

Statement of unaudited results for the quarter ended September 30, 2014

PART I (All amounts are in Lacs of INR, unless otherwise stated)

	Three months ended			Six months ended		Year ended
Particulars	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Income from operations						
Net sales/income from operations	126,178	110,747	196,064	236,925	418,523	822,917
Other operating income	1,147	363	26,180	1,510	22,759	24,495
Total income from operations	127,325	111,110	222,244	238,435	441,282	847,412
Expenses						
Cost of material consumed	77,006	59,694	96,667	136,700	171,826	336,427
Contractor charges	26,401	38,970	53,045	65,371	110,433	212,864
Employee benefit expense	14,099	15,116	23,297	29,215	45,029	82,968
Depreciation and amortisation expense	8,864	7,979	5,783	16,843	11,238	24,476
Other expenses	20,474	22,546	25,088	43,020	66,185	116,058
Total expenses	146,844	144,305	203,880	291,149	404,711	772,793
(Loss)/ Profit from operations before other income, finance costs and exceptional items	(19,519)	(33,195)	18,364	(52,714)	36,571	74,619
Other income	1,732	874	793	2,606	1,199	3,697
(Loss)/ Profit from ordinary activities before finance costs and exceptional items	(17,787)	(32,321)	19,157	(50,108)	37,770	78,316
Finance costs	21,268	21,539	18,907	42,807	36,775	77,115
(Loss)/ Profit from ordinary activities before exceptional items	(39,055)	(53,860)	250	(92,915)	995	1,201
Exceptional items	-	-	-	-	-	-
(Loss)/ Profit from ordinary activities before tax	(39,055)	(53,860)	250	(92,915)	995	1,201
Tax expense	(12,704)	(17,468)	90	(30,172)	340	420
Net (Loss)/ Profit for the period	(26,351)	(36,392)	160	(62,743)	655	781
Paid-up equity share capital (face value of Rs. 2 each)	6,642	6,642	6,642	6,642	6,642	6,642
Reserves excluding revaluation reserves						368,074
Paid-up debt capital				162,085	148,277	164,305
Debenture redemption reserve (included in reserves mentioned above)				11,287	11,287	11,287
Earnings per share						
Basic (in Rs.)	(7.93)	(10.96)	0.05	(18.89)	0.20	0.24
Diluted (in Rs.)	(7.93)	(10.96)	0.05	(18.89)	0.20	0.24
	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)
Debt Equity Ratio				0.52	0.39	0.44
Debt Service Coverage Ratio				(1.33)	1.70	1.59
Interest Service Coverage Ratio				(1.12)	1.40	1.40

PART II

A. Particulars of Shareholding

	Three months ended			Six months ended		Year ended
Particulars	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
1. Public shareholding						
Number of shares	208,738,697	208,703,097	208,472,762	208,738,697	208,472,762	208,472,762
Percentage of shareholding	62.86	62.84	62.77	62.86	62.77	62.77
2. Promoters and promoter group shareholding						
a) Pledged / Encumbered						
-Number of shares	82,367,260	82,367,260	7,700,000	82,367,260	7,700,000	76,648,305
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	66.77	66.75	6.23	66.77	6.23	62.00
-Percentage of shares (as a % of the total share capital of the Company)	24.80	24.80	2.32	24.80	2.32	23.08
b) Non-encumbered						
-Number of shares	40,989,788	41,025,388	115,922,983	40,989,788	115,922,983	46,974,678
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	33.23	33.25	93.77	33.23	93.77	38.00
-Percentage of shares (as a % of the total share capital of the Company)	12.34	12.36	34.91	12.34	34.91	14.15

B. The status of investor complaints received by the company is as follows:

Particulars	Pending as on July 01, 2014	Received during the quarter	Disposed off during the quarter	Pending as on September 30, 2014
No. of complaints	-	14	14	-

TABLE : I

	Three months ended			Six months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
Segment revenue						
Engineering, procurement and construction services	97,667	83,885	168,816	181,552	375,577	722,681
Traded goods	27,080	25,030	26,196	52,110	40,293	92,418
Unallocated	1,431	1,832	1,052	3,263	2,653	7,818
Net sales / income from operations	126,178	110,747	196,064	236,925	418,523	822,917
Segment results						
(Loss)/ Profit before interest and tax for each segment						
Engineering, procurement and construction services	(19,488)	(34,223)	18,149	(53,711)	35,099	69,545
Traded goods	48	80	(281)	128	(228)	609
Unallocated	990	1,395	661	2,385	1,873	6,272
Total	(18,450)	(32,748)	18,530	(51,198)	36,744	76,426
Less: (i) Interest	21,268	21,539	18,907	42,807	36,775	77,115
(ii) Other unallocable expenditure net of unallocable income	(663)	(427)	(627)	(1,090)	(1,026)	(1,890)
Total (loss)/ profit before tax	(39,055)	(53,860)	250	(92,915)	995	1,201
Capital employed (segment assets - segment liabilities)						
Engineering, procurement and construction services	556,952	588,622	598,892	556,952	598,892	625,041
Traded goods	2,138	645	3,725	2,138	3,725	3,291
Unallocated	(250,034)	(253,006)	(225,989)	(250,034)	(225,989)	(253,291)
Total	309,056	336,260	376,628	309,056	376,628	375,041

NOTES

- The above unaudited financial results for the quarter ended September 30, 2014 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on November 14, 2014.
- The auditors of the Company in their report on financial results for the quarter ended September 30, 2014 have invited attention in respect of certain cost over-runs amounting to Rs. 73,580 lacs, arising due to design changes and consequent changes in the scope of work on Heera Redevelopment project with Oil and Natural Gas Corporation Limited. Due to the said reasons certain differences and dispute arose between the parties and several rounds of discussions were held to explore the possibility of amicable resolution of the dispute mutually. The matter was referred to an Outside Expert Committee (OEC). Based on recent developments, the Company has come to the view that the settlement process can be best resolved in finality, expeditiously and with legal enforceability only through arbitration and hence has re-commenced the arbitration proceedings, which were kept in abeyance owing to proceedings by the OEC. As the Company is confident of a satisfactory settlement of the disputes and recovery of the said amount, no adjustments have been considered necessary in these financial results. The auditors of the Company have expressed an emphasis on this matter in their report on financial results for the quarter ended June 30, 2014 and year ended March 31, 2014.
- During the quarter ended September 30, 2014, on a project being executed by the Company's branch in Thailand, the customer has exercised its contractual right to encash the performance bond amounting to Rs. 17,108 lacs. The auditors of the Company in their report on financial results for the quarter ended September 30, 2014 have invited attention in respect of the above matter and on recoverability of other claims from the said contract amounting to Rs. 39,109 lacs, on which the auditors of the Company's branch in Thailand have drawn an emphasis of matter in their report on the branch's financial results for the quarter ended September 30, 2014. The management is taking appropriate steps for the recovery of the said amounts and is confident of recovery of the amounts exceeding the recognised claims and performance bonds. Accordingly, no adjustments have been considered necessary in these financial results. The auditors of the Company have expressed an emphasis on this matter in their report on financial results for the quarter ended June 30, 2014 and year ended March 31, 2014.
- Pursuant to the enactment of Schedule II to the Companies Act, 2013, certain assets required a reassessment of their remaining useful lives from the previous estimates. Accordingly, the management has made the necessary revision with effect from the date of Schedule II becoming effective, i.e., April 1, 2014. The Company, based on the transitional provision under the said schedule, has adjusted the carrying amount of assets, as on April 1, 2014,

2. Statement of Assets and Liabilities:

	As at	
	September 30, 2014	March 31, 2014
	(unaudited)	(audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	6,642	6,642
Reserves and surplus	302,414	368,399
Sub-total - Shareholders' funds	309,056	375,041
Non-current liabilities		
Long-term borrowings	102,822	124,893
Deferred tax liabilities (net)	-	12,861
Other liabilities	1,649	2,827
Provisions	252	116
Sub-total - Non-current liabilities	104,723	140,697
Current liabilities		
Short-term borrowings	377,211	352,189
Trade payables	232,452	230,014
Other liabilities	358,374	302,354
Provisions	7,753	7,831
Sub-total - Current liabilities	975,790	892,388
TOTAL - EQUITY AND LIABILITIES	1,389,569	1,408,126
ASSETS		
Non-current assets		
Fixed assets	130,473	151,011
Non-current investments	157,587	157,855
Deferred tax assets (net)	18,816	241
Loans and advances	52,122	56,465
Other assets	10,696	10,779
Sub-total - Non-current assets	369,694	376,351
Current assets		
Inventories	15,324	12,260
Unbilled revenue (work-in-progress)	568,536	607,353
Trade receivables	241,067	237,772
Cash and bank balances	21,205	17,631
Loans and advances	162,739	145,746
Other assets	11,004	11,013
Sub-total - Current assets	1,019,875	1,031,775
TOTAL - ASSETS	1,389,569	1,408,126

to the opening balance of retained earnings where the assets have nil remaining useful life on April 1, 2014. The carrying amount of other assets has been depreciated over their remaining useful life and charged to the statement of profit and loss.

6. The auditors of the Company in their report on financial results for the quarter ended September 30, 2014 have invited attention to deductions made / amount withheld by some customers aggregating to Rs. 5,391 lacs. The management is taking appropriate steps for recovery of these deductions / withheld amounts and believes that these amounts are fairly stated. The auditors of the Company have expressed an emphasis on this matter in their report on financial results for the quarter ended June 30, 2014 and year ended March 31, 2014.

7. The Company has accounted for deferred tax assets on timing differences including those on unabsorbed depreciation and business losses. The same has been done after considering the estimated margins on unexecuted portion of the projects as at the reporting date. The management is virtually certain that the Company will generate sufficient profits to realise the deferred tax assets.

8. Segment wise revenue, results and capital employed: (Refer TABLE : I)

9. Tax expenses are net of deferred tax effects and minimum alternative tax credit.

10. Other operating income include exchange differences (net).

11. Ratios have been computed as follows:
- Interest Service Coverage Ratio = Profit before Interest, Depreciation and Tax / Interest
 - Debt Service Coverage Ratio = Profit before Interest, Depreciation and Tax / (Interest on 'Debt' + Principal repayment of Debt during the period)
 - Debt = Long term borrowings, including their current maturities and excluding working capital loans
 - Equity = Issued, Subscribed and Paid-Up Share Capital plus Reserves and Surplus (mentioned below)
 - Reserves and Surplus = General Reserve, Capital Reserve, Debenture Redemption Reserve, Securities Premium Account, Foreign Currency Translation Reserve and Surplus Closing Balance in the Statement of Profit and Loss.

12. Previous quarters / six months / year's amounts have been regrouped / re-arranged wherever necessary to conform to the current quarter's presentation.

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

Place : Gurgaon
Date : November 14, 2014

J P Chalasani
Managing Director & Group CEO