.70	251.70	-	-	-	-	-	-	-	-	251.70	251.70
Punj Lloyd Delta Renewables Private Limited	33.87	35.65	-	-	-	-	-	-	-	-	33.87	35.65
Punj Lloyd Solar Power Limited	5.98	2.58	-	-	-	-	-	-	-	-	5.98	2.58
Corporate Guarantees outstanding												
Punj Lloyd Kazakhstan LLP	-	10.13	-	-	-	-	-	-	-	-	-	10.13
Punj Lloyd Pte Limited	1,660.68	1,258.24	-	-	-	-	-	-	-	-	1,660.68	1,258.24
PL Engineering Limited	51.48	57.48	-	-	-	-	-	-	-	-	51.48	57.48
Punj Lloyd Aviation Limited	57.01	57.21	-	-	-	-	-	-	-	-	57.01	57.21
Punj Lloyd Upstream Limited	85.19	106.41	-	-	-	-	-	-	-	-	85.19	106.41
Sembawang Infrastructure (India) Private Limited	0.48	18.32	-	-	-	-	-	-	-	-	0.48	18.32
Dayim Punj Lloyd Construction Contracting Company Limited	374.97	660.92	-	-	-	-	-	-	-	-	374.97	660.92
PT Punj Lloyd Indonesia	200.31	224.52	-	-	-	-	-	-	-	-	200.31	224.52
Sembawang Engineers and Constructors Pte. Limited	1,477.16	1,410.81	-	-	-	-	-	-	-	-	1,477.16	1,410.81
Punj Lloyd Oil and Gas (Malaysia) Sdn Bhd	22.16	522.17	-	-	-	-	-	-	-	-	22.16	522.17
Simon Carves Singapore Pte Limited	-	20.94	-	-	-	-	-	-	-	-	-	20.94
Punj Lloyd Delta Renewables Private Limited	105.56	105.50	-	-	-	-	-	-	-	-	105.56	105.50
Khagaria Purnea Highway Project Limited	616.00	616.00	-	-	-	-	-	-	-	-	616.00	616.00
Punj Lloyd Solar Power Limited	44.74	-	-	-	-	-	-	-	-	-	44.74	-
Kaefer Punj Lloyd Limited	-	-	-	15.00	-	-	-	-	-	-	-	15.00

31. Capital and other commitments

	As at March 31, 2013	As at March 31, 2012
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9.95	262.73
b) Estimated future investments in joint venture and other companies in terms of respective shareholder agreements	24.99	24.99
c) Comfort given for utilization of export benefit obligation of a subsidiary company	2.99	5.37

32. Contingent liabilities not provided for :

	As at March 31, 2013	As at March 31, 2012
a) Liquidated damages deducted by customers not accepted by the Company and pending final settlement. *	171.75	171.75
b) Corporate guarantees given on behalf of subsidiaries, joint ventures and associates	4,389.74	4,498.97

* excludes possible liquidated damages which can be levied by customers for delay in execution of projects. The management, based on consultation with various experts, believes that there exist strong reasons why no liquidated damages shall be levied by these customers. Although, there can be no assurances, the Company believes, based on information currently available, that the ultimate resolution of these proceedings is not likely to have a material adverse effect on the results of operations, financial position or liquidity of the Company.

- c) (i) Sales tax demands of Rs. 22.82 crores (Previous year Rs. 68.76 crores) on disallowance of deduction on labour and services of the works contracts pending with Sales Tax Authorities and High Court.*
(ii) Sales tax demands of Rs. 6.60 crores (Previous year Rs. 6.70 crores) for non submission of statutory forms.*
(iii) Sales tax demands of Rs. 8.61 crores (Previous year Rs. 29.66 crores) for purchases against sales tax forms not accepted by department.*
(iv) Entry tax demands of Rs. 4.49 crores (Previous year Rs. 4.26 crores) against entry of goods into the local area not accepted by department.*
(v) Sales tax demands of Rs. 0.07 crores (Previous year Rs 0.07 crores) against the central sales tax demand on sales in transit.*
(vi) Sales tax demands of Rs. 2.77 crores (Previous year Rs. 2.77 crores) for non-admissible of deduction of supply turnover.*

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

- d) On March 17, 2010, the Company was subjected to a search and seizure operation under Section 132 and survey under Section 133A of the Income Tax Act, 1961. During the search and seizure operation, statements of Company's officials were recorded in which they were made to offer some unaccounted income of the Company for the financial year 2009-10. The above statements were made under undue mental pressure and physical exhaustion and therefore Company has retracted the above statements subsequently. The Company has filed fresh returns of income for Assessment years 2004-05 to 2009-10 in pursuance of the notices dated August 25, 2010 from the Income Tax Department ("the Department"). Till the previous year ended March 31, 2012, the Department has completed the assessments for the assessment years 2004-05 to 2006-07 and has raised demands aggregating to Rs. 146.57 crores by making some frivolous additions to the total income of the Company which has been adjusted against the income tax refunds of the subsequent years. The Company had filed the appeals against these additions on January 27, 2012 and based on the expert opinion, the Company is hopeful that it will get relief in appeal. During the current year, the assessment proceedings for the assessment years 2007-08 to 2010-11 have been completed and the draft assessment orders have been issued by the Department. The amount of demand, if any, can be ascertained only upon issue of the final orders by the Department.

33. Derivative Instruments and Un-hedged Foreign Currency Exposure

The Company, along with its Indian Operations, is operating outside India through its branches and an unincorporated joint venture established in Abu Dhabi, Oman, Qatar, Libya, Thailand, Dubai, Bahrain, Columbia and Mexico.

a) Particulars of un-hedged foreign currency exposures of the Indian operations as at the Balance Sheet date:

	Currency	March 31, 2013			March 31, 2012		
		Amount in foreign currency	Exchange rate	Amount	Amount in foreign currency	Exchange rate	Amount
(i) Trade payable to suppliers	EUR	544,645	70.97	3.87	1,106,473	67.39	7.46
	GBP	89,682	83.97	0.75	70,859	80.37	0.57
	SGD	562,233	46.48	2.61	1,679,204	41.88	7.03
	USD	1,585,064	55.41	8.78	12,423,160	50.67	62.95
	IDR	59,914,800	0.01	0.03	59,914,800	0.01	0.03
	MYR	9,042	17.99	0.02	9,042	16.73	0.02
	HKD	2,531,332	7.10	1.80	-	-	-
	CHF	5,000	58.36	0.03	5,000	55.88	0.03
(ii) Other payable	EUR	54,476	70.97	0.39	3,113,723	67.39	20.98
	USD	13,408,606	55.41	74.30	26,749,927	50.67	135.54
(iii) Advances to suppliers	EUR	1,004,444	68.01	6.83	1,598,636	66.50	10.63
	GBP	792,546	83.04	6.58	3,378	81.28	0.03
	HKD	20,727,555	6.98	14.46	19,383,089	6.36	12.33
	SGD	605,098	42.09	2.55	566,672	38.81	2.20
	USD	1,655,443	48.89	8.09	10,527,952	44.95	47.32
	MYR	214,659	16.94	0.36	67,677	15.83	0.11
	NOK	852,904	9.77	0.83	-	-	-
(iv) Advance from customers	USD	20,688,315	52.79	109.22	48,133,817	52.92	254.74
(v) Loans taken	USD	89,084,358	55.41	493.62	32,323,529	50.67	163.78
	EUR	3,676,550	70.97	26.09	7,725,602	67.39	52.06
	HKD	12,681,005	7.10	9.00	17,351,343	6.55	11.37
(vi) Trade receivables	USD	210,769,788	55.41	1,167.88	31,369,778	50.67	158.95
	AED	330,849	15.40	0.51	330,849	14.78	0.49
	SGD	1,987,419	46.48	9.24	554,029	41.88	2.32
	EUR	1,108,601	70.97	7.87	1,108,601	67.39	7.47
	IDR	132,482,478	0.01	0.08	-	-	-
	MYR	9,759,110	17.99	17.56	1,878,904	16.73	3.14
	SAR	398,237	14.89	0.59	203,063	13.56	0.28
	(vii) Other receivables	SGD	921,433	46.48	4.28	476,412	41.88
	USD	3,402,425	55.41	18.85	3,410,390	50.67	17.28
(viii) Bank balances	USD	208,244	55.41	1.15	4,376,181	50.67	22.17
	AED	-	-	-	63,417	14.78	0.09
	GBP	-	-	-	1,074	80.37	0.01
	EUR	-	-	-	506,697	67.39	3.41
	HKD	7,891	7.10	0.01	12,750,690	6.55	8.35
(ix) Investments	USD	4,002,500	43.81	17.54	4,002,500	43.81	17.54
	KZT	1,107,977,200	0.33	36.28	1,107,977,200	0.33	36.28
	SGD	102,334,601	29.29	299.71	102,334,601	29.29	299.71
	SAR	1,020,000	12.05	1.23	1,020,000	12.05	1.23
(x) Loan to subsidiaries	USD	3,999,866	55.41	22.16	13,154,100	50.67	66.65
	SGD	331,048,340	46.48	1,538.71	342,588,468	41.88	1,434.76
(xi) Advances to/(Due to) subsidiaries	USD	(937,157)	55.41	(5.19)	(539,169)	50.67	(2.73)
	SGD	(20,801,338)	46.48	(96.68)	(9,182,912)	41.88	(38.46)
	MYR	3,669,426	17.99	6.60	4,206,367	16.73	7.04

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

- b) The income and expenditure of the foreign branches and unincorporated joint venture are denominated in currencies other than reporting currency. Accordingly, the Company enjoys natural hedge in respect of its foreign branches and unincorporated joint venture's assets and liabilities. The Company's un-hedged foreign currency exposure in these branches and un-incorporated joint venture is limited to the net investment (assets – liabilities) in such operations, the particulars of which are as under:

S. No.	Foreign operations	Currency	March 31, 2013			March 31, 2012		
			Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
(i)	Abu Dhabi	AED	71,265,251	15.40	109.75	129,427,008	14.78	191.29
(ii)	Oman	OMR	1,274,261	143.93	18.34	325,847	137.68	4.49
(iii)	Qatar	QAR	438,562,866	15.22	667.49	591,073,470	14.88	879.52
(iv)	Libya	LYD	147,743,043	44.33	654.94	71,784,393	42.47	304.87
(v)	Yemen	YER	-	-	-	3,329,527	0.24	0.08
(vi)	Thailand	THB	959,301,332	1.89	181.31	637,188,764	1.76	112.15
(vii)	Dubai	AED	4,876,679	15.40	7.51	1,773,392	14.78	2.62
(viii)	Bahrain	BHD	(2,555)	144.29	(0.04)	-	-	-

34. Loans and advances in the nature of loans given to subsidiaries and associates in which directors are interested in terms of disclosure required as per Clause 32 of the Listing agreement

Name of the entities	Outstanding amount as at		Maximum amount outstanding during the year ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Punj Lloyd Kazakhstan LLP	14.18	31.56	33.39	49.65
Punj Lloyd Pte Limited	1,538.71	1,466.31	1,694.77	1,466.31
Punj Lloyd Aviation Limited	15.07	15.07	15.07	24.07
Punj Lloyd Infrastructure Limited	146.95	115.83	146.95	115.83
Punj Lloyd Upstream Limited	15.01	8.88	15.01	10.28
PT Punj Lloyd Indonesia	5.54	-	5.54	-
Punj Lloyd International Limited	3.88	3.55	3.88	3.72
PLI Ventures Advisory Services Private Limited	0.99	0.99	0.99	0.99
Sembawang Infrastructure (India) Private Limited	5.22	4.45	5.22	6.90
Spectra Punj Lloyd Limited	33.08	33.08	33.08	33.08
Punj Lloyd Delta Renewables Private Limited	-	-	4.00	-
PLN Construction Limited	28.31	13.10	28.31	13.10

All the above loans are repayable on demand.

Notes to the Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

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

S. No.	Particulars	2012-13	2011-12
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount	Nil	Nil
	- Interest thereon	Nil	Nil
ii)	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

36. The Company had executed certain projects for some customers in earlier years. These customers have withheld amounts aggregating to Rs. 58.02 crores (Previous year Rs. 308.57 crores) on account of deductions made/amount withheld by some customers, which are being carried as trade receivables. The Company has also filed certain claims against these customers. The Company has gone into arbitration/legal proceedings against these customers for recovery of amounts withheld and for claims lodged by the Company. Pending outcome of arbitration/legal proceedings, amounts withheld for deductions made/old work in progress are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of deductions by these customers and hence the above amounts are considered good of recovery.

37. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 notified by Companies (Accounting Standards) Rules, 2006, (as amended) are as under:

		2012-13	2011-12
a)	Contract revenue recognised as revenue in the period (Clause 38 (a))	8,109.42	5,609.80
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on contract under progress (Clause 39 (a))	17,130.26	13,850.98
c)	Advance received on contract under progress (Clause 39 (b))	1,588.43	1,842.57
d)	Retention amounts on contract under progress (Clause 39 (c))	620.10	384.52
e)	Gross amount due from customers for contract work as an asset (Clause 41(a))	5,196.10	4,991.84
f)	Gross amount due to customers for contract work as a liability (Clause 41 (b))	820.70	138.34

38. The Company has an investment in the equity and preference capital amounting to Rs. 299.71 crores (Previous year Rs. 299.71 crores) in its subsidiary at Singapore and has loans and advance outstanding to Rs. 1,538.71 crores (Previous year Rs. 1,466.31 crores) as at March 31, 2013 from the said subsidiary. The subsidiary has accumulated losses of Rs. 413.27 crores (Previous year Rs. 625.75 crores) as at March 31, 2013. However, the subsidiary is holding certain strategic investments. Considering the intrinsic value of the investments held by the subsidiary, based on the valuation carried out by an independent valuer, and also considering the long term business plan of the subsidiary including the forecasts of profitability of operations, the Company is of the view that there is no other than temporary diminution in the value of investment and accordingly, no provision is considered necessary in the financial statements at this stage on the above account.

39. The Company has unbilled revenue (work-in-progress) of Rs. 532.86 crores on certain projects on account of variation arising due to change in scope of work and delays which is attributable to the customers. The Management, based on the expert inputs, is of the view that the Company would collect the above stated amount upon completion of the processing of the claims by the clients. Accordingly, the above amounts are considered good of recovery.
40. Sales include Rs. 275.53 crores (Previous year Rs. 198.52 crores) representing the retention money which will be received by the Company after the satisfactory performance of the respective projects. The period of release of retention money may vary from six months to eighteen months depending upon the terms & conditions of the projects.
41. The Company had during an earlier year accounted for a claim of Rs. 243.03 crores (Previous year Rs. 243.03 crores) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on the project and had also not accounted for liquidated damages amounting to Rs. 7.30 crores (Previous year Rs. 7.30 crores) deducted by the customer since it is of the view that the delay in execution of the project is attributable to the customer. The Company had initiated arbitration proceedings against the customer during an earlier year, which has, on mutual agreement with the client, been adjourned. The dispute has been referred to the Outside Expert Committee which is likely to resolve the same in an expeditious manner. The management, based on the expert inputs, is confident of recovery of amounts exceeding the recognized claim and waiver of liquidated damages.
42. Asset of Rs. 8.23 crores, (Previous year Rs. 7.29 crores) recognized by the Company as 'Minimum alternate tax credit entitlement' under 'Loans and advances', in respect of minimum alternate tax payment for current and earlier years, represents that portion of minimum alternate tax liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize Minimum alternate tax credit assets.
43. **Projects materials consumed**
These comprise miscellaneous items meant for execution of projects. Since these items are of different nature and specifications, it is not practicable to disclose the quantitative information in respect thereof.

44. Imported and indigenous projects materials consumed*

	Amount		Percentage	
	2012-13	2011-12	2012-13	2011-12
A) Imported	603.89	116.25	29.06	7.00
B) Indigenous	1,474.48	1,543.56	70.94	93.00
	2,078.37	1,659.81	100.00	100.00

* excluding project material consumed at overseas branches and an unincorporated joint venture.

45. Earnings in foreign currency (Accrual basis)

	2012-13	2011-12
Hiring charges (including foreign operations Nil (Previous year Rs. 0.22 crores))	48.20	36.47
Management services (including foreign operations Rs. 12.02 crores (Previous year Rs. 141.83 crores))	67.14	157.32
Exports at F.O.B. value	273.02	-
Interest received (including foreign operations Rs. 1.42 crores (Previous year Rs. 2.09 crores))	4.53	7.11
Contract revenue (including foreign operations Rs. 2,793.10 crores (Previous year Rs. 1,260.13 crores))	3,921.29	1,833.18
Others (including foreign operations Rs. 1.34 crores (Previous year Rs. 1.85 crores))	1.34	1.85
	4,315.52	2,035.93

Foreign operations comprises of foreign branches and an un-incorporated joint venture.

46. Expenditure in foreign currency (accrual basis)

	2012-13	2011-12
Project material consumed and cost of goods sold	603.89	116.25
Employee benefits expense	50.12	28.98
Foreign branches/unincorporated joint venture expenses	2,760.57	1,435.37
Finance cost	38.34	8.26
Contractor charges	542.95	227.28
Site expenses	2.05	0.93
Diesel and fuel	5.43	16.70
Freight and cartage	6.41	3.44
Hire charges	140.58	45.12
Rates and taxes	0.80	0.18
Insurance	1.53	2.04
Travelling and conveyance	36.99	1.81
Consultancy and professional charges	89.18	115.62
Miscellaneous expenses	4.95	16.02
	4,283.79	2,018.00

47. Value of imports calculated on CIF basis *

	2012-13	2011-12
a) Project materials	613.90	115.83
b) Capital goods	20.66	306.19
	634.56	422.02

* excluding foreign branches and an unincorporated joint venture.

48. Net dividend remitted in foreign exchange

	2012-13	2011-12
Year to which it relates	01-Apr-11 to 31- Mar-12	01-Apr-10 to 31- Mar-11
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due	75,691,430	75,691,430
Amount remitted in Rs. (crores) (US \$ 202,392.53 (Previous year US \$ 248,250.00))	1.14	1.13

49. Amount in the financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 million.

50. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For **Walker, Chandio & Co**
Chartered Accountants

Per **David Jones**
Partner

Place: New York
Date: May 29, 2013

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

Atul Punj
Chairman

Luv Chhabra
Director (Corporate Affairs)

Pawan Kumar Gupta
Whole Time Director

P.N. Krishnan
Director Designate Finance

Dinesh Thairani
Group President - Legal & Company Secretary

Place: Gurgaon
Date: May 10, 2013





Report of the Independent Auditors on the Consolidated Financial Statements

To the Board of Directors of Punj Lloyd Limited

1. We have audited the accompanying Consolidated Financial Statements of Punj Lloyd Limited, ("the Company") and its subsidiaries, associates and joint ventures (hereinafter collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- ii) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. Without qualifying our opinion, we draw attention to:
 - a) note 33 to the Consolidated Financial Statements in respect of deductions made/ amount withheld by some customers aggregating to Rs 58.02 crores which are being carried as trade receivables. These amounts are outstanding due to dispute with the customers and presently the ultimate outcome of these disputes cannot be determined, however since the Company is of the view that these amounts are recoverable, no provision is required against the same.
 - b) note 35 to the Consolidated Financial Statements, regarding recoverability of claims aggregating to Rs. 243.03 crores and liquidated damages of Rs. 7.30 crores pertaining to earlier years and due as at March 31, 2013. These dues being subject matter of a conciliation, the Company has assessed recoverability of these amounts based on the terms and conditions implicit in the contract, and legal opinions from independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and liquidated damages would be waived by the customer, accordingly no adjustments have been made in the accompanying Consolidated Financial Statements.

Other Matter

8. We did not audit the financial statements of certain branches, subsidiaries, associates and joint ventures (including un-incorporated joint venture) included in the Consolidated Financial Statements, whose financial statements reflect total assets (net of eliminations) of Rs. 9,825.23 crores as at March 31, 2013; total revenues (net of eliminations) of Rs. 6,314.73 crores and net cash flows aggregating to Rs. 75.76 crores for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management/other auditors, and our audit opinion on the Consolidated Financial Statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker, Chandio & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **David Jones**
Partner
Membership No. 098113

Place of signature: New York
Date: May 29, 2013

Consolidated Balance Sheet as at March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Notes	As at March 31, 2013	As at March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	3	66.42	66.42
Reserves and surplus	4	2,768.86	2,854.31
		2,835.28	2,920.73
Minority interest			
		72.95	86.13
Non-current liabilities			
Long-term borrowings	5	1,893.68	2,076.90
Deferred tax liabilities (net)	6	169.17	171.35
Provisions	7	52.17	57.33
		2,115.02	2,305.58
Current liabilities			
Short-term borrowings	8	3,661.45	2,867.49
Trade payables	9	3,544.94	3,315.04
Other current liabilities	9	3,983.08	3,060.19
Provisions	7	132.33	131.23
		11,321.80	9,373.95
TOTAL		16,345.05	14,686.39
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	2,622.12	2,540.59
Intangible assets	11	375.12	340.31
Capital work-in-progress		414.61	266.89
Non-current investments	12	364.14	370.69
Deferred tax assets (net)	6	18.00	16.45
Loans and advances	13	894.30	605.88
Other assets	15	100.58	99.30
		4,788.87	4,240.11
Current assets			
Inventories	16	232.43	254.24
Unbilled revenue (work-in-progress)		6,436.64	5,963.86
Trade receivables	14	3,232.64	2,425.78
Cash and bank balances	17	835.25	973.15
Loans and advances	13	791.92	808.13
Other assets	15	27.30	21.12
		11,556.18	10,446.28
TOTAL		16,345.05	14,686.39
Summary of significant accounting policies	2.1		

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

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

For Walker, Chandio & Co

Chartered Accountants

Per **David Jones**

Partner

Place: New York

Date: May 29, 2013

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

Atul Punj

Chairman

Luv Chhabra

Director (Corporate Affairs)

Pawan Kumar Gupta

Whole Time Director

P.N. Krishnan

Director Designate Finance

Dinesh Thairani

Group President - Legal & Company Secretary

Place: Gurgaon

Date: May 10, 2013

Consolidated Statement of Profit and Loss for the year ended on March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenue from operations	18	11,408.18	10,312.92
Other income	19	334.53	471.02
Total income (I)		11,742.71	10,783.94
Expenses			
Projects materials consumed and cost of goods sold		3,518.72	3,099.67
Employee benefits expense	20	1,683.65	1,352.70
Other expenses	21	5,364.86	5,207.22
Total expenses (II)		10,567.23	9,659.59
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)			
		1,175.48	1,124.35
Depreciation and amortization expense	10 & 11	353.76	298.98
(Less): recoupment from revaluation reserve		0.25	0.25
Net depreciation and amortization expense		353.51	298.73
Finance costs	22	780.76	632.50
Profit before tax		41.21	193.12
Tax expenses			
- Current tax		75.55	80.83
- Minimum alternate tax credit entitlement		(0.94)	(0.30)
- Deferred tax		(4.31)	0.20
Total tax expense		70.30	80.73
Profit/(Loss) for the year		(29.09)	112.39
Share of profits/(losses) in Associates (net)		4.07	(11.08)
Share of (profits)/losses transferred to Minority		17.80	(9.45)
Profit/(Loss) for the year after taxes, minority interest and share of profits/(losses) of associates		(7.22)	91.86
Earnings per equity share [nominal value per share Rs. 2 each (Previous year Rs. 2)]			
Basic (in Rs.)	23	(0.22)	2.77
Diluted (in Rs.)		(0.22)	2.77
Summary of significant accounting policies	2.1		

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

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

For Walker, Chandio & Co
Chartered Accountants

Per **David Jones**
Partner

Place: New York
Date: May 29, 2013

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

Atul Punj
Chairman

Luv Chhabra
Director (Corporate Affairs)

Pawan Kumar Gupta
Whole Time Director

P.N. Krishnan
Director Designate Finance

Dinesh Thairani
Group President - Legal & Company Secretary

Place: Gurgaon
Date: May 10, 2013

Consolidated Cash Flow Statement for the year ended on March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow from operating activities		
Profit before tax	41.21	193.12
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	353.51	298.73
Profit on sale of fixed assets (net)	(5.81)	(5.47)
Gain on deconsolidation of subsidiaries/joint venture	(5.50)	(183.17)
(Profit)/ loss on sale of non trade long term investments	(26.68)	0.05
Provision for diminution in value of non-trade long term investment	0.75	0.12
Unrealised foreign exchange gain (net)	(21.91)	(28.50)
Unspent liabilities and provisions written back/advances written off (net)	10.69	(3.60)
Interest expense	622.67	517.47
Interest (income)	(13.42)	(14.33)
Dividend (income)	(0.58)	(12.36)
Operating profit before Working Capital Changes	954.93	762.06
Movement in working capital:		
Increase in trade payables	241.88	1,207.77
Increase in provisions	5.38	9.72
Increase in other current liabilities	425.34	343.83
Increase in trade receivables	(795.74)	(453.71)
Decrease/(Increase) in inventories	21.81	(12.84)
Increase in unbilled revenue (work-in-progress)	(472.80)	(1,351.50)
Increase in loans and advances	(33.81)	(196.92)
Increase in other current assets	(0.04)	(19.14)
Cash generated from operations	346.95	289.27
Direct taxes paid (net of refunds)	(120.26)	(143.35)
Net cash flow from operating activities (A)	226.69	145.92
Cash flows used in investing activities		
Purchase of fixed assets, including CWIP and capital advances	(745.67)	(908.90)
Proceeds from sale of fixed assets	37.75	21.46
Proceeds from sale of non-current investments	64.64	12.15
Purchase of non-current investments	(21.07)	-
(Investments in)/ Redemption/maturity of bank deposits (having original maturity of more than three months)	5.38	(65.93)
Interest received	7.64	6.20
Dividends received	0.58	12.36
Decrease/ (Increase) in margin money deposits	(9.25)	57.34
Net cash used in investing activities (B)	(660.00)	(865.32)
Cash flows from financing activities		
Proceeds from long-term borrowings	983.88	921.60
Repayment of long-term borrowings	(658.38)	(984.01)
Premium paid on redemption of foreign currency convertible bonds	-	(57.66)
Proceeds from short-term borrowings (net)	780.78	1,121.71
Interest paid	(654.22)	(526.30)
Dividend paid on equity shares	(4.98)	(4.98)
Tax on equity dividend paid	(0.81)	(0.81)
Net cash flow from in financing activities (C)	446.27	469.55
Net increase/(decrease) in cash and cash equivalents (A + B + C)	12.96	(249.85)
Exchange fluctuation translation difference	(154.14)	22.55
Cash and cash equivalents at the beginning of the year	896.80	1,147.69
Cash outflow due to disposal of subsidiary/joint venture	(0.59)	(23.59)
Cash and cash equivalents at the end of the year	755.03	896.80

Consolidated Cash Flow Statement for the year ended on March 31, 2013

(All amount in INR Crores, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
Components of cash and cash equivalents		
Cash on hand	9.00	7.54
With banks		
- on current account	604.97	568.20
- on cash credit	14.28	1.99
- on EEFC accounts	0.48	14.92
- on deposit account	126.30	304.15
Total cash and cash equivalents (also refer note 17)	755.03	896.80

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

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

For Walker, Chandio & Co
Chartered Accountants

Per **David Jones**
Partner

Place: New York
Date: May 29, 2013

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

Atul Punj
Chairman

Pawan Kumar Gupta
Whole Time Director

Dinesh Thairani
Group President - Legal & Company Secretary

Place: Gurgaon
Date: May 10, 2013

Luv Chhabra
Director (Corporate Affairs)

P.N. Krishnan
Director Designate Finance

1. Corporate Information

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

2. Basis of preparation

These financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and 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 "Act"). The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain fixed assets which are being carried at their revalued amounts and derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Group and are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Principles of Consolidation

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

- i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- ii) Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, intra-group transactions and unrealized profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.
- iii) The difference between the cost to the Group of investment in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.
- iv) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the holding company, except where there is contractual/legal obligation on minority.
- v) Investments in Associates are accounted for using the equity method, under which the investment is initially recorded at cost, identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.
- vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately.
- vii) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2013.
- 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.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Tangible assets, except a piece of land and few plant and equipment items acquired before March 31, 1998, are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

During the year ended March 31, 1998, the Company revalued certain plant and equipment items. These plant and equipment items are measured at fair value less accumulated depreciation and impairment losses, if recognised after the date of the revaluation. During the year ended March 31, 2002, the Company revalued a piece of land at fair value. In case of revaluation of tangible assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit and loss, in which case the increase is recognised in the statement of profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with Ministry of

Corporate Affairs circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

(e) Depreciation on tangible fixed assets and amortization of intangible assets

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

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

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

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

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

- iv) Leasehold land is amortised on a straight line basis over the period of lease i.e. 30 years, except for leasehold land which is under perpetual lease.
- v) Individual assets costing upto Rs. 5,000 are depreciated @ 100%.
- vi) Leasehold improvements (included under furniture, fixtures and office equipments) are depreciated on a straight line basis over the period of lease or estimated useful life of six years, whichever is lower.
- vii) Depreciation on completed phase of road project in a joint venture is provided over the period of 15 years. Overlay cost included in the cost of Road is depreciated over a period of 5 years.
- viii) In case of foreign companies comprised within the Group, depreciation is provided for on straight-line basis so as to write off the value of assets over their useful life, as estimated by the management, which range from 2 to 30 years.
- ix) Intangible assets are amortized on a straight line basis, based on the nature and useful economic life of the assets as estimated by the management. The summary of amortization policies applied to the Group's intangible assets is as below:
 - a. Software of project division is amortized over the period of licenses or six years, whichever is lower.
 - b. Software of an unincorporated joint venture is 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 related to the construction or is incidental thereto. Other indirect expenditure (including borrowing cost) incurred during the construction period, which is neither related to the construction activity nor is incidental thereto, is charged to the statement of profit and loss. Income earned during the construction period is deducted from the total expenditure.

All direct capital expenditure on expansion is recognized. Indirect expenditure incurred on expansion, only that portion is recognized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both

direct and indirect expenditure are recognized only if they increase the value of the asset beyond its original standard of performance.

(g) Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

(h) Leases

Where the Company is the lessee

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

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the

Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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

Where the Company is the lessor

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

(i) Investments

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

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

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

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

(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) 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) Unbilled revenue (Work-in-progress)

Unbilled revenue (Work-in-progress) is valued at Net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue has been classified as "Other current liabilities" in the financial statements. Claims on construction contracts are included based on Management's estimate of the probability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Company assesses the carrying value of various claims periodically, and makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers. The Company collects service tax and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

- ii) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company. Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Company's share in unincorporated joint ventures.
- iii) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.
- iv) Rental income from assets given under operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the lease.
- v) Revenue from Management services is recognized pro-rata over the period of the contract as and when the services are rendered. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.
- vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- vii) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- viii) Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.
- ix) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.
- x) In respect of a joint venture of the Company engaged in activities of construction of city road improvement on Build, Operate and Transfer (Annuity) basis, annuity income as per concession agreements entered into by the joint venture with the Government of Kerala is accounted on straight line basis over the period of the annuity.

(m) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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

(n) Foreign currency transactions and balances

i) Initial recognition

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

ii) Conversion

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

iii) Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- b. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- c. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- d. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of b and c above, the Company treats a foreign monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

The exchange differences arising on forward contracts to hedge foreign currency risk of an underlying asset or liability existing on the date of the contract are recognised in the statement of profit and loss of the period in which the exchange rates change, based on the difference between:

- a) foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and
- b) the same foreign currency amount translated at the latter of the date of the inception of the contract and the last reporting date, as the case may be.

The premium or discount on all such contracts arising at the inception of each contract is amortised as expense or income over the life of the contract.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal.

Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date if such mark to market results in exchange loss. Such exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

v) Translation of integral and non integral foreign operations

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

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

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

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

(o) Employee benefits

- i) The Company makes contribution to statutory provident fund and pension funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii) Gratuity liability is a defined benefit obligation. The Company has taken an insurance policy under group gratuity scheme with Life Insurance Corporation of India/ ICICI Prudential Life Insurance Company Limited to cover the gratuity liability of the employees of project division and amount paid/payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of each financial year. Actuarial gains/losses are recognized in full in the period in which they occur in the statement of profit and loss.
- iii) Few of the Indian subsidiaries of the Company also have a defined gratuity plan. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

- iv) In respect to overseas branches and unincorporated joint venture operations, provision for retirement and other employees' benefits are made on the basis prescribed in the local labour laws of the respective country, for the accumulated period of service at the end of the financial year.
- v) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- vi) In respect of overseas Group companies, contributions made towards defined contribution schemes in accordance with the relevant applicable local laws, are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no obligations other than the contribution payable to the respective trusts. In respect of defined benefit obligations of the overseas Group companies, present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of the financial year.

(p) Income taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date. Deferred income tax relating to items recognised directly in shareholders' funds is recognised in shareholders' funds and not in the statement of profit and loss.

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

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

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

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

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

(q) Accounting for joint venture operations

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

(r) Segment reporting

Identification of segments

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

Unallocated items

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

Segment accounting policies

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

(s) Earnings per share

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

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

(t) Provisions

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

(u) Employee stock compensation cost

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

(v) Cash and cash equivalents

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

(w) Derivative instruments

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

(x) Contingent liabilities

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

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

(y) Operating cycle

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

(z) Measurement of EBITDA

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

3. Share Capital

	As at March 31, 2013	As at March 31, 2012
Authorized shares		
450,000,000 (Previous year 450,000,000) equity shares of Rs. 2 each	90.00	90.00
10,000,000 (Previous year 10,000,000) preference shares of Rs. 10 each	10.00	10.00
	100.00	100.00
Issued, subscribed and fully paid-up shares	66.42	66.42
332,095,745 (Previous year 332,095,745) equity shares of Rs. 2 each	66.42	66.42

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

Equity shares

	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	332,095,745	66.42	332,095,745	66.42
Issued during the year	-	-	-	-
Outstanding at the end of the year	332,095,745	66.42	332,095,745	66.42

(b) Terms/rights attached to equity shares

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

During the year ended March 31, 2013, the amount of per share dividend recognized as distribution to equity shareholders was Nil (Previous year Rs. 0.15).

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

(c) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

One of the Indian subsidiary and a foreign subsidiary of the Company has issued total 150,000 and 1,100,000 equity shares respectively (Previous year 150,000 and 1,100,000 equity shares respectively) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein consideration was received in form of employee services.

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

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	Nos.	% holding in the class	Nos.	% holding in the class
Spectra Punj Finance Private Limited	22,148,305	6.67	22,148,305	6.67
Cawdor Enterprises Limited	75,691,430	22.79	75,691,430	22.79

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Group, please refer note 25.

4. Reserves and surplus

	As at March 31, 2013	As at March 31, 2012
Capital reserve	26.42	26.42
Securities premium account		
Balance as per the last financial statement	2,500.60	2,498.99
Add: premium on redemption of foreign currency convertible bonds	-	1.61
Closing Balance	2,500.60	2,500.60
Debenture redemption reserve		
Balance as per the last financial statement	112.87	97.50
Add: amount transferred from surplus balance in the statement of profit and loss	-	15.37
Closing Balance	112.87	112.87
Asset revaluation reserve		
Balance as per the last financial statement	3.88	4.23
Less: amount transferred to the statement of profit and loss as reduction from depreciation	0.25	0.25
Less: adjustment on account of sale/disposal of revalued assets	0.02	0.10
Closing Balance	3.61	3.88
Special reserve		
(created by an Indian subsidiary under Reserve Bank of India Act)		
Balance as per the last financial statement	0.01	0.01
Add: amount transferred from surplus balance in the statement of profit and loss	0.01	0.00
Closing Balance	0.02	0.01
General reserve	99.04	99.04
Foreign currency translation reserve		
Balance as per last financial statement	(98.04)	47.86
Add: exchange difference during the year on net investment in non-integral operations	(77.96)	(145.90)
Closing Balance	(176.00)	(98.04)
Surplus in the statement of profit and loss		
Balance as per last financial statement	209.53	138.84
Profit/(loss) for the year	(7.22)	91.85
Less: Appropriations		
Transfer to debenture redemption reserve	-	(15.37)
Transfer to Special reserve	(0.01)	(0.00)
Proposed final equity dividend (amount per equity share Nil (Previous year Rs. 0.15))	-	(4.98)
Tax on proposed equity dividend	-	(0.81)
Total appropriations	(0.01)	(21.16)
Net surplus in the statement of profit and loss	202.30	209.53
Total reserves and surplus	2,768.86	2,854.31

5. Long-term borrowings

	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Debentures (secured)				
10.50% debentures redeemable at par at the end of 5 years from the deemed date of allotment i.e. October 15, 2010. These are secured by first charge on Flat No. 201, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India and subservient charge on the movable tangible assets and current assets of the Company.	300.00	300.00	-	-
12.00% debentures redeemable at par in ten equal half-yearly installments beginning the end of 5 years from the date of allotment i.e. January 02, 2009. These are secured by first pari passu charge on the moveable tangible assets of the project division of the Company and further secured by exclusive charge on the Flat No. 202, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India.	150.00	150.00	-	-
10.00% debentures redeemable at par in four half-yearly installments in the ratio of 20:20:30:30 beginning the end of 3.5 years from the deemed date of allotment i.e. September 10, 2009.	127.50	340.00	212.50	85.00
9.50% debentures redeemable at par at the end of 3 years of deemed date of allotment i.e. September 10, 2009. 10.00% and 9.50% debentures are secured by pari passu charge on the immovable land situated at Jarod District, Vadodra, Gujarat, India, pari passu first charge on the movable tangible assets of the project division of the Company (Only upto Rs. 150.00 crores), subservient charge on movable tangible assets and current assets of project division of the Company (upto Rs. 450.00 crores only). Further secured by charge on some of the investments of the Company.	-	-	-	110.00
Term loans				
Indian rupee loan from banks (secured)				
Loan carrying weighted average rate of interest 10.62% (Previous year 10.29%) depending upon the tenor of the loan. The loans are repayable in 15 to 60 monthly/quarterly installments. The loan is secured by way of exclusive charge on the equipment/vehicles purchased out of the proceeds of loan.	22.99	34.98	15.96	26.60
Loans carrying weighted average rate of interest of 13.05% (Previous year 13.50%). The loans are repayable in 8-17 quarterly installments beginning at the end of 1 year from the disbursement. The loan is secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	98.93	62.08	38.15	25.42
Loans carrying weighted average rate of interest 12.39% (Previous year 12.94%) depending upon the tenor of the loan. The loans are repayable in 16 to 22 equal quarterly installments beginning at the end of 1 year from the date of first disbursement. The loan is secured by way of pari passu first charge on the existing and future moveable tangible assets of the project division of the Company, pari passu second charge on current assets of the project division of the Company (excluding receivables of the projects financed by other banks).	68.21	104.83	39.62	39.77

	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<p>Loan carrying rate of interest Nil (Previous year 12.75%) is repayable in 14 equal quarterly installments beginning at the end of 21 months from the date of first disbursement.</p> <p>The loan is secured by way of Equitable Mortgage on both corporate offices of the Company at Plot No. 78 & 95, Institutional Area, Sector 32, Gurgaon, Haryana, India. Further secured by subservient charge on the current assets of the project division of the Company.</p>	-	35.76	-	28.57
<p>Loan carrying rate of interest 12.75% (Previous year Nil) term loan is repayable in 17 equal quarterly installments after the moratorium period of 12 months from the date of first disbursement.</p> <p>The loan is secured by way of Equitable Mortgage on both corporate offices of the company at Plot No. 78 & 95, Institutional Area, Sector 32 and Medicity Building at Sector- 38 Gurgaon, Haryana, India. First pari passu charge on the movable tangible assets of the project division of the company (up to Rs. 125.00 crores).</p>	227.06	-	22.94	-
<p>Loan carrying rate of interest of 12.00% (Previous year 12.00%). Loan is repayable in 25 structured semi-annual installments.</p> <p>The loan is secured by way of charge on all movable and immoveable tangible assets of subsidiary company.</p>	161.62	58.33	-	-
<p>Loan carrying rate of interest of 9.50% (Previous year 9.50%) is repayable from financial year 2013 to financial year 2024.</p> <p>The loan is secured by way of charge on tangible and moveable assets and receivables of the joint venture company.</p>	46.35	52.17	5.82	4.18
<p>From others (secured)</p> <p>Loan carrying weighted average rate of interest 12.84% (Previous year 13.05%). The loan is repayable in 30 to 60 monthly installments from the beginning of the end of 12 months from the date of first disbursement of the loan.</p> <p>The loan is secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.</p>	68.49	92.21	37.58	34.57
<p>Loan carrying rate of interest of 10.55% (previous year 11.46%). The loan is repayable in 84 monthly installments of, beginning the end of 12 months from the date of first disbursement of the loan.</p> <p>The loan is secured by first and exclusive charge by way of hypothecation on aircraft financed through the loan.</p>	8.09	16.20	8.12	8.12
<p>Loan carrying rate of interest of 14.00% (Previous year 14.00%) term loan repayable in 24 monthly installments beginning the end of 12 months from the date of first disbursement of the loan.</p> <p>The loan is secured by way of 1st charge on the current assets of the project division of the Company (excluding receivables of the projects financed by the other banks).</p>	-	30.38	30.38	49.14
<p>Loan carrying rate of interest of 13.50% (Previous year 13.50%) term loan repayable in 16 quarterly installments beginning at the end of 12 months from the date of first disbursement of the loan.</p> <p>The loan is secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.</p>	25.00	37.50	9.38	-

	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<p>Loan carrying rate of interest of 14.00% (Previous year 13.00%). The loan is repayable in 48 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan. The Loan is secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company.</p>	75.00	97.92	22.92	2.08
<p>Loan carrying rate of interest of Nil (Previous year 13.25%). The loan is repayable in 6 monthly installments beginning at the end of 12 months from the date of first disbursement of the loan. The Loan is secured by way of subservient charge on current & moveable tangible assets of the project division of the Company.</p>	-	-	-	50.00
<p>Loan carrying rate of interest of 12.00% (Previous year 12.00%). The term loan is repayable in 25 structured semi-annual installments. The loan is secured by first pari passu charge on moveable and immoveable tangible assets of the Company.</p>	61.88	13.20	-	-
<p>Foreign currency loan from banks (secured) Loan carrying rate of interest of 6M LIBOR plus 4.20% (Previous year 6M LIBOR plus 4.20%). The foreign currency loan is repayable in 25 structured semi-annual installments. The loan is secured by charge on the all movable and immoveable tangible assets of the subsidiary company.</p>	86.49	26.70	-	-
<p>LIBOR plus 1.25% (Previous year Nil) foreign currency loan repayable in 36 structured semi-annual installments. Secured by charge on the assets of the subsidiary company.</p>	42.11	-	2.63	-
<p>Loan carried rate of interest of 3 months EBOR plus 2.50%. The loan was repayable in 36-56 monthly installments, beginning at the end of 2 months from the date of its origination. The loan was secured by way of exclusive charge on the equipment purchased out of the proceeds of loan.</p>	-	-	-	3.93
<p>3 months EBOR plus 2.50% (Previous year 3 months EBOR plus 2.50%) loan repayable in 14 equal quarterly installments, beginning at the end of 1 quarter from the date of its origination. The loan is secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.</p>	55.81	76.53	40.15	35.50
<p>Loan carrying rate of interest 2.08% (Previous year 2.76%), repayable in 20 quarterly installments. The loan is secured by way of charge on moveable tangible assets of a subsidiary company.</p>	-	72.83	77.65	33.58
<p>Term loan carry weighted average rate of interest of LIBOR plus 5.50% (Previous year LIBOR plus 5.50%). The Loan is repayable in 20 quarterly installments beginning at the end of 2 years from the disbursement. The loans are secured by way of first pari passu charge on tangible assets purchased from loan proceeds.</p>	28.26	27.36	4.99	3.04

	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Foreign currency loan from others (secured)				
Loans carrying weighted average rate of interest 5.63% (Previous year 5.78%). The loans are repayable in 12 to 17 equal half yearly installments, beginning at the end of 4 years from the date of its origination. These loans are secured by first pari passu charge on the moveable tangible assets of the project division of the Company	117.80	132.09	25.41	21.35
Loan carrying rate of interest of LIBOR+5.50% Foreign currency loan is repayable in single installment after the end of 1 year from the date of its origination. The loan is secured by exclusive charge on aircraft financed through the loan; pledge on shares of the borrowing entity and further secured by the corporate guarantee of the ultimate holding company.	-	-	235.60	-
Foreign currency loan from Banks (unsecured)				
Loans carrying weighted average rate of interest 4.42% (Previous year 4.43%). The loan is repayable in 3 annual installments beginning at the end of one year since its origination.	102.26	301.75	333.10	94.60
Other loans and advances – Secured				
Finance lease obligation carrying rate of interest of 4.00% (Previous year 4.00%). These are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	2.27	5.11	4.16	2.93
Unsecured Inter-corporate Deposits	17.56	8.97	-	-
	1,893.68	2,076.90	1,167.06	658.38
The above amount includes				
Secured borrowings	1,773.86	1,766.18	833.96	563.78
Unsecured borrowings	119.82	310.72	333.10	94.60
Amount disclosed under the head "Other current liabilities" (note 9)	-	-	(1,167.06)	(658.38)
Net amount	1,893.68	2,076.90	-	-

6. Deferred tax liabilities (net)

	As at March 31, 2013	As at March 31, 2012
Impact of difference between tax depreciation and depreciation/amortization as per books	144.47	127.84
Effect of expenditure not debited to statement of profit and loss but allowed/allowable in income tax	52.17	45.69
Unrealised foreign exchange on purchase of tangible assets	(3.73)	(1.19)
Difference in carrying value of Scaffolding as per income tax and financial books	6.96	8.16
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	(11.48)	(19.64)
Deduction under section 35D of the Income Tax Act, 1961	-	0.25
Unabsorbed depreciation/carried forward losses #	(37.22)	(7.30)
Others	-	1.09
Net deferred tax liabilities*	151.17	154.90

*After setting off deferred tax assets aggregating to Rs 18.00 crores (Previous year Rs 16.45 crores) in respect of certain branches, subsidiaries and joint ventures.

Certain subsidiaries of the Group have projected future profits, based on confirmed orders in hand for the subsequent years, which in the opinion of the management of those subsidiaries satisfies the condition of virtual certainty supported by convincing evidence. Based on this, the subsidiaries have recognized deferred tax asset of Rs. 14.72 crores (Previous year Rs. 7.27 crores).

7. Provisions

	Long-term		Short-term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits				
Provision for Retirement benefits	1.69	2.66	33.51	27.16
	1.69	2.66	33.51	27.16
Other provisions				
Proposed equity dividend	-	-	-	4.98
Provision for tax on proposed equity dividend	-	-	-	0.81
Provision for current tax (net of advance tax)	50.48	54.67	98.82	98.28
	50.48	54.67	98.82	104.07
	52.17	57.33	132.33	131.23

8. Short term borrowings

	As at March 31, 2013	As at March 31, 2012
Secured		
Working capital loan repayable on demand		
Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company. These borrowings from banks carry weighted average rate of interest 12.18% (Previous year 13.18%).	971.74	925.61
Secured by way of exclusive charge on the receivables of the specific projects financed by the bank, first pari passu charge on the current assets of the project division (excluding receivables of the projects financed by the other banks), pari passu second charge on the movable tangible assets of the project division of the Company. These borrowings from banks carry weighted average rate of interest 11.47% (Previous year 11.17%).	1,653.55	1,080.03
Loan carrying rate of interest of USD LIBOR plus 3.75% (Previous year USD LIBOR plus 3.75%). The loan is secured by way of charge on trade receivables of a subsidiary company.	179.10	150.35
Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks), pari passu charge on the receivables of the project financed and second charge on pari passu basis on movable tangible assets of the project division of the Company. These borrowings from banks carry weighted average rate of interest 5.52% (Previous year 6.22%).	249.35	91.14
Secured by way of pari passu charge on the receivables financed. These borrowings from banks carry rate of interest of 4.29% (Previous year 5.75%).	92.56	138.95
Secured by way of charge on the receivables and assets of the project. These borrowing from banks carries rate of interest 3 Months FGB EBOR + 2.5% P.A. (Previous year 3 Months FGB EBOR + 2.5% P.A.).	166.19	41.59
Secured by way of exclusive charge on the receivables of the specific projects financed by the bank, first pari passu charge on the current assets of a subsidiary company. These borrowing from bank carries rate of interest of 7.75% (Previous year 7.75%).	32.06	14.53

Notes to the Consolidated Financial Statements for the year ended March 31, 2013 (All amount in INR Crores, unless otherwise stated)

	As at March 31, 2013	As at March 31, 2012
Secured by way of exclusive charge on the receivables, inventories and equipments purchased from loan. These borrowings from bank carries rate of interest of 3.50% (Previous year 3.50%).	21.14	22.28
Secured by way of charge on entire current assets of a subsidiary company. These borrowing from bank carried rate of interest of USD LIBOR plus 5.50%.	-	8.87
Secured by way of charge on entire current assets of a subsidiary company. These borrowings from bank carried rate of interest of 15.00%.	-	3.47
Secured by way of plant and equipment belonging to a subsidiary company. These borrowings from bank carried rate of interest of 3.75%.	-	10.03
Secured by hypothecation charge over entire current assets of the Company including receivables and first charge over the tangible assets of a subsidiary company. These borrowings from bank carried rate of interest of 17.50%.	-	1.10
Secured by hypothecation charge over trade receivables of a subsidiary company. These borrowings from bank carries weighted average rate of interest 10.01% (Previous year 13.36%).	26.00	21.37
Secured by way of first charge on the current assets and second charge on the tangible assets of the Company. These borrowings from bank carries weighted average rate of interest of 6.36% (Previous year S\$ 1 MIL @ SIBOR+6.34%).	85.86	182.72
Unsecured		
Others – Cash Credit- rate of interest of 15.00% (Previous year 15.00%)	-	14.42
These borrowings from banks carried weighted average rate of interest 6.61%.	-	44.66
Buyer's line of credit from a bank carrying weighted average rate of interest 1.41% (Previous year 3.06%).	160.40	95.62
Inter-corporate deposits repayable on demand.	23.50	10.75
Commercial papers from bank and others carried interest rate of 10.60%.	-	10.00
	3,661.45	2,867.49
The above amount includes		
Secured borrowings	3,477.55	2,692.04
Unsecured borrowings	183.90	175.45
	3,661.45	2,867.49

9. Other current liabilities

	As at March 31, 2013	As at March 31, 2012
Trade payables (including acceptances)	3,544.94	3,315.04
Other liabilities		
Interest accrued but not due on borrowings	47.63	58.77
Current maturities of long term borrowings (refer note 5)	1,167.06	658.38
Service tax payable	30.78	28.17
Value added tax payable	38.21	27.66
Tax deducted at source payable	26.71	20.07
Advance billing	800.50	144.57
Advance from customers	1,746.77	1,890.17
Security deposits	11.45	13.93
Capital goods suppliers	94.39	177.49
Others	19.58	40.98
	3,983.08	3,060.19
	7,528.02	6,375.23

10. Tangible assets

	Land	Buildings	Plant and equipment	Furniture, fixtures and office equipments	Tools	Project Road	Vehicles	Total
Gross block at cost or valuation								
At April 01, 2011	40.56	92.86	2,647.81	118.19	11.43	55.19	150.06	3,116.10
Additions	0.02	0.06	635.62	15.63	0.35	0.65	30.48	682.81
Disposal(-)	-	-	31.13	2.77	-	-	12.54	46.44
Disposal of subsidiaries(-)	-	-	-	20.99	-	-	0.09	21.08
Other adjustments								
-Exchange differences	-	-	29.63	-	-	-	-	29.63
-Foreign currency translation	0.40	2.99	110.19	12.66	-	-	20.79	147.03
At March 31, 2012	40.98	95.91	3,392.12	122.72	11.78	55.84	188.70	3,908.05
Additions	4.10	134.94	194.40	14.68	3.40	47.63	2.46	401.61
Disposals(-)	22.00	0.63	28.57	13.89	1.96	-	11.69	78.74
Disposal of joint venture(-)	-	2.03	6.84	0.48	-	-	0.65	10.00
Other adjustments								
-Exchange differences	-	-	16.56	-	-	-	-	16.56
-Foreign currency translation	0.52	2.70	101.76	2.49	0.00	-	2.42	109.89
At March 31, 2013	23.60	230.89	3,669.43	125.52	13.22	103.47	181.24	4,347.37
Accumulated depreciation								
At April 01, 2011	0.32	17.98	902.09	66.94	3.32	12.57	69.53	1,072.75
Charge for the year	0.20	3.79	241.91	10.45	0.56	3.95	27.12	287.98
Disposals(-)	-	-	19.01	1.52	-	-	10.13	30.66
Disposal of subsidiaries(-)	-	-	-	19.55	-	-	0.07	19.62
Other adjustments								
-Foreign currency translation	-	0.76	38.76	8.87	-	-	8.41	56.80
-Other*	0.21	-	-	-	-	-	-	0.21
At March 31, 2012	0.73	22.53	1,163.75	65.19	3.88	16.52	94.86	1,367.46
Charge for the year	0.28	5.47	301.59	10.74	0.79	7.39	22.55	348.81
Disposals(-)	0.29	0.17	26.62	9.54	0.92	-	7.64	45.18
Disposal of Joint venture(-)	-	0.42	3.92	0.16	-	-	0.28	4.78
Other adjustments								
-Foreign currency translation	-	1.37	51.44	3.77	-	-	2.36	58.94
At March 31, 2013	0.72	28.78	1,486.24	70.00	3.75	23.91	111.85	1,725.25
Net block								
At March 31, 2012	40.25	73.38	2,228.37	57.53	7.90	39.32	93.84	2,540.59
At March 31, 2013	22.88	202.11	2,183.19	55.52	9.47	79.56	69.39	2,622.12

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

- Gross block of Plant and equipment includes Rs. 6.27 crores and accumulated depreciation includes Rs. 2.66 crores (Previous year Rs. 24.02 crores and Rs. 20.14 crores respectively) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 1998 by an external agency using "price indices released by the Economic Advisor's Office, Ministry of Industry/verbal Quotation/Comparison/estimation or any other method considered prudent in specific cases". Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 0.25 crore (Previous year Rs. 0.25 crore). In accordance with the option given in the guidance note on accounting for the depreciation in companies, the Company recoups such additional depreciation out of asset revaluation reserve. There is additional profit of Rs. 0.02 crore (Previous year Rs. 0.10 crore) on account of sale of assets, an equivalent amount has been withdrawn from revaluation reserve and credited to Statement of Profit and Loss.

2. Gross block of Land includes Rs. 2.10 crores (Previous year Rs. 2.10 crores) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 2002 by an external agency using "Price indices released by the Economic Advisor's Office, Ministry of Industry/verbal Quotation/Comparison/estimation or any other method considered prudent in specific cases".
3. In compliance with the notification dated March 31, 2009 (as amended) issued by Ministry of Corporate Affairs, the Company has exercised the option available under paragraph 46 to the Accounting Standards 11- The effect of changes in foreign exchange rates. Accordingly, during the current year, the foreign exchange loss of Rs. 16.56 crores (Previous year Rs. 29.63 crores) has been added to gross block of Plant and equipment.
4. Gross block of Land includes leasehold land Rs. 6.41 crores (Previous year Rs.6.41 crores).
5. Gross block of Vehicles includes vehicles of cost Rs. 6.71 crores (Previous year Rs. 6.25 crores) taken on finance lease. Accumulated depreciation there on is Rs. 2.10 crores (Previous year Rs. 0.71 crore).
6. Gross block of Plant and equipment includes equipments of cost Rs. 98.49 crores (Previous year Rs. 113.20 crores) taken on finance lease. Accumulated depreciation thereon is Rs. 24.67 crores (Previous year Rs. 25.30 crores).
7. Gross block of Buildings includes building of cost Rs. 98.76 crores (Previous year Nil) taken on finance lease. Accumulated depreciation thereon is Rs. 0.79 crore (Previous year Nil).
8. During the year, the Company has revised estimated useful life of cranes (included under Plant and equipments) based on technical estimates made by the management. Accordingly, additional depreciation of Rs. 2.25 crores has been accounted for in the financial statements. Had the Company continued to use earlier basis of providing depreciation, the change to the statement of profit and loss for the current year would have been lower by Rs. 2.25 crores and net block would correspondingly have been higher by same amount.

11. Intangible Assets

	Computer software	Goodwill	Total
Gross block			
At April 01, 2011	48.99	293.88	342.87
Additions	14.66	-	14.66
Disposal	0.15	-	0.15
Other adjustments			
Foreign currency translation adjustment	4.29	34.32	38.61
At March 31, 2012	67.79	328.20	395.99
Additions	3.41	-	3.41
Disposal	1.16	0.89	2.05
Other adjustments			
Foreign currency translation adjustment	4.29	35.95	40.24
At March 31, 2013	74.33	363.26	437.59
Amortization			
At April 01, 2011	40.17	-	40.17
Charge for the year	10.99	-	10.99
Disposal	0.15	-	0.15
Other adjustments			
Foreign currency translation adjustment	4.67	-	4.67
At March 31, 2012	55.68	-	55.68
Charge for the year	4.05	0.89	4.94
Disposal	1.16	0.89	2.05
Other adjustments			
Foreign currency translation adjustment	3.90	-	3.90
At March 31, 2013	62.47	-	62.47
Net block			
At March 31, 2012	12.11	328.20	340.31
At March 31, 2013	11.86	363.26	375.12

12. Non-Current Investments

	As at March 31, 2013	As at March 31, 2012
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investments in Associates		
Olive Group India Private Limited	-	0.75
750,000 (Previous year 750,000) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.75 crore (Previous year Nil)).		
Air Works India (Engineering) Private Limited	53.00	53.00
17,516,100 equity shares of Rs. 1 each (Previous Year: 175,161 equity shares of Rs. 100 each) fully paid up (including goodwill of Rs. 9.46 crores)		
Add: Share in opening accumulated losses	(15.32)	(7.06)
Add: Share in profits/(losses) for the current year	0.32	(8.26)
	38.00	37.68
Reliance Contractors Private Limited	3.40	3.06
15,000 (Previous year 15,000) Equity Shares of SGD 1 each, fully paid up		
Add: Share in opening accumulated losses	(2.50)	(2.50)
Add: Foreign currency translation differences	(0.18)	0.09
	0.72	0.65
Ventura Developments (Myanmar) Pte Limited	0.17	0.15
35,000 (Previous year 35,000) Equity Shares of SGD 1 each, fully paid up		
Add: Share in opening accumulated losses	(0.13)	(0.13)
Add: Foreign currency translation differences	(0.04)	(0.02)
	-	-
Reco Sin Han Pte Limited	0.04	0.04
10,000 (Previous year 10,000) Equity Shares of SGD 1 each, fully paid up		
Add: Foreign currency translation differences	0.01	0.00
	0.05	0.04
Olive Group Capital Limited	91.57	82.51
17,112,205 (Previous year 17,112,205) Convertible Ordinary Shares of USD 0.10 each, fully paid up (including goodwill of Rs. 48.04 crores)		
Add: Share in opening accumulated profits	22.13	24.95
Add: Share in profits/(losses) for the current year	3.75	(2.82)
Add: Foreign currency translation differences	(5.96)	(7.24)
	111.49	97.40
Hazaribagh Ranchi Expressway Limited	0.01	0.01
13,000 (Previous year 13,000) equity shares of Rs. 10 each fully paid up.		
Investments in others		
Swissport Punj Lloyd India Private Limited (under liquidation)	-	1.05
Nil (Previous year 1,053,500) equity shares of Rs. 10 each fully paid up.		
Rajahmundry Expressway Limited	1.89	1.89
1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.		
Andhra Expressway Limited	1.89	1.89
1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.		

	As at March 31, 2013	As at March 31, 2012
North Karnataka Expressway Limited	3.86	3.86
3,860,456 (Previous year 3,860,456) equity shares of Rs.10 each fully paid up.		
Kaefer Punj Lloyd Limited *	4.36	-
88,200 (Previous year Nil) equity shares of Rs.100 each fully paid up.		
GMR Hyderabad Vijaywada Expressways Private Limited	0.50	0.50
500,000 (Previous year 500,000) equity shares of Rs. 10 each fully paid up.		
Non-trade investments		
Unquoted equity instruments		
Investments in others		
Roxul Rockwool Insulation India Private Limited	-	3.51
Nil (Previous year 1,790,625) equity shares of Rs. 10 each fully paid up. Investment held by Kaefer Punj Lloyd Limited, which has been deconsolidated on February 15, 2013		
RFB Latex Limited	-	-
200,000 (Previous year 200,000) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.52 crore (Previous year Rs. 0.52 crore))		
Arooshi Enterprises Private Limited	-	-
598,500 (Previous year 598,500) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.60 crore (Previous year Rs. 0.60 crore))		
Global Health Private Limited	159.07	138.00
8,601,979 (Previous year 8,000,000) equity shares of Rs. 10 each fully paid up. Of the above, 8,000,000 (Previous year 8,000,000) equity shares are under first pari passu charge with Debenture trustee.		
Thai Industrial Estate Corporation Limited	-	1.25
Nil (Previous year Nil) Equity Shares of THB 100 each, fully paid up Add: Foreign Currency translation differences Less: Disposed off during the year	- - -	0.17 (1.42)
	-	-
Samena Capital	22.87	20.61
Nil (Previous year 3,500,000) Class "A" Shares of USD 1 each, fully paid up Add: Foreign Currency translation differences Less: Disposed off during the year	- (22.87)	(2.28) -
	-	18.33
Samena Capital Investor Company	9.80	8.83
Nil (Previous year 1,500,000) Class "B" Shares of USD 1 each, fully paid up Add: Foreign Currency translation differences Less: Disposed off during the year	- (9.80)	(0.96) -
	-	7.87

	As at March 31, 2013	As at March 31, 2012
Non trade investments (valued at cost unless stated otherwise)		
Quoted equity instruments		
Investments in others		
Panasonic Energy India Company Limited	0.00	0.00
1,300 (Previous year 1,300) Equity Shares of Rs 10 each, fully paid up.		
Triton Corporation Limited	0.00	0.00
6,000 (Previous year 6,000) Equity Shares of Rs 10 each, fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.01 crore (Previous year Rs. 0.01 crore))		
JCT Electronics Limited	0.00	0.00
600 (Previous year 600) Equity Shares of Rs 10 each, fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.00 crore (Previous year Rs. 0.00 crore))		
Continental Constructions Limited	-	-
3,000 (Previous year 3,000) Equity Shares of Rs 10 each, fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.00 crore (Previous year Rs. 0.00 crore))		
Max India Limited	0.00	0.00
2,500 (Previous year 2,500) Equity Shares of Rs. 2 each fully paid up.		
Kirloskar Pneumatics Company Limited	0.00	0.00
1,000 (Previous year 1,000) Equity Shares of Rs 10 each, fully paid up.		
Hindustan Oil Exploration Company Limited	0.03	0.03
6,133 (Previous year 6,133) Equity Shares of Rs 10 each, fully paid up.		
Berger Paints Limited	0.10	0.10
61,600 (Previous year 61,600) Equity shares of Rs. 2 each fully paid up.		
Pipavav Defence and Offshore Engineering Company Limited	0.00	0.00
1,000 (Previous year 1,000) Equity share of Rs. 10 each fully paid up.		
Quoted others instruments		
Samena Capital Special Situations Fund	50.37	50.43
9,000,000 (Previous year 10,000,000) units of USD 1 each, fully paid up		
Add: Foreign Currency translation differences	(3.16)	(0.75)
Less: Disposed off during the year	(5.04)	-
	42.17	49.68
Samena Capital Special Situations Fund-II	8.39	7.56
Nil (Previous year 1,500,000) units of USD 1 each, fully paid up		
Add: Foreign Currency translation differences	-	(0.11)
Less: Disposed off during the year	(8.39)	-
	-	7.45
	364.14	370.69
Aggregate amount of quoted investments (Market value: Rs. 43.72 crores (Previous year Rs. 55.94 crores))	42.31	57.27
Aggregate amount of unquoted investments	323.71	314.55
Aggregate provision for diminution in value of investments	1.88	1.13

* The Company has ceased to have the control over the operations of the joint venture w.e.f. February 15, 2013, accordingly consolidated upto that date.

13. Loans and advances

	Non-current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Capital advances				
Unsecured, considered good	335.61	139.18	-	-
	335.61	139.18	-	-
Security deposits				
Unsecured, considered good	2.87	3.83	25.31	22.72
	2.87	3.83	25.31	22.72
Advances recoverable in cash or kind				
Unsecured, considered good	-	1.13	726.14	721.07
	-	1.13	726.14	721.07
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for taxation)	340.16	301.19	-	-
Loans to employees	-	-	5.38	8.68
Balances with statutory/government authorities	-	-	35.09	55.66
Minimum alternate tax credit entitlement (Refer note 36)	10.59	7.59	-	-
Value added tax/ Sales tax recoverable	205.07	152.96	-	-
	555.82	461.74	40.47	64.34
	894.30	605.88	791.92	808.13

14. Trade receivables

	As at March 31, 2013	As at March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	711.39	906.08
	711.39	906.08
Other receivables		
Unsecured, considered good	2,521.25	1,519.70
	2,521.25	1,519.70
Total (A+B)	3,232.64	2,425.78

15. Other assets

	Non-current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good				
Interest receivables	-	-	26.83	20.69
Export benefit receivables	100.58	99.30	-	-
Receivables against sale of investments	-	-	0.42	0.43
Investment held for sale	-	-	0.05	-
	100.58	99.30	27.30	21.12

16. Inventories

	As at March 31, 2013	As at March 31, 2012
Project materials	230.72	254.02
Scrap	1.71	0.22
	232.43	254.24

17. Cash and bank balances

	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Balances with banks:		
– On current accounts (including cheques in hand of Rs. 2.47 crores (Previous year Rs. 6.47 crores))	604.97	568.20
– On cash credit accounts	14.28	1.99
– On EEFC account	0.48	14.92
Deposit with original maturity of less than three months	126.30	304.15
Cash on hand	9.00	7.54
	755.03	896.80
Other bank balances		
– Deposits with original maturity for more than 12 months	1.52	2.16
– Deposits with original maturity for more than 3 months but less than 12 months	59.53	64.27
– Margin money deposit	19.17	9.92
	80.22	76.35
	835.25	973.15

18. Contract revenue

	Year ended March 31, 2013	Year ended March 31, 2012
Contract revenue (includes export benefit of Rs. Nil (Previous year Rs. 45.72 crores))	11,114.90	10,256.88
Revenue from trading	273.31	-
Hire charges	5.29	44.11
Management services	1.89	6.20
Annuity income	12.79	5.73
	11,408.18	10,312.92

19. Other Income

	Year ended March 31, 2013	Year ended March 31, 2012
Scrap sale	11.87	5.39
Unspent liabilities and provisions written back	17.60	48.47
Profit on sale of fixed assets(net)	5.81	5.47
Exchange differences (net)	239.51	189.89
Interest income on		
- Bank deposits	6.45	11.24
- Others	6.97	3.09
Dividend income on long-term investments	0.58	12.36
Net gain on sale of long-term investments	26.68	-
Net gain on deconsolidation of a step-down subsidiary/ joint venture	5.50	183.17
Others	13.56	11.94
	334.53	471.02

20. Employee benefit expense

	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and bonus	1,493.54	1,218.66
Contribution to provident and other funds	43.90	28.07
Retirement benefits	17.81	32.14
Staff welfare expenses	128.40	73.83
	1,683.65	1,352.70

21. Other Expenses

	Year ended March 31, 2013	Year ended March 31, 2012
Contractor charges	2,931.59	3,187.26
Site expenses	241.17	158.77
Diesel and fuel	360.87	367.20
Repairs and maintenance		
- Buildings	39.93	0.63
- Plant and equipment	0.69	71.07
- Others	11.54	6.92
Freight and cartage	115.22	89.00
Hire charges	703.68	438.99
Rent	68.44	56.48
Rates and taxes	200.23	142.42
Insurance	48.77	93.43
Consultancy and professional charges	198.56	236.13
Travelling and conveyance	149.74	100.43
Irrecoverable balances written off	28.29	44.87
Provision for diminution in value of non trade long term investment	0.75	0.12
Donations	2.52	1.25
Miscellaneous expenses	262.87	212.25
	5,364.86	5,207.22

22. Finance Cost

	Year ended March 31, 2013	Year ended March 31, 2012
Interest	622.67	517.48
Bank charges	156.93	111.78
Discounting charges on commercial papers	1.16	3.24
	780.76	632.50

23. Earnings per share

Basic Earnings

	2012-13	2011-12
a) Calculation of weighted average number of equity shares of Rs. 2 each		
Number of equity shares at the beginning of the year	332,095,745	332,095,745
Equity shares at the end of the year	332,095,745	332,095,745
Weighted average number of equity shares outstanding during the year	332,095,745	332,095,745
b) Consolidated Net Profit/(Loss) after tax available for equity share holders (Rs. crores)	(7.22)	91.86
c) Basic earnings per share (Rs.)	(0.22)	2.77
d) Nominal value of share (Rs.)	2	2

Diluted Earnings

	2012-13	2011-12
a) Calculation of weighted average number of equity shares of Rs. 2 each		
Number of equity shares at the beginning of the year	332,095,745	332,095,745
Equity shares at the end of the year	332,095,745	332,095,745
Weighted average number of equity shares outstanding during the year	332,095,745	332,095,745
b) Consolidated Net Profit/(Loss) after tax available for equity share holders (Rs. crores)	(7.22)	91.86
c) Diluted earnings per share (Rs.)	(0.22)	2.77
d) Nominal value of share (Rs.)	2	2

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

Description	2012-13	2011-12
Weighted average number of equity shares considered for Basic Earnings	332,095,745	332,095,745
Add: Equity shares to be issued on stock options	-	-
Weighted average number of equity shares considered for Diluted Earnings	332,095,745	332,095,745

24. Gratuity and other post-employment benefit plans

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

Few of the Indian subsidiaries of the Company also have a defined gratuity plan. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

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

Statement of profit and loss

Net employee benefit expense recognised in the employee cost

	2012-13	2011-12
Current service cost	3.27	2.79
Interest cost on benefit obligation	1.02	0.82
Expected return on plan assets	(0.69)	(0.61)
Net actuarial (gain)/loss	(1.67)	1.10
Past service cost	(0.00)	-
Net benefit expense	1.93	4.10
Actual return on plan assets	0.12	(0.49)

Balance sheet

Benefit asset/liability

	2012-13	2011-12
Present value of defined benefit obligation	13.77	13.54
Fair value of plan assets	(9.44)	(8.29)
Less: Unrecognised past service cost	-	-
Net defined benefit obligation	4.33	5.25

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

	2012-13	2011-12
Opening defined benefit obligation	13.54	10.28
Interest cost	1.02	0.82
Current service cost	3.27	2.79
Benefits paid	(2.51)	(1.41)
Employee Contributions	-	-
Actuarial (gains)/losses on obligation	(1.55)	1.06
Past service cost	-	-
Closing defined benefit obligation	13.77	13.54

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

	2012-13	2011-12
Opening fair value of plan assets	8.29	6.95
Expected return	0.69	0.61
Contributions by employer	2.85	2.19
Benefits paid	(2.51)	(1.41)
Actuarial gains/(losses)	0.12	(0.05)
Closing fair value of plan assets	9.44	8.29

The Company expects to contribute Rs. 2.40 crores (Previous year Rs. 2.17 crores) to gratuity fund in the next year.

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

	2012-13	2011-12
	%	%
Discount rate	8.20	8.00
Expected rate of return on assets	9.00	9.00

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

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

Amounts for the current and previous four periods are as follows:

	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	13.77	13.54	10.28	10.36	10.36
Plan assets	9.44	8.29	6.95	4.52	3.84
Surplus/(deficit)	(4.33)	(5.25)	(3.33)	(5.83)	(6.52)
Experience adjustments on plan liabilities	0.93	(0.85)	(0.66)	0.00	0.00
Experience adjustments on plan assets	0.12	0.00	0.49	0.00	0.00

25. Employee stock option plans

(a) The Company has provided various share based payment schemes to its employees. During the year ended March 31, 2013, the relevant details of the scheme are as follows:

	ESOP 2005 (Plan 1 and 2)	ESOP 2006 (Plan 1, 2, 3, 4, 5 and 6)
Date of Board of Directors approval	September 05, 2005	June 27, 2006
Date of Remuneration Committee approval	Various dates subsequent to September 05, 2005	Various dates subsequent to June 27, 2006
Date of Shareholder's approval	September 29, 2005 and April 3, 2006 for ESOP Plan 1 and 2 respectively	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 or one month from the date of resignation from service, whichever is earlier.	Three years from the date of vesting or one year from the date of resignation from service, whichever is earlier.
Vesting condition	Employee should be in service at vesting and exercise date	Employee should be in service at vesting and exercise date

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	422,355	599,600	126.00	126.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	422,355	177,245	126.00	126.00
Outstanding at the end of the year	-	422,355	-	126.00
Exercisable at the end of the year	-	422,355	-	126.00

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

	Number of Options		Weighted Average Exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	152,155	224,975	235.99	235.99
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	80,780	72,820	235.99	235.99
Outstanding at the end of the year	71,375	152,155	235.99	235.99
Exercisable at the end of the year	71,375	152,155	235.99	235.99

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

	Number of Options		Weighted Average Exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	419,230	693,435	154.46	154.46
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	194,490	274,205	154.46	154.46
Outstanding at the end of the year	224,740	419,230	154.46	154.46
Exercisable at the end of the year	224,740	419,230	154.46	154.46

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	-	9,000	-	299.90
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	9,000	-	299.90
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	-	6,000	-	310.35
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	6,000	-	310.35
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	6,000	27,000	90.40	90.40
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	6,000	21,000	90.40	90.40
Outstanding at the end of the year	-	6,000	-	90.40
Exercisable at the end of the year	-	6,000	-	90.40

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	30,000	30,000	132.45	132.45
Granted during the year	6,000	3,000	132.45	132.45
Exercised during the year	-	-	-	-
Expired during the year	21,000	-	132.45	-
Outstanding at the end of the year	9,000	30,000	132.45	132.45
Exercisable at the end of the year	9,000	30,000	132.45	132.45

The weighted average share price at the date of exercise is not applicable since no option is exercised (Previous year not applicable since no options were exercised).

(b) One of the Indian subsidiary of the Company has provided following share based payment scheme to its employees:

	ESOP 2008	ESOP 2007 (Sweat equity)
Date of Board of Directors' approval	April 07, 2008	March 05, 2008 September 02, 2009 January 08, 2010
Date of Shareholders' approval	April 07, 2008	March 05, 2008
No. of options granted	238,000 156,000	50,000 50,000 50,000
Method of settlement	Cash	Consideration other than cash
Vesting Period	Over the period of four years	Equally (1%) over the period of four years
Exercise Period	Three years from the date of vesting/listing, whichever is later	-
Vesting conditions	Continuous association with the Company and performance	Employee should be in service

During the year ended March 31, 2013, the following schemes were in operation in that subsidiary:

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2012-2013	2011-2012	2012-2013	2011-2012
Outstanding at the beginning of the year	76,480	102,040	100.00	100.00
	56,000	91,000	32.00	32.00
	198,000	-	385.00	-
Granted during the year	156,000	238,000	100.00	385.00
Exercised during the year	-	-	-	-
Expired during the year	13,000	25,560	100.00	100.00
	29,000	35,000	32.00	32.00
	62,000	40,000	385.00	385.00
Outstanding at the end of the year	63,480	76,480	100.00	100.00
	27,000	56,000	32.00	32.00
	136,000	198,000	385.00	385.00
	156,000	-	100.00	-
Exercisable at the end of the year	63,480	76,480	100.00	100.00
	27,000	56,000	32.00	32.00
	136,000	198,000	385.00	385.00
	156,000	-	100.00	-

The weighted average share price at the date of exercise for stock option was Rs. 196.54 (Previous year Rs 259.23).

- c) For the purpose of valuation of the options granted upto year ended March 31, 2013 under ESOP 2005, ESOP 2006 and ESOP 2008, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method, is Rs. Nil.

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 Pro-forma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Since the enterprise used the intrinsic value method and the management has obtained fair value of the options at the date of grant from a valuer, using the 'Black Scholes Valuation Model' at "Rs. Nil" per option, there is no impact on the reported profits and earnings per share

26. Leases

(a) Finance Lease: Company as lessee

The Company has finance leases and hire purchase contracts for certain project equipments, vehicles and building, the cost of which is included in the gross block of plant and equipment, vehicles and buildings under tangible assets. The lease term is for one to ninety nine years. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

	2012-13	2011-12
Gross block at the end of financial year	203.96	119.45
Written down value at the end of financial year	176.40	93.45
Details of payments made during the year:		
- Principal	3.88	15.64
- Interest	0.52	4.08

The break-up of minimum lease payments outstanding as at reporting date is as under

	As at March 31, 2013		
	Principal	Interest	Total
Payable within one year	15.61	2.39	18.00
Payable after one year but before end of fifth year	11.94	0.66	12.60

	As at March 31, 2012		
	Principal	Interest	Total
Payable within one year	18.14	3.65	21.79
Payable after one year but before end of fifth year	24.08	3.00	27.08

(b) Operating lease: Company as lessee

The Company has entered into commercial leases on certain project equipment and office premises. There are no contingent rents in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

	Year ended	
	March 31, 2013	March 31, 2012
Future minimum lease payments		
Not later than one year	41.60	118.81
Later than one year and not later than five years	14.78	44.77
Later than five years	13.80	13.22

27. Capitalization of expenditure

During the year, the Group has capitalized the following expenses of revenue nature to the cost of tangible asset/Capital work in progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	As at March 31, 2013	As at March 31, 2012
Balance brought forward	40.04	8.47
Rates and taxes	-	0.06
Site expenses	0.22	0.18
Diesel and fuel	-	0.02
Hire charges	-	0.20
Salaries, wages and bonus	0.31	3.08
Contribution to provident funds	-	0.12
Staff welfare	-	0.07
Travelling and conveyance	-	0.34
Consultancy and professional charges	8.44	6.25
Interest	20.41	11.37
Depreciation	-	0.21
Bank charges	9.29	8.76
Miscellaneous expenses	0.10	0.93
Less: Interest income	(0.36)	(0.02)
Total	78.45	40.04
Less: transferred to tangible assets	(23.62)	-
Balance carried forward	54.83	40.04

28. Segment Information

Business Segments:

The Group's business activity falls within a single business segment i.e. Engineering and Construction. Therefore, segment reporting in terms of Accounting Standard 17 on Segmental Reporting is not applicable.

Geographical Segments*:

Although the Group's major operating divisions are managed on a worldwide basis, they operate in two principal geographical areas of the world, in India, its home country, and the other countries.

The following table presents revenue from operations, unbilled revenue (work-in-progress) and trade receivables regarding geographical segments as at March 31, 2013 and March 31, 2012.

	Revenue from operations		Unbilled revenue (Work-in-progress)		Trade receivable (including retention money)	
	Year ended March 31, 2013	Year ended March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
India	4,133.88	4,028.16	2,457.31	2,455.08	1,651.64	989.53
Other countries	7,274.30	6,284.76	3,979.33	3,508.78	1,581.00	1,436.25
	11,408.18	10,312.92	6,436.64	5,963.86	3,232.64	2,425.78

* All the major assets other than unbilled revenue (work-in-progress) and trade receivables are situated in India and hence, separate figures for assets/additions to assets cannot be furnished.

29. Related Parties

Names of related parties

Joint Ventures

Thiruvananthapuram Road Development Company Limited
Asia Drilling Services Limited (upto June 30, 2012)
Kaefer Punj Lloyd Limited (upto February 15, 2013)
Swissport Punj Lloyd India Private Limited (under liquidation) (upto September 30, 2011)
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited
Ramprastha Punj Lloyd Developers Private Limited
Total-CDC-DNC Joint Operation
Kumagai-Sembawang-Mitsui Joint Venture
Kumagai-SembCorp Joint Venture (DTSS)
Kumagai-SembCorp Joint Venture
Philipp Holzmann-SembCorp Joint Venture
Semb-Corp Daewoo Joint Venture
Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture
Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture
Punj Lloyd PT Sempec Indonesia
PT Kekal Adidaya
Punj Lloyd Group Joint Venture
Public Works Company Tripoli Punj Lloyd Joint Venture
Sembawang Precast System LLC
Total Sempec Joint Operation
AeroEuro Engineering India Private Limited (w.e.f. May 13, 2011)
Punj Lloyd Dynamic LLC (w.e.f. March 19, 2012)
PLE TCI Engineering Limited (w.e.f. March 19, 2012)
PLE TCI Engenharia Ltda (w.e.f. March 09, 2012)
Sembawang Caspi Engineering and Construction LLP
Sembawang – Leader Joint Venture (w.e.f August 03, 2012)

Associates

Reliance Contractors Private Limited
Ventura Development (Myanmar) Pte Limited
Reco Sin Han Pte Limited
Air Works India (Engineering) Private Limited
Olive Group Capital Limited
Olive Group India Private Limited
Hazaribagh Ranchi Expressway Limited

Key Managerial Personnel

Atul Punj	-	Chairman
Luv Chhabra	-	Director (Corporate Affairs)
Pawan Kumar Gupta	-	Whole Time Director

Relatives of Key Managerial Personnel

S.N.P. Punj	-	Father of Chairman
Arti Singh	-	Sister of Chairman
Indu Rani Punj	-	Mother of Chairman
Navina Punj	-	Wife of Chairman
Uday Punj	-	Brother of Chairman
Manglam Punj	-	Wife of Brother of Chairman
Shiv Punj	-	Son of Chairman
Jai Punj	-	Son of Brother of Chairman
Dev Punj	-	Son of Brother of Chairman
Jyoti Punj	-	Sister of Chairman

Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence

Pt. Kanahya Lal Dayawanti Punj Charitable Society	-	Chairmanship of Father of Chairman
Collectible @ The Inside Story	-	Owned by Sister of Chairman
Spectra Punj Finance Private Limited	-	Shareholding of Chairman
Cawdor Enterprises Limited	-	Shareholding of Chairman
Uday Punj (HUF)	-	HUF of Brother of Chairman
K.R. Securities Private Limited	-	Shareholding of Brother of Chairman
Atul Punj (HUF)	-	HUF of Chairman
Vishwadeva Builders and Promoters Private Limited	-	Shareholding of Sister of Chairman
PTA Engineering and Manpower Services Private Limited	-	Shareholding of Chairman
PLE Hydraulics Private Limited	-	Shareholding of Chairman
Petro IT Limited	-	Shareholding of Brother of Chairman
Artcon Private Limited	-	Shareholding of Chairman
Mangalam Equipment Private Limited	-	Shareholding of Chairman
Intramural Design Limited	-	Shareholding of Sister of Chairman

Notes to the Consolidated Financial Statements for the year ended March 31, 2013
Related Party Transactions

(All amount in INR Crores, unless otherwise stated)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
INCOME										
Contract revenue										
Kafer Punj Lloyd Limited	0.03	0.05	-	-	-	-	-	-	0.03	0.05
Income from management services										
Kafer Punj Lloyd Limited	-	0.33	-	-	-	-	-	-	-	0.33
EXPENSES										
Contractors charges										
Kafer Punj Lloyd Limited	0.35	0.97	-	-	-	-	-	-	0.35	0.97
Project materials consumed										
Kafer Punj Lloyd Limited	0.60	5.71	-	-	-	-	-	-	0.60	5.71
Travelling expenses										
Air Works India (Engineering) Private Limited	-	-	0.26	0.38	-	-	-	-	26	0.38
Managerial remuneration										
Atul Punj	-	-	-	-	2.92	4.00	-	-	2.92	4.00
Luv Chhabra	-	-	-	-	1.82	3.99	-	-	1.82	3.99
Pawan Kumar Gupta	-	-	-	-	2.24	3.26	-	-	2.24	3.26
Dividend payment										
Cawdor Enterprises Limited	-	-	-	-	-	-	1.14	1.14	1.14	1.14
Spectra Punj Finance Private Limited	-	-	-	-	-	-	0.33	0.33	0.33	0.33
Atul Punj	-	-	-	-	0.02	0.02	-	-	0.02	0.02
S.N.P. Punj	-	-	-	-	0.15	0.15	-	-	0.15	0.15
Indu Rani Punj	-	-	-	-	0.15	0.15	-	-	0.15	0.15
Uday Punj/Mangalam Punj	-	-	-	-	0.03	0.03	-	-	0.03	0.03
Arti Singh	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Jyoti Punj	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Navina Punj	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Mangalam Punj	-	-	-	-	0.02	0.02	-	-	0.02	0.02
Petro IT Limited	-	-	-	-	0.00	0.00	-	-	0.00	0.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2013
Related Party Transactions

(All amount in INR Crores, unless otherwise stated)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel or their relatives are exercising significant influence		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Pawan Kumar Gupta	-	-	-	-	-	0.00	-	-	-	0.00
Others	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Rent										
Pt. Kanahya Lal Dayawanti Punj Charitable Society	-	-	-	-	-	-	1.37	1.37	1.37	1.37
ASSETS										
Corporate Guarantees redeemed during the year										
Kafer Punj Lloyd Limited	-	9.89	-	-	-	-	-	-	-	9.89
Balance outstanding as at end of the year										
Receivable/(payables)										
Kafer Punj Lloyd Limited	(0.32)	0.45	-	-	-	-	-	-	(0.32)	0.45
Air Works India (Engineering) Private Limited	-	-	1.30	1.86	-	-	-	-	1.30	1.86
Managerial remuneration payable										
Atul Punj	-	-	-	-	-	1.16	-	-	-	1.16
Luv Chhabra	-	-	-	-	0.06	1.15	-	-	0.06	1.15
Pawan Kumar Gupta	-	-	-	-	0.11	1.11	-	-	0.11	1.11
Investments										
Reco Sin Han Pte Limited	-	-	0.05	0.04	-	-	-	-	0.05	0.04
Swissport Punj Lloyd India Private Limited	-	1.05	-	-	-	-	-	-	-	1.05
Olive Group India Private Limited	-	-	0.75	0.75	-	-	-	-	0.75	0.75
Hazaribagh Ranchi Expressway Limited	-	-	0.01	0.01	-	-	-	-	0.01	0.01
Olive Group Capital Limited	-	-	111.49	97.40	-	-	-	-	111.49	97.40
Air Works India (Engineering) Private Limited	-	-	38.00	37.68	-	-	-	-	38.00	37.68
Reliance Contractors Private Limited	-	-	0.72	0.65	-	-	-	-	0.72	0.65
Provision for diminutions in the value of investment										
Olive Group India Private Limited	-	-	0.75	-	-	-	-	-	0.75	-
Corporate Guarantees outstanding										
Kafer Punj Lloyd Limited	-	7.65	-	-	-	-	-	-	-	7.65

30. Capital and Other Commitments

	As at March 31, 2013		As at March 31, 2012	
	Punj Lloyd Limited & Subsidiaries	Joint Ventures	Punj Lloyd Limited & Subsidiaries	Joint Ventures
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	319.29	30.00	262.73	51.20
b) Estimated future investments in joint venture and other companies in terms of respective shareholder agreements	24.99	-	24.99	-

31. Contingent liabilities not provided for:

	As at March 31, 2013		As at March 31, 2012	
	Punj Lloyd Limited & Subsidiaries	Joint Ventures	Punj Lloyd Limited & Subsidiaries	Joint Ventures
a) Liquidated damages deducted by customers not accepted by the Company and pending final settlement *	171.75	-	171.75	-
b) Demand by custom authorities against import of aircraft	17.89	-	17.89	-

* excludes possible liquidated damages which can be levied by customers for delay in execution of projects. The management based on consultation with various experts believes that there exist strong reasons why no liquidated damages shall be levied by these customers. Although, there can be no assurances, the Company believe, based on information currently available, that the ultimate resolution of these proceedings is not likely to have a material adverse effect on the results of operations, financial position or liquidity of the Company.

- c) (i) Sales tax demands of Rs. 22.82 crores (Previous year Rs. 68.76 crores) on disallowance of deduction on labour and services of the works contracts pending with Sales Tax Authorities and High Court.*
(ii) Sales tax demands of Rs. 6.60 crores (Previous year Rs. 6.70 crores) for non submission of statutory forms.*
(iii) Sales tax demands of Rs. 8.61 crores (Previous year Rs. 29.66 crores) for purchases against sales tax forms not accepted by department.*
(iv) Entry tax demands of Rs. 4.49 crores (Previous year Rs. 4.26 crores) against entry of goods into the local area not accepted by department.*
(v) Sales tax demands of Rs. 0.07 crore (Previous year Rs 0.07 crore) against the Central Sales Tax demand on sales in transit.*
(vi) Sales tax demands of Rs. 2.77 crores (Previous year Rs. 2.77 crores) for non-admissible of deduction of supply turnover.*
(vii) Value Added Tax demands in one of the overseas subsidiary of Rs. 29.86 crores (Previous year Rs. 0.96 crore)

*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

- d) On March 17, 2010, the Company was subjected to a search and seizure operation under Section 132 and survey under Section 133A of the Income Tax Act, 1961. During the search and seizure operation, statements of Company's officials were recorded in which they were made to offer some unaccounted income of the Company for the financial year 2009-10. The above statements were made under undue mental pressure and physical exhaustion and therefore Company has retracted the above statements subsequently. The Company has filed fresh returns of income for Assessment years 2004-05 to 2009-10 in pursuance of the notices dated August 25, 2010 from the Income Tax Department ("the Department"). Till the previous year ended March 31, 2012, the Department has completed the assessments for the assessment years 2004-05 to 2006-07 and has raised demands aggregating to Rs. 146.57 crores by making some frivolous additions to the total income of the Company which has been adjusted against the income tax refunds of the subsequent years. The Company had filed the appeals against these additions on January 27, 2012 and based on the expert opinion, the Company is hopeful that it will get relief in appeal. During the current year, the assessment proceedings for the assessment years 2007-08 to 2010-11 have been completed and the draft assessment orders have been issued by the Department. The amount of demand, if any, can be ascertained only upon issue of the final orders by the Department.

32. Derivative Instruments and Un-hedged Foreign Currency Exposure

The Company, along with its Indian operations, is operating outside India through its branches and an unincorporated joint venture established in Abu Dhabi, Oman, Qatar, Libya, Thailand, Dubai, Bahrain, Columbia and Mexico.

a) Particulars of un-hedged foreign currency exposures of the Indian operations (net of intra group balances) as at the Balance Sheet date:

	Currency	March 31, 2013			March 31, 2012		
		Amount in foreign currency	Exchange rate	Amount	Amount in foreign currency	Exchange rate	Amount
(i) Trade payable to suppliers	EUR	544,645	70.97	3.87	1,106,473	67.39	7.46
	GBP	89,682	83.97	0.75	70,859	80.37	0.57
	SGD	562,233	46.48	2.61	1,679,204	41.88	7.03
	USD	1,585,064	55.41	8.78	12,423,160	50.67	62.95
	IDR	59,914,800	0.01	0.03	59,914,800	0.01	0.03
	MYR	9,042	17.99	0.02	9,042	16.73	0.02
	HKD	2,531,332	7.10	1.80	-	-	-
	CHF	5,000	58.36	0.03	5,000	55.88	0.03
(ii) Other payable	EUR	54,476	70.97	0.39	3,113,723	67.39	20.98
	USD	13,408,606	55.41	74.30	26,749,927	50.67	135.54
(iii) Advances to suppliers	EUR	1,004,444	68.01	6.83	1,598,636	66.50	10.63
	GBP	792,546	83.04	6.58	3,378	81.28	0.03
	HKD	20,727,555	6.98	14.46	19,383,089	6.36	12.33
	SGD	605,098	42.09	2.55	566,672	38.81	2.20
	USD	1,655,443	48.89	8.09	10,527,952	44.95	47.32
	MYR	214,659	16.94	0.36	67,677	15.83	0.11
	NOK	852,904	9.77	0.83	-	-	-
(iv) Advance from customers	USD	20,688,315	52.79	109.22	48,133,817	52.92	254.74
(v) Loans taken	USD	89,084,358	55.41	493.62	32,323,529	50.67	163.78
	EUR	3,676,550	70.97	26.09	7,725,602	67.39	52.06
	HKD	12,681,005	7.10	9.00	17,351,343	6.55	11.37
(vi) Trade receivables	USD	157,704,666	55.41	873.84	21,382,539	50.67	108.35
	EUR	1,108,601	70.97	7.87	1,108,601	67.39	7.47
(vii) Bank balances	USD	208,244	55.41	1.15	4,376,181	50.67	22.17
	AED	-	-	-	63,417	14.78	0.09
	GBP	-	-	-	1,074	80.37	0.01
	EUR	-	-	-	506,697	67.39	3.41
	HKD	7,891	7.10	0.01	12,750,690	6.55	8.35

b) The income and expenditures of the foreign branches and unincorporated joint venture are denominated in currencies other than reporting currency. Accordingly, the Company enjoys natural hedge in respect of its foreign branches' and unincorporated joint venture's assets and liabilities. The Company's un-hedged foreign currency exposure in these branches and un-incorporated joint venture is limited to the net investment (assets – liabilities) (net of intra group balances) in such operations, the particulars of which are as under:

S. No.	Foreign operations	Currency	March 31, 2013			March 31, 2012		
			Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
(i)	Abu Dhabi	AED	(50,349,431)	15.40	(77.54)	5,843,606	14.78	8.64
(ii)	Oman	OMR	1,277,743	143.93	18.39	428,714	137.68	5.90
(iii)	Qatar	QAR	431,257,365	15.22	656.37	580,730,024	14.88	864.13
(iv)	Libya	LYD	147,415,115	44.33	653.49	71,325,652	42.47	302.92
(v)	Yemen	YER	-	-	-	3,329,527	0.24	0.08
(vi)	Thailand	THB	965,623,289	1.89	182.50	757,818,849	1.76	133.38
(vii)	Dubai	AED	1,314,507	15.40	2.02	2,497,442	14.78	3.69
(viii)	Bahrain	BHD	(2,555)	144.29	(0.04)	-	-	-

c) Particulars of un-hedged foreign currency exposures of the Indian subsidiaries (net of intra group balances) as at the Balance Sheet date:

		Currency	March 31, 2013			March 31, 2012		
			Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
(i)	Payable to suppliers	USD	1,062,757	55.41	5.89	1,253,266	50.67	6.35
		SGD	24,285	46.78	0.11	-	-	-
(ii)	Advance from customers	USD	343,392	55.41	1.90	129,902	50.67	0.66
(iii)	Loans taken	USD	39,049,378	55.41	216.37	24,477,194	50.67	124.03
(iv)	Trade receivables	USD	181,905	55.41	1.01	626,607	50.67	3.18

d) The income and expenditures of the foreign subsidiaries are denominated in currencies other than reporting currency. Accordingly, the Company enjoys natural hedge in respect of its foreign subsidiaries' assets and liabilities. The Company's un-hedged foreign currency exposure in foreign subsidiaries is limited to the net investment (assets – liabilities) (net of intra group balances) in direct foreign entities, the particulars of which are as under:

S. No.	Direct foreign subsidiaries	Currency	March 31, 2013			March 31, 2012		
			Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
(i)	Dayim Punj Lloyd Construction Contracting Company Limited	SAR	(8,493,425)	14.89	(12.65)	3,900,235	13.56	5.29
(ii)	Punj Lloyd International Limited	USD	875	55.41	0.00	29,731	50.67	0.15
(iii)	Punj Lloyd Kazakhstan, LLP	KZT'000	1,766,479	0.36	63.70	2,611,053	0.34	88.78
(iv)	Punj Lloyd Pte. Limited	SGD	274,697,362	46.48	1,276.79	283,012,966	41.88	1,185.26
(v)	PT Punj Lloyd Indonesia	IDR'000	-	-	-	359,950,248	0.01	201.57

33. The Company had executed certain projects for some customers in earlier years. These customers have withheld amounts aggregating to Rs. 58.02 crores (Previous year Rs. 308.57 crores) on account of deductions made/amount withheld by some customers, which are being carried as trade receivables. The Company has also filed certain claims against these customers. The Company has gone into arbitration/legal proceedings against these customers for recovery of amounts withheld and for claims lodged by the Company. Pending outcome of arbitration/legal proceedings, amounts withheld for deductions made/old work in progress are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of deductions by these customers and hence the above amounts are considered good of recovery.

34. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 notified by Companies (Accounting Standards) Rules, 2006, (as amended) are as under:

		2012-13	2011-12
a)	Contract revenue recognised as revenue in the period (Clause 38 (a))	10,975.70	10,194.48
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on contract under progress (Clause 39 (a))	34,472.31	34,199.10
c)	Advance received on contract under progress (Clause 39 (b))	1,714.24	1,876.41
d)	Retention amounts on contract under progress (Clause 39 (c))	1,003.51	722.45
e)	Gross amount due from customers for contract work as an asset (Clause 41(a))	6,436.66	5,963.86
f)	Gross amount due to customers for contract work as a liability (Clause 41 (b))	800.50	144.57

35. The Company had during an earlier year accounted for a claim of Rs. 243.03 crores (Previous year Rs. 243.03 crores) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on the project and had also not accounted for liquidated damages amounting to Rs. 7.30 crores (Previous year Rs. 7.30 crores) deducted by the customer since it is of the view that the delay in execution of the project is attributable to the customer. The Company had initiated arbitration proceedings

against the customer during an earlier year, which has, on mutual agreement with the client, been adjourned. The dispute has been referred to the Outside Expert Committee which is likely to resolve the same in an expeditious manner. The management, based on the expert inputs, is confident of recovery of amounts exceeding the recognized claim and waiver of liquidated damages.

- 36.** Asset of Rs. 10.59 crores, (Previous year Rs. 7.59 crores) recognized by the Company and its subsidiaries as 'Minimum alternate tax credit entitlement' under 'Loans and advances', in respect of Minimum alternate tax payment for current and earlier years, represents that portion of Minimum alternate tax liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the respective entities to utilize Minimum alternate tax credit assets.

- 37.** Details of the Company's share in Joint ventures included in the Consolidated Financial Statements are as follows:

Particulars	As at March 31, 2013	As at March 31, 2012
Assets		
- Non-current assets	177.42	135.48
- Current assets	59.85	112.29
Liabilities		
- Non-current liabilities	63.53	61.01
- Current liabilities	114.83	149.39

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Revenue	23.70	68.46
Expenditure	35.62	81.94

- 38. 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, 2013	% of voting power held as at March 31, 2012
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 (Upto December 31, 2012)	Indonesia	-	100.00
Punj Lloyd Pte. Limited	Singapore	100.00	100.00
PL Engineering Limited	India	80.32	80.32
Punj Lloyd Infrastructure Limited	India	100.00	100.00
Punj Lloyd Upstream Limited	India	58.06	58.06
Punj Lloyd Aviation Limited	India	100.00	100.00
Sembawang Infrastructure (India) Private Limited	India	100.00	100.00
Indtech Global Systems Limited	India	99.99	99.99
Punj Lloyd Systems Limited	India	100.00	100.00
PLI Ventures Advisory Services Private Limited	India	100.00	50.50
Dayim Punj Lloyd Construction Contracting Company Limited	Saudi Arabia	51.00	51.00

(b) Step Down Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2013	% of voting power held as at March 31, 2012
PT Punj Lloyd Indonesia (w.e.f. January 01, 2013)	Indonesia	100.00	-
PT Sempec Indonesia	Indonesia	100.00	100.00
Simon Carves Singapore Pte Limited (upto March 31, 2012)	Singapore	-	-
Simon Carves Limited (upto July 07, 2011) ##	United Kingdom	-	-
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Engineers and Constructors Pte Limited	Singapore	100.00	100.00
Punj Lloyd Iraq Pte Ltd (from May 25, 2011 to September 25, 2012)*	Singapore	-	100.00
Punj Lloyd Engineers and Constructors Zambia Limited (w.e.f. January 14, 2013)	Zambia	100.00	-
Buffalo Hills Limited	British Virgin Islands	100.00	100.00
Indtech Trading FZ LLC	United Arab Emirates	100.00	100.00
PLI Ventures Limited	Mauritius	100.00	100.00
Punj Lloyd Infrastructure Pte Limited	Singapore	100.00	100.00
Punj Lloyd Kenya Limited	Kenya	100.00	100.00
Sembawang Group Pte Ltd (w.e.f. May 10, 2011)	Singapore	100.00	100.00
Punj Lloyd Singapore Pte Ltd (w.e.f. February 15, 2012)	Singapore	100.00	100.00
Christos Trading Limited (w.e.f. February 23, 2012)	British Virgin Islands	100.00	100.00
Christos Aviation Limited (w.e.f. October 24, 2012)**	Bermuda	100.00	-
Graystone Bay Limited (w.e.f. February 05, 2013)**	British Virgin Islands	100.00	-
Punj Lloyd Thailand (Co.) Limited (w.e.f. June 06, 2011)	Thailand	100.00	100.00
Punj Lloyd Delta Renewables Pte. Limited	Singapore	51.00	51.00
Punj Lloyd Delta Renewables Private Limited	India	51.00	51.00
Punj Lloyd Delta Renewables Bangladesh Limited	Bangladesh	51.00	51.00
Punj Lloyd Engineering Pte Limited	Singapore	80.32	80.32
Simon Carves Engineering Limited (w.e.f. April 08, 2011)	United Kingdom	80.32	80.32
PL Delta Technologies Limited (from September 10, 2012 to March 01, 2013)	India	-	-
Punj Lloyd Solar Power Limited	India	100.00	100.00
Khagaria Purnea Highway Project Limited	India	100.00	100.00
Indraprastha Metropolitan Development Limited (w.e.f. February 25, 2012)	India	100.00	100.00
Sembawang Engineers and Constructors Pte. Limited	Singapore	96.79	96.79
Sembawang Development Pte Limited	Singapore	96.79	96.79
Sembawang Libya General Contracting & Investment Company	Libya	62.91	62.91
Contech Trading Pte Limited	Singapore	96.79	96.79
PT Contech Bulan	Indonesia	58.07	58.07
Construction Technology (B) Sdn Bhd	Brunei	96.79	96.79
Sembawang Mining (Kekal) Pte Limited	Singapore	96.79	96.79
PT Indo Precast Utama	Indonesia	96.79	96.79
PT Indo Unggul Wasturaya	Indonesia	64.85	64.85
Sembawang (Tianjin) Construction Engineering Co. Limited	China	67.75	67.75
Sembawang Infrastructure (Mauritius) Limited	Mauritius	96.79	96.79

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2013	% of voting power held as at March 31, 2012
Sembawang UAE Pte Limited	Singapore	96.79	96.79
SC Architects and Engineers Pte Limited	Singapore	96.79	96.79
Sembawang (Malaysia) Sdn Bhd	Malaysia	96.79	96.79
Jurubina Sembawang (M) Sdn Bhd	Malaysia	96.79	96.79
Tueri Aquila FZE (Formerly known as Sembawang Engineers and Constructors Middle East FZE) Emirates	United Arab	96.79	
Sembawang Bahrain SPC	Bahrain	96.79	96.79
Sembawang Equity Capital Pte. Limited	Singapore	96.79	96.79
Sembawang of Singapore – Global Project Underwriters Pte Limited (Formerly known as Sembawang Securities Pte Limited)	Singapore	96.79	96.79
Sembawang of Singapore – Global Project Underwriters Limited (w.e.f. August 09, 2012)*	Hong Kong	96.79	-
Sembawang Australia Pty. Limited	Australia	96.79	96.79
Sembawang Hong Kong Limited	Hong Kong	96.79	96.79
Sembawang (Tianjin) Investment Management Co. Limited	China	96.79	96.79
PT Sembawang Indonesia	Indonesia	96.79	96.79
Sembawang International Limited	Hong Kong	96.79	96.79
Sembawang Tianjin Pte Ltd	Singapore	96.79	96.79
Sembawang Tianjin Heping Pte Ltd (w.e.f. July 07, 2011)	Singapore	96.79	96.79
Sembawang Commodities Pte Ltd. (w.e.f. December 04, 2012)*	Singapore	96.79	-

(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, 2013	% of voting power held as at March 31, 2012
Thiruvananthapuram Road Development Company Limited	India	50.00	50.00
Kaefer Punj Lloyd Limited (Refer Note No. (iii) below)#	India	13.66	49.00
Ramprastha Punj Lloyd Developers Private Limited	India	50.00	50.00
Asia Drilling Services Limited (upto June 30, 2012)#	Mauritius	-	50.00
Swissport Punj Lloyd India Private Limited (under liquidation) (upto September 30, 2011)	India	-	-
Punj Lloyd Dynamic LLC (w.e.f. March 19, 2012)	Qatar	48.00	48.00
AeroEuro Engineering India Private Limited (w.e.f. May 13, 2011)	India	40.16	40.16
PLE TCI Engineering Limited (w.e.f. March 19, 2012)	India	39.36	39.36
PLE TCI Engenharia Ltda (w.e.f. March 09, 2012)	Brazil	39.36	39.36
PT Kekal Adidaya	Indonesia	48.40	48.40
Sembawang Precast System LLC Emirates	United Arab	48.40	
Sembawang Caspi Engineers and Constructors LLP	Kazakhstan	48.40	48.40

ii) Jointly Controlled Operations

Name of the entity	Country of Incorporation	% of voting power held as at March 31, 2013	% of voting power held as at March 31, 2012
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Refer Note No (i)	50.00	50.00
Punj Lloyd PT Sempec	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Total-CDC-DNC Joint Operation	Refer Note No (i)	38.72	38.72
Kumagai-Sembawang-Mitsui Joint Venture	Refer Note No (i)	43.56	43.56
Kumagai-SembCorp Joint Venture	Refer Note No (i)	48.40	48.40
Philipp Holzmann-SembCorp Joint Venture	Refer Note No (i)	96.79	96.79
Kumagai-SembCorp Joint Venture (DTSS)	Refer Note No (i)	48.40	48.40
Semb-Corp Daewoo Joint Venture	Refer Note No (i)	58.07	58.07
Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture	Refer Note No (i)	48.40	48.40
Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture	Refer Note No (i)	48.40	48.40
Total Sempac Joint Operations	Refer Note No (i)	50.00	50.00
Punj Lloyd Group Joint Venture	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Public Works Company Tripoli Punj Lloyd Joint Venture	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Sembawang – Leader Joint Venture(w.e.f August 03, 2012)*	Refer Note No (i)	53.23	-

(d) Associates

(i) Associates of Company

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2013	% of voting power held as at March 31, 2012
Olive Group India Private Limited***	India	25.00	25.00
Hazaribagh Ranchi Expressway Limited***	India	26.00	26.00

(ii) Associates of the subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2013	% of voting power held as at March 31, 2012
Air Works India (Engineering) Private Limited	India	23.36	25.31
Olive Group Capital Limited	British Virgin Islands	27.78	27.78

(iii) Associates of Step down Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2013	% of voting power held as at March 31, 2012
Reliance Contractors Private Limited	Singapore	48.39	48.39
Ventura Development (Myanmar) Pte Limited	Singapore	33.88	33.88
Reco Sin Han Pte Limited	Singapore	19.36	19.36

- 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) The Company has ceased to have the control over the operations of the joint venture w.e.f. February 15, 2013, accordingly consolidated upto that date.

* These entities have been incorporated/formed/disposed off during the year

** These entities have been acquired during the year.

*** These entities are held with an intention of disposal in near future, hence excluded from consolidation

- # These entities were deconsolidated during the year.
- ## On July 07, 2011, the Company had announced withdrawal of financial support provided to a step down subsidiary, Simon Carves Limited (SCL) incorporated in England and Wales as a consequence to prevailing market conditions and the financial condition of SCL. Subsequent to above announcement for withdrawal of support, SCL was placed in administration in accordance with the laws of England and Wales. PL Engineering Limited, a subsidiary of the Company had taken transfer of certain assets, contracts and employees of SCL to a newly incorporated wholly owned subsidiary i.e. Simon Carves Engineering Limited. The administration of SCL has ended on December 19, 2012 and the company has entered Creditors' Voluntary Liquidation on that date.
39. Amount in the consolidated financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 millions.

40. Previous year figures

Previous year's figures have been regrouped/reclassified wherever necessary to conform to this year's classification.

As per our report of even date

For **Walker, Chandio & Co**
Chartered Accountants

Per **David Jones**
Partner

Place: New York
Date: May 29, 2013

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

Atul Punj
Chairman

Luv Chhabra
Director (Corporate Affairs)

Pawan Kumar Gupta
Whole Time Director

P.N. Krishnan
Director Designate Finance

Dinesh Thairani
Group President - Legal & Company Secretary

Place: Gurgaon
Date: May 10, 2013





PUNJ LLOYD LIMITED

Regd. Office: Punj Lloyd House, 17-18, Nehru Place, New Delhi 110 019

Notice

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of Punj Lloyd Limited will be held on Friday, the 2nd Day of August, 2013 at 10.30 A.M. at the Air Force Auditorium, Subroto Park, New Delhi 110010 to transact the following business:-

A. ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the financial year ended as on that date along with Auditors' and Directors' Report thereon.
- 2) To consider and if thought fit, to appoint a Director in place of Dr. Naresh Kumar Trehan, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint M/s. Walker, Chandio & Co., Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

“**RESOLVED** that M/s. Walker, Chandio & Co., Chartered Accountants (Registration No. 001076N), be and are hereby reappointed as Statutory Auditors of the Company to hold office until the conclusion of next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company.”

B. SPECIAL BUSINESS:

- 4) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

“**RESOLVED** that Mr. M. Madhavan Nambiar, who was appointed by the Board of Directors as an Additional Director with effect from 10th June 2013, and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company and in respect of whom, the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

“**RESOLVED** that Mr. Sanjay Gopal Bhatnagar, Director of the Company, who retires by rotation at this Annual General Meeting and who has expressed his unwillingness to be re-appointed as a Director of the Company, not be re-appointed.

RESOLVED further that the resulting vacancy not be filled up at this Meeting or at any adjourned meeting thereof.”

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

“**RESOLVED** that pursuant to the provisions of Sections 198, 269 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII as amended up to date, the Company hereby approves the re-appointment of Mr. Atul Punj as an Executive Chairman of the Company w.e.f 1st July 2013, for a period of five years, not liable to retire by rotation.”

- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**

“**RESOLVED** that pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII as amended up to date, subject to the approval of the Reserve Bank of India, Central Government and such other approval(s) as may be required, the following remuneration may be paid to Mr. Atul Punj as an Executive Chairman, **with effect from 1st July 2013 for a period of five years :**

I. Basic Salary	Upto Rs. 25,00,000 per month as may be determined by the Board of Directors or any Committee of the Board as may be constituted from time to time.
II. Perquisites/Allowances	Perquisites, as per rules of the Company, shall be allowed in addition to Basic Salary.
i. Special Allowance	Upto Rs. 25,00,000 per month as may be decided by the Board of Directors or any Committee of the Board as may be constituted from time to time.
ii. Leased accommodation or HRA in lieu thereof and reimbursement of expenditure or allowance in respect of medical expenses and leave travel concession incurred for self and family, soft furnishing, maintenance of furniture & fixtures etc., ex-gratia and education allowance and any other perquisites or allowances etc.	In accordance with the rules of the Company.

In addition to above perquisites/allowances, Mr. Atul Punj shall also be entitled to following benefits :

iii. Other entitlements	<p>a) Contribution to Provident Fund & Superannuation Fund or Annuity Fund - Contribution to Provident Fund & Superannuation Fund or Annuity Fund to the extent, these either singly or put together are not taxable under the Income Tax Act, 1961, and shall be subject to maximum amount as may be permitted under the Company's rules.</p> <p>b) Gratuity - Gratuity payable shall not exceed half a month's salary for each completed year of service and shall be subject to maximum amount as may be permitted under the Gratuity Act.</p> <p>c) Car and Telephone - Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Atul Punj.</p>
III. Performance linked Incentive	Such amounts or percentage of net profits as may be decided by the Board of Directors or any Committee of the Board as may be constituted from time to time.

Mr. Atul Punj shall not be entitled to any sitting fee for attending Board meetings / Committee thereof.

The aggregate of the above remuneration, shall not exceed 5% of Net Profits of the Company, at any given time.

RESOLVED further that in case of no profits or inadequacy of profits, in any financial year(s), the consent of the members, be and is hereby granted, in accordance with the provisions of Section 198, 269, 309, 310, 311 & 314 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 ("the Act") as amended and subject to the approval of the Central Government and such other approval, as may be required, for payment of the above remuneration for a period not exceeding three years.

RESOLVED further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

8) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"**RESOLVED** that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), the Board of Directors be and is hereby authorised to appoint Branch Auditors of any branch office of the Company, whether existing or which may be opened hereafter, in India or abroad, in consultation with the Company's Statutory Auditors, any person(s) qualified to act as Branch Auditor within the provisions of Section 228 of the Act and to fix their remuneration."

By Order of the Board of Directors
For **PUNJ LLOYD LIMITED**

Dinesh Thairani
Group President – Legal & Company Secretary

Place: Gurgaon
Date: June 28, 2013

NOTES: -

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**
2. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number on the Attendance Slip for attending the Meeting.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under item nos. 4, 5, 6, 7 and 8 is annexed hereto.
5. The Register of Members of the Company shall remain closed from Friday, July 26, 2013 to Friday, August 2, 2013 (both days inclusive).
6. Members holding Equity Shares in physical form are requested to immediately notify any change in their address, to the Registrar & Share Transfer Agents of the Company - M/s. Karvy Computershare Private Limited, Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad-500 081 and Members holding Equity Shares in dematerialised form are requested to contact their respective Depository Participants for updation of their addresses, email id, bank account details if any.
7. The Statement containing the salient features of the Balance sheet, Statement of Profit and Loss and Auditors' Report (Abridged Financial Statements), is sent to the members, along with Abridged Consolidated Financial Statements. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.
8. Brief resume and other particulars of Mr. Atul Punj, Dr. Naresh Kumar Trehan and Mr. M Madhavan Nambiar, as required under Clause 49 of Listing Agreement are enclosed.
9. Certificate from M/s. Walker, Chandio & Co., the Auditors of the Company to the effect that Punj Lloyd Employees Stock Option Plan, 2005 and 2006 have been implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with Special Resolutions passed in the General Meetings of the Company, shall be placed before the shareholders at the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 4

The Board of Directors of the Company appointed Mr. M. Madhavan Nambiar as an Additional Director of the Company w.e.f. June 10, 2013, in the capacity of an Independent Director.

The Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing the candidature of Mr. M Madhavan Nambiar for the office of the Director, liable to retire by rotation. He doesn't hold any equity shares of the Company. He is not a relative of any Director of the Company.

None of the Directors of the Company, except Mr. Nambiar, himself, is concerned or interested in the passing of this resolution.

The resolution mentioned in Item No. 4 is recommended for your approval.

ITEM NO. 5

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sanjay Gopal Bhatnagar, Director of the Company, retires by rotation at this Annual General Meeting and is eligible for re-appointment. However, he has requested not to be considered for re-appointment due to competing demands on his time. The Company does not propose to fill the vacancy at this meeting or any adjournment thereof. Hence, as required under Section 256 of the Companies Act, 1956, a resolution is proposed accordingly.

None of the Directors of the Company, except Mr. Bhatnagar, himself, is concerned or interested in the passing of this resolution.

The resolution mentioned in Item No. 5 is recommended for your approval.

ITEM NO. 6

The Shareholders in their meeting held on July 28, 2008 had approved the appointment of Mr. Atul Punj as Executive Chairman of the Company for a period of five years with effect from 1st July, 2008. His present term of office is coming to an end on 30th June, 2013. The Board of Directors in its meeting held on 10th May, 2013, has approved the re-appointment of Mr. Atul Punj as an Executive Chairman of the Company.

Brief resume and other particulars of Mr. Atul Punj have been given below under the heading 'Information regarding the Directors proposed to be appointed / re-appointed'.

This may also be treated as an Abstract of terms and conditions and Memorandum of Interest under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Atul Punj is, in any way concerned, or interested in the proposed resolution.

The Board of Directors of the Company recommend the resolution for approval by the members.

ITEM NO. 7

The Shareholders in their meeting held on July 28, 2008 had approved the remuneration payable to Mr. Atul Punj as Executive Chairman of the Company for a period of five years with effect from 1st July, 2008, in terms of provisions of Section 198, 269, 309, 314 of the Companies Act 1956 read with Schedule XIII of the Companies Act 1956. His present term of office is coming to an end on 30th June, 2013.

The resolution for re-appointment of Mr. Atul Punj as Executive Chairman of the Company is also being proposed in this Annual General Meeting.

The Remuneration Committee of the Company in its meeting held on 10th May, 2013, had approved the remuneration payable to Mr. Atul Punj as specified in the body of the resolution, w.e.f 1st July 2013.

Mr. Atul Punj may draw remuneration from the subsidiaries of the Company, therefore, approval under Section 314 is also being sought.

This may also be treated as an Abstract of terms and conditions and Memorandum of Interest under Section 302 of the Companies Act, 1956.

As per Section II (C) of Part II of Schedule XIII to the Companies Act, 1956 ("the Act"), for payment of remuneration by companies having no profits or inadequate profits, in addition to other requirements, the approval of the Shareholders by way of a Special Resolution passed at a general meeting is also required. Further under Part III of Schedule XIII of the Act, the appointment and remuneration of the appointee managerial person shall be subject to approval by a resolution of the Shareholders in general meeting.

In accordance with the requirements of Schedule XIII to the Companies Act, 1956, it is informed that the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year and the Remuneration Committee, vide a resolution has also approved the remuneration payable to the Appointee Director. A Statement containing the requisite information in accordance with the requirement of Section II (C) (iv) of Part II of Schedule XIII to the Companies Act, 1956, is also attached.

None of the Directors of the Company except Mr. Atul Punj, is in any way concerned, or interested in the proposed resolution.

The Board recommends the resolution as set out in the notice for shareholders approval.

ITEM NO. 8

The Company has branches and may also open new branches in India and abroad in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The members are requested to authorise the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Statutory Auditors and fix their remuneration.

None of the Directors of the Company is, in any way concerned, or interested in the proposed resolution.

The Board recommends the resolution as set out in the notice for shareholders approval.

INSPECTION :

Documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company and also at the Corporate Office of the Company at 78, Institutional Area, Sector 32, Gurgaon, 122 001 (Haryana) on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting and shall also be available at the venue of Annual General Meeting.

INFORMATION REGARDING THE DIRECTORS PROPOSED TO BE APPOINTED / RE- APPOINTED PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

1. Mr. Atul Punj

Mr. Atul Punj is the Chairman of the company.

Mr. Atul Punj's global vision led him to cross boundaries and establish international offices in 21 countries and gain project experience worldwide. The 21000 strong multicultural workforce underlines his focused approach to harness diversity within the organisation. As many as 37 nationalities form an integral part of the workforce at the company's various project sites. This rich amalgamation of diverse skill sets and cultures has resulted in a powerful intellectual work environment, encouraging dynamic ideas and innovative thinking.

It is Atul Punj's entrepreneurial skills and foresight that resulted in the acquisition of SembCorp E&C, Singapore, now called Sembawang Engineers and Constructors, in 2006. Through a combination of strategic acquisitions and joint ventures with partners in Germany, UK, Saudi Arabia, and India, he led the Group to enhance its scale and competitive position to acquire a leadership position in the industry with an impressive list of international and national clients, be it exploring multiple opportunities for the Group in defence or capitalise on the emerging nuclear renaissance, Mr Punj has been instrumental in consolidating Group's diverse businesses.

Mr. Atul Punj's initiatives have resulted in setting up of the "Institute of Physical Infrastructure" at the new Indian School of Business (ISB) campus at Mohali, the craftsmen training institutes for training and the implementation of the Life Enrichment Project for worker welfare at the Punj Lloyd sites.

Mr. Atul Punj was awarded the Ernst & Young 'Entrepreneur of the Year 2007' in the Infrastructure & Construction category. The award noted Mr Punj's clear vision, foresight and focused approach to establish the Punj Lloyd Group as the leader in the industry. CNBC TV 18 conferred the 'First Generation Entrepreneur of the Year' award to Mr. Atul Punj. The Company was also declared the 'Best Infrastructure Company' at the NDTV Profit Leadership Awards 2008 and the 'Infrastructure Company of the Year' at the Essar Steel Infrastructure Excellence Awards 2010 in association with CNBC TV 18.

Born in 1957, Atul Punj, has done B.Com (Hons.) from Sri Ram College of Commerce, New Delhi and is actively involved with many trade bodies. Representing India at various international forums, Mr. Atul Punj is Member of the CII National Council on Infrastructure and CII's North Joint Task Force on Roads and Highways. Mr. Atul Punj is also a Director of Aspen Institute India, Global Health and was Founder Chairman of Samena Capital.

Details of Other Directorship in Indian Companies of Mr. Atul Punj are as under:

Punj Lloyd Industries Limited	Global Health Pvt. Ltd.
Atna Investments Limited	Ramprastha Punj Lloyd Developers Pvt. Ltd.
PL Engineering Limited	Indtech Aviation Training Services Pvt. Ltd.
Punj Lloyd Upstream Limited	Olive Group India Pvt. Ltd.
Punj Lloyd Infrastructure Limited	Sembawang Infrastructure (India) Pvt. Ltd.
Punj Lloyd Aviation Limited	Punj Lloyd Delta Renewables Pvt. Ltd.
Spectra Punj Lloyd Limited	Indian School of Business (Section 25 Co.)
Indraprastha Metropolitan Development Limited	Manav Capital Services Pvt. Ltd.
PL Delta Technologies Limited	PLI Ventures Advisory Services Pvt. Ltd.
Artcon Pvt. Ltd.	Spectra Punj Enterprises Pvt. Ltd.
Mangalam Equipment Pvt. Ltd.	Imperial Jets India Pvt. Ltd.
PTA Engineering and Manpower Services Pvt. Ltd.	PLE Hydraulics Pvt. Ltd.
Sanat Properties Pvt. Ltd.	Atna Properties Pvt. Ltd.
Shubhvir Properties Pvt. Ltd.	Afsan Health Resort Pvt. Ltd.
Spectra Punj Finance Pvt. Ltd.	Swissport Punj Lloyd India Pvt. Ltd.

Details of Other Membership of Committees of Mr. Atul Punj in Indian Companies are as under:

Punj Lloyd Industries Limited	Chairman – Audit Committee
Atna Investments Limited	Chairman – Audit Committee
PL Engineering Limited	Chairman – Audit Committee
Punj Lloyd Upstream Limited	Chairman – Audit Committee
Punj Lloyd Aviation Limited	Chairman – Audit Committee
Spectra Punj Lloyd Limited	Member – Audit Committee
Sembawang Infrastructure (India) Pvt. Ltd.	Member – Audit Committee

Mr. Atul Punj holds 1431360 (0.43%) equity shares in the Company.

2. Dr. Naresh Kumar Trehan

Dr. Naresh Kumar Trehan is an Independent Director on the Board of the Company, who is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

Dr. Trehan is a renowned Cardiovascular and Cardiothoracic surgeon. He graduated from King George Medical College, Lucknow and subsequently trained and practiced at New York University Medical Centre Manhattan USA, where he obtained a Diplomate from the American Board of Surgery and the American Board of Cardiothoracic Surgery.

He is the Chairman and Managing Director, Medanta – The Medicity, a 1500 bedded Multi Super Speciality Institute. The Institute is governed under his guiding principles of providing medical services to patients with care, compassion and commitment. He also founded the Escorts Heart Institute and Research Centre where he was the Executive Director. Escorts was conceptualised, created and managed by Dr. Trehan from November 1987 to May 2007.

Dr. Trehan has received many prestigious awards, including Padma Shree and the Padma Bhushan Award(s), conferred upon him by the Government of India. He was the President of the International Society for Minimally Invasive Cardiac Surgery, Minneapolis, USA 2004 – 05 and has also received Honorary Doctorate Degrees from three prestigious universities.

Dr. Trehan is not holding any committee positions in any other Company.

Details of Other Directorship of Dr. Trehan are as under:

Medanta Holdings Private Limited	Global Health Pvt. Ltd.
Shrump Real Estates Ltd	Raksha TPA Pvt. Ltd.
Fresenius Kabi Oncology Limited	Medanta New Initiatives Private Limited
Afsan Health Resort Pvt. Ltd.	Wah India Pvt. Ltd.
Dr. Naresh Trehan And Associates Health Services Private Limited	Naresh Trehan Holdings Private Limited
Medanta Duke Research Institute Pvt. Ltd.	Sharak Health Care Pvt. Ltd.

Dr. Trehan jointly with his wife Mrs. Madhu Trehan holds 4000 (0.001%) equity shares in the Company.

3. Mr. M Madhavan Nambiar

Mr. M Madhavan Nambiar is an MBA and holds a Bachelor's degree in Economics & Statistics. He is the Chairman of C-DOT Alcatel Lucent Research Centre Pvt. Ltd. He also holds the position of Fellow Judge with Business School Cambridge University, UK.

Mr. Nambiar was a 1974 batch Indian Administrative Services (IAS) Officer and has served as a Special Secretary in the Ministry of Information and Technology and as Secretary in the Civil Aviation Ministry, Government of India. Mr. Nambiar was appointed as an Additional Director w.e.f 10th June 2013.

Details of Other Directorship of Mr. Nambiar are as under:

C-DOT Alcatel-Lucent Research Centre Private Limited	Hotel Leela Venture Limited
Rediff. Com India Limited	Loyal Textile Mills Limited
Kerala State Industrial Development Corporation Limited	--

Mr. Nambiar is a member of the Audit Committee of Rediff. Com India Limited. He is not holding any shares in the Company.

By Order of the Board of Directors
For **PUNJ LLOYD LIMITED**

Dinesh Thairani
Group President – Legal & Company Secretary

Place : Gurgaon
Date : 28th June 2013



PUNJ LLOYD LIMITED

Regd. Office: Punj Lloyd House, 17-18, Nehru Place, New Delhi 110 019

STATEMENT CONTAINING INFORMATION AND DISCLOSURES AS REQUIRED PURSUANT TO SUB PARAGRAPH (C) OF SECTION II, PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956.

The Company hereby declares that it has not invited any public deposits and there is no default in repayment of any of its debts or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person:

GENERAL INFORMATION

Nature of Industry	Engineering, Procurement and Construction (EPC)
Date or expected date of commencement of commercial production	It is an established Company and commenced its activities in 1988.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable
Financial performance based on given indicators	See annexure "A" below
Export performance and net foreign exchange collaborations	The Company has achieved export turnover in foreign currency of Rs. 273.02 Crores during the financial year ended 31.03.2013.
Foreign investments or collaborators, if any.	See annexure "B" below.

INFORMATION ABOUT THE APPOINTEE	MR. ATUL PUNJ
Background details	Mr. Atul Punj is an Executive Chairman of the Company, holds a Bachelors Degree in Commerce from Shri Ram College of Commerce, Delhi University. He initiated the company into pipeline business and helped it focus on the engineering, hydrocarbon and infrastructure sectors. Under his leadership, the Company has over a period of time, grown into a world class organization with operations spread across Middle East, the Caspian, Asia Pacific, Africa, South Asia, Europe and China and enjoys a leadership position in the industry and has an impressive list of both international and national clients.
Past Remuneration	The members of the Company, approved the following remuneration to be paid to Mr. Atul Punj as the Executive Chairman of the Company, for a period of 5 years from July 1, 2008 : Basic Salary : Upto Rs. 25,00,000/- per month, Perquisites / Allowances : Special Allowance : Upto Rs. 25,00,000/- per month, leased accommodation (or HRA in lieu thereof), reimbursement of or allowance in respect of medical expenses and leave travel concession incurred for self and family, soft furnishing, maintenance of furniture & fixtures, etc., ex-gratia and education allowance and any other perquisites or allowances etc., in accordance with the rules of the Company.
Recognition or awards	Mr. Atul Punj was awarded the Ernst & Young 'Entrepreneur of the Year 2007' in the Infrastructure & Construction category. The award noted Mr. Punj's clear vision, foresight and focused approach to establish the Punj Lloyd Group as the leader in the industry. CNBC TV18 conferred the 'First Generation Entrepreneur of the Year' award to Mr. Atul Punj. The Company was also declared the 'Best Infrastructure Company' at the NDTV Profit Leadership Awards 2008 and the 'Infrastructure Company of the Year' at the Essar Steel Infrastructure Excellence Awards 2010 in association with CNBC TV 18.
Job profile and his suitability	Mr. Atul Punj is the Executive Chairman of the Company. Under his able leadership, the Company has grown manifold to become a diversified global conglomerate with operations in 21 countries.
Remuneration proposed	The details of remuneration proposed to be paid to Mr. Atul Punj is set out in the Explanatory Statement to item No. 7 annexed to the Notice convening the 25th Annual General Meeting of the Company.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	The Proposed remuneration payable to Mr. Atul Punj is commensurate and comparable with respect to the remuneration of the person occupying similar position, profile and experience, in the comparable sized companies within the industry.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	NIL, except to the extent of remuneration, if any being drawn from the company from time to time.
OTHER INFORMATION	
Reason of loss or inadequate profits	The macro environment has been extremely challenging both domestically and internationally with high interest rates, volatile input costs, liquidity concerns and currency volatility.
Steps taken or proposed to be taken for improvement	The Company is focusing on bringing down working capital and debt to improve profitability. It is replacing high cost debt with low cost debt. Improvement in the receivables will help the Company in managing its working capital. The Company continues to explore new opportunities and invest in business where it has competitive advantage in terms of business linkages, internal skills or key relationships.
Expected increase in productivity and profits in measurable terms.	The Company is exploring business opportunities in areas like defence, renewable energy and upstream oil rig operations and expects to generate additional profitability from these activities. The Company also expects improvements in the overall profitability of its business operations as the Company has good order backlog with adequate profit margins and foresees considerable improvements in its margins in the next couple of years.

ANNEXURE A
FINANCIAL HIGHLIGHTS
IN RS. CRORES

PARTICULARS	2012-13	2011-12	2010-11
Total Revenue	8,745.57	6,180.30	4,480.20
Earnings Before Interest, Tax, Depreciation & Amortisation (EBIDTA)	937.54	820.25	567.52
Less: Finance Cost	679.53	546.91	400.28
Profit Before Tax, Depreciation & Amortisation	258.01	273.34	167.24
Less: Depreciation and Amortisation Expense	227.88	187.43	156.52
Profit Before Tax (PBT)	30.13	85.91	10.72
Less: Tax expenses (net off of deferred tax effect and minimum alternate tax credit)	10.51	28.25	(1.66)
Profit After Taxation (PAT)	19.62	57.66	12.38
Add: Profit Brought Forward	934.90	898.40	891.81
Transfer from Foreign Exchange Translation Reserve	-	-	-
Transfer from Foreign Project Utilised Reserve	-	-	-
Surplus Available for appropriation	954.52	956.06	904.19
Appropriation			
Particulars			
Dividend on Equity Shares	-	4.98	4.98
Corporate Tax on Dividend	-	0.81	0.81
Amount transferred to General Reserve	-	-	-
Amount transferred to Debenture Redemption Reserve	-	15.37	-
Profit carried to Balance Sheet	954.52	934.90	898.40

ANNEXURE B DETAILS OF FOREIGN HOLDING IN THE COMPANY AS AT 31.3.2013

PARTICULARS	NUMBER OF SHARES(EQUITY)	PERCENTAGE HOLDING
Foreign Promoters		
- Individuals	1430540	0.43%
- Bodies Corporate	75691430	22.79%
Foreign Institutional Investors	36296828	10.93%
Non Resident Indians	6106587	1.84%
Total	119525385	35.99%



PUNJ LLOYD LIMITED

Regd. Office: Punj Lloyd House, 17-18, Nehru Place, New Delhi 110 019

ATTENDANCE SLIP

(Please complete the attendance slip and hand it over at the entrance of the meeting hall. Only Members/Representatives of Corporate Members or Proxies are allowed to attend the meeting)

Folio No.* : _____ DP ID : _____

No. of Shares held : _____ Client ID : _____

I hereby record my presence at the 25th Annual General Meeting of Punj Lloyd Limited held on Friday, 2nd day of August, 2013 at 10.30 A.M. at the Air Force Auditorium, Subroto Park, New Delhi 110 010.

Member/Proxy's Name (In Block Letters)

Signature of Member/Proxy

* Applicable for investors holding shares in Physical Form.



PUNJ LLOYD LIMITED

Regd. Office: Punj Lloyd House, 17-18, Nehru Place, New Delhi 110 019

PROXY - FORM

Folio No.* : _____ DP ID : _____

No. of Shares held : _____ Client ID : _____

Name(s) in full	Father/Husband Name	Registered Address
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

being a member/members of Punj Lloyd Limited, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company, scheduled to be held on Friday, 2nd day of August, 2013 at 10.30 A.M. at the Air Force Auditorium, Subroto Park, New Delhi 110010.

Signed by the said _____
this _____ day of _____, 2013

*Applicable for investors holding shares in Physical Form.



Note : The proxy form duly completed and signed across the revenue stamp, should be deposited at the Registered Office of the Company situated at Punj Lloyd House, 17-18, Nehru Place, New Delhi-110 019, not later than 48 hours before the commencement of the Annual General Meeting.

FORM A

1.	Name of the Company:	Punj Lloyd Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	<p>1) The auditors of the Company in their report have invited attention to deductions made / amount withheld by some customers aggregating to Rs. 58.02 crores. The management is taking appropriate steps for recovery of these deductions / withheld amounts and believes that these amounts are fairly stated. This Emphasis of matter is continuing since March 31, 2005.</p> <p>2) The auditors of the Company in their report have invited attention in respect of claims of Rs. 243.03 crores on Heera Redevelopment Project with Oil & Natural Gas Corporation Limited, based on management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on a project and also non-accounting of liquidated damages amounting to Rs. 7.30 crores deducted by the said customer. Pending final outcome of the matter, and based on series of discussions held with the Outside Expert Committee (OEC) and other developments, management is confident of realisation of above amounts. This was subject matter of qualification in auditor's report since March 31, 2008 till March 31, 2012.</p>
5.	<p><i>Walker, Chandiook & Co</i> For Walker, Chandiook & Co Chartered Accountants Firm Registration No.: 001076N</p> <p><i>[Signature]</i> per David Jones Partner Membership No.: 098113</p> <p>Place: Gurgaon Date: 26 JUN 2013</p>	<p>For and on behalf of the Board of Directors of Punj Lloyd Limited</p> <p><i>[Signature]</i> Atul Punj Chairman</p> <p><i>[Signature]</i> Luv Chhabra Director (Corporate Affairs)</p> <p><i>[Signature]</i> Pawan Kumar Gupta Whole Time Director</p> <p><i>[Signature]</i> Naresh Kumar Trehan Chairman – Audit Committee</p> <p><i>[Signature]</i> P.N. Krishnan Director Designate Finance</p>

Rahul

