Punj Lloyd

ANNUAL REPORT

staying ahead

2008
2009

2008 – 2009 Highlights

An Overview

A Brief Reporting of this Year's Key Achievements

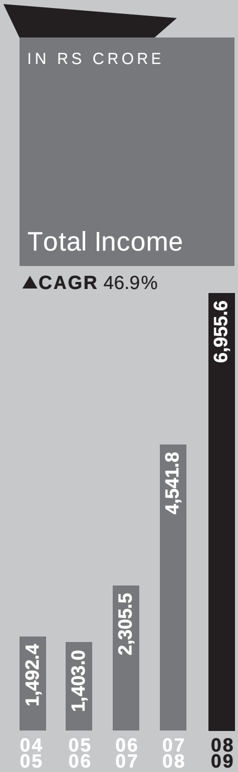
Landmark Projects Awarded In 2008–2009

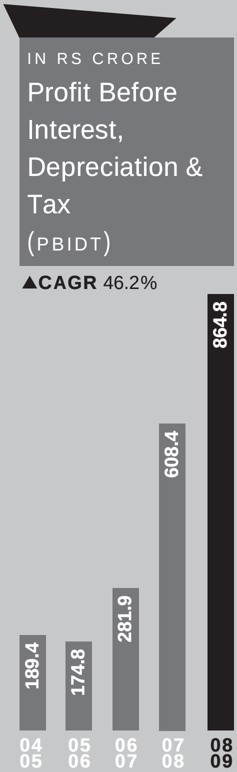
	Project Name	Clients' Name	Description	Total Value IN RS CRORE
1	Strategic Gas Transmission from Ras Laffan to Messaied, Qatar	Qatar Petroleum	EPC and commissioning of Strategic Gas Transmission Project. The project will transport 2000 MMSCFD[1] of sweet lean gas from Ras Laffan to different consumers via 36" dia pipelines	3,636
2	Execution of Utilities in Souk Al Juma, Tripoli, Libya Upgradation of Infrastructure of Arada, an existing township in Tripoli, Libya	Housing and Infrastructure Board (HIB)	EPC and commissioning of infrastructure networks, water-sewage-storm water mains and branch lines, roads and other facilities	2,058
3	2 X 270 MW Govindwal Sahib Coal Fired Thermal Power Plant in Punjab, India	GVK Power (Govindwal Sahib) Limited	Balance of Plant work and entire civil work on EPC basis	1,005
4	Motor Spirit Quality (MSQ) Upgradation, Barauni Refinery, India	Indian Oil Corporation Limited / Toyo Engineering India Limited	Residual basic & detailed engineering, procurement, construction and commissioning	649
5	Parking Facility for Commonwealth Games 2010, New Delhi, India	Municipal Corporation of Delhi	Providing Parking Facility for Commonwealth Games 2010	304
6	Sikkim's First Greenfield Airport, India	Airports Authority of India	Construction of 30 m wide runway of 1.7 km length, taxiway, apron drainage system and electrical work for the Airport	264

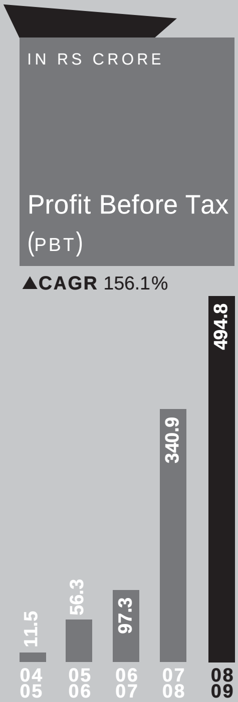
[1]Million Standard Cubic Feet per Day

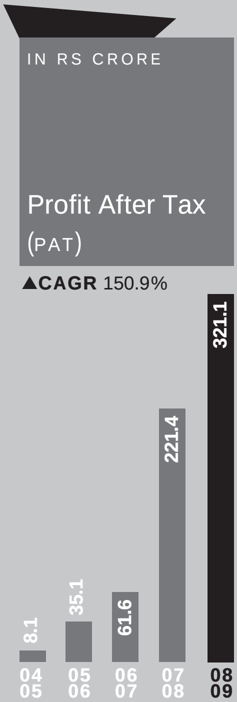
Five Year Financial Highlights

Stand-Alone









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Chairman’s Letter

The Corporation

Incredibly Difficult Milieu, Creditable Performance

Dear Shareholder > 2008-09 has been a tumultuous year in the truest sense of the word. It began with fears of continuing global inflation. The world was seeing the most concerted and synchronised growth in all major commodity prices since the beginning of the 20th century — which encompassed crude oil, gas, coal, steel, other minerals and metals, rice, wheat, vegetables, sugar and edible oils. Recall that on 2 July 2008, the spot price of West Texas Intermediate crude was being quoted at over US$ 145 per barrel, and experts were anticipating it to cross the US$ 200 mark in quick time.

It was not only the astronomical rise in prices. A number of commodities like steel were perennially in short supply; and project costs for a construction company such as yours had to be re-calibrated on a monthly basis. Then came the change from August 2008, and exacerbated with the bankruptcy of Lehman Brothers on 14 September 2008. The global financial crisis that followed sucked out liquidity from the system. Fear ruled; with financial institutions unwilling to lend to anybody, including funding and underwriting of basic counter-party transactions. This financial meltdown continued unabated through October, November and December of 2008. By January-February 2009, the slow recovery from the financial crisis started, thanks to the unprecedented monetary and interest rate interventions by governments and central banks throughout the world. But what came in its wake was the global economic slowdown — of the crisis moving from Wall Street to High Street. Every economy has been affected.

Mr Atul Punj
Chairman, Punj Lloyd Group

As I write this letter to you, the US economy has suffered from three successive quarters of negative GDP growth, and is looking at yet another quarter of falling GDP. Here are some estimates:

- While some believe that the US economy will bottom out by the third quarter of 2009, the estimated GDP growth for the year will be -2.9%. Unemployment as of April 2009 is at 8.9%, and rising. The first four months of 2009 have seen 2.7 million net job losses, in addition to 1.7 million in the last quarter of 2008.
- The Euro area is also in a deep recession which, in many ways, is worse than that of the US. GDP growth of 2009 is estimated at -3.5%.
- The UK is reeling under depression and its GDP growth for 2009 is forecast at -3.7%.
- Japan is again in crisis, with a decline in industrial output in excess of 30%; and GDP growth for 2009 is being estimated at -6.5% to -7%.
- With an estimated 11% decline in the real value of world trade in 2009, China's growth may reduce to 6%.
- India's growth is down from the heady 9% plus range of the last three years to 6.8% in 2008-09 and probably will be the same in 2009-10.

The recession or de-growth is all pervasive. Thought of as an 'energy, minerals and metals' driven growth engine, Russia's forecasted growth for 2009 is -3%. Venezuela's is -5%. South Africa's is -2%. Brazil's is also -2%.

In this incredibly difficult milieu, your Company has performed creditably. Punj Lloyd's consolidated total revenue and income from operations grew by 54% to Rs. 11,912 crore in 2008-09. On a stand-alone basis, it increased by 53% to Rs. 6,888 crore. The Company's order backlog as on 31 March 2009 was Rs. 20,685 crore — or nearly 21 months of 2008-09 revenues. That is a very healthy and reassuring position for any construction and EPC major.

Punj Lloyd's consolidated total revenue and income from operations grew by 54% to Rs. 11,912 crore in 2008-09. On a stand-alone basis, it increased by 53% to Rs. 6,888 crore.

Your Company has won several key orders in 2008-09. While the chapter of Management Discussion and Analysis list each in detail, let me share some of them with you.

In our oil and gas business, which contributed to 61% of Punj Lloyd's total revenues in 2008-09 or Rs. 7,234 crore, we won a prestigious pipeline project at Qatar. It is the Strategic Gas Transmission Project for Qatar Petroleum, valued at Rs. 3,636 crore and involves laying two new 36" diameter pipelines. This is the largest project that your Company has taken up in the oil and gas business. We have also won a major contract in the field of non-conventional sources of energy. We are also laying pipeline for the AGIP Kazakhstan North Caspian Operating Company NV.

In our infrastructure and power business, which accounted for 30% of your Company's consolidated revenues or Rs. 3,464 crore, we have an enviable order backlog of Rs. 7,645 crore. We have successfully completed four of our eleven highway projects during the year. The multi-speciality 'Medicity' project at Gurgaon (Haryana) is also nearing completion. Some of the other major projects won and being executed during the year were: (i) civil work for the aerodrome at Pakyong, Sikkim, (ii) elevated metro rail viaduct at Delhi, (iii) building the north podium of Marina Bay Sands Integrated Resort, Singapore, (iv) constructing the Bayfront Station at Marina Bay's new Downtown MRT line, and (v) two prestigious joint-venture projects in Libya involving EPC and commissioning of water, sewerage, roads and other facilities for the city of Tripoli.

On 16 April 2009, your Company won the award of three large contracts for the construction of eight stations for the Bangalore Metro Rail Project. The time for completion is 22 months.

In power, we are executing an EPC package for the 2 x 250 MW Chhabra Thermal Power Project in Rajasthan; and have been awarded the EPC for the 2 x 270 MW Govindwal Sahib Power project in the Tarn Taran district of Punjab.

In petrochemicals, which accounted for 9% of our revenues in 2008-09 or Rs. 1,018 crore, our subsidiary, Simon Carves Limited of the UK, has been working on several key projects, such as a bio-ethanol plant at Humberside (UK), a low density polyethylene plant in Thailand, and another in the Middle East.

Despite seemingly difficult times, we take comfort from four basic elements of our business. First, we are well diversified across three key areas — oil and gas, infrastructure and petrochemicals — and are rapidly increasing our presence in the fourth, thermal and nuclear power. Second, even within each of these businesses, we have a good diversity of project and service offerings. As an example, in our oil and gas business, we are involved in oil and gas pipelines, LNG tankage, coker units, sulphur blocks and the like — which further de-risk each SBU. Third, we are equally well diversified in terms of our geographical footprint. Today, your Company is in North Africa, the erstwhile CIS countries especially the energy rich Caspian region, the Middle East, Europe, South East Asia and India. And fourth, many of these projects are critical to the economy of the client nation. Thus, these are unlikely to be cut-back or scaled down because of temporary economic exigencies.

At this stage, I need to explain to you the dispute between our subsidiary, Simon Carves Limited (UK) and SABIC involving the EPC of the 400,000 tons per annum LDPE plant at Teesside in the United Kingdom. In February 2006, Simon Carves entered into a contract for the design, procurement and construction of this plant at a contract price of £135 million, which was subsequently increased by agreement to £155.8 million.

In November 2008, SABIC terminated Simon Carves' engagement under the contract prior to the scheduled completion date and subsequently encashed two bonds totalling £ 28.5 million. Simon Carves, and hence your Company, remains in dispute with the client over this action and intends to recover its full commercial entitlement, including the sum associated with the en-cashed bonds.

The early adjudication process resulted in an adverse decision for Simon Carves. We

Oil and gas business contributed to 61% of Punj Lloyd's total revenues in 2008-09

are contesting this. However, since a negative adjudication outcome has occurred, we have conservatively taken a one-time charge of Rs. 473.06 crore on the books of accounts of Simon Carves Limited, UK. This has resulted in your Company's consolidated EBITDA falling from Rs. 810 crore in 2007-08 to Rs. 530 crore in 2008-09 — and in PAT falling from Rs. 360 crore last year to a loss of Rs. 225 crore this year.

We are contesting this decision, because we believe that it could be overturned. This is based on external legal advice. Simon Carves is now preparing its claim in the Court of Justice.

We remain bullish about your Company's growth prospects for 2009-10 and over the longer run. We have an enviable order backlog; we are continuing to bag important orders across different businesses and geographies; and we have both the managerial bandwidth and access to state-of-the-art equipment to execute more business in various parts of the world.

Moreover, I see the global downturn playing out by 2009, and the emergence of stronger growth in 2010.

Therefore, I remain confident of your Company achieving healthy double-digit growth in 2009-10 and generating greater shareholder value. The demand for infrastructure is growing rapidly throughout the world. Punj Lloyd is well placed to leverage it to the hilt.

I thank all our employees, sub-contractors and their employees for working so hard during the year and showing their unwavering commitment to your Company. And I am grateful to you for your support as a shareholder.

Atul Punj

Chairman

Installation of the South Utility Platform, Indonesia

Client

TOTAL E & P Indonesie

High Performance in High Seas

Installation of a gigantic platform weighing 1,000 tonnes.

Platform built for the Tunu 11 project; Tunu being a gas and condensate field of TOTAL E&P Indonesie located on the Mahakam delta shallow waters.

Achievements

Remarkable execution where the platform was built on 64m long and 3,000 tonnes capacity skid-way, loaded out on a barge, transported 32 km down the Mahakam river and installed by float over method.

The utility platform was fabricated and loaded out from our own skid-way at Sungaipurun fabrication yard which is also equipped with a jetty.

Punj Lloyd was the first contractor to erect the platform among the other Tunu 11 contractors.

1,561,967 safe manhours over a period of 2 years, 3 months.

Lost Time Injury Frequency (LTIF) and Total Recordable Incident Rate (TRIR) maintained zero until completion of the project.

Highest rating on Health, Safety and Environment Management System auditing during Year 2008 among all the EPC contractors working under TOTAL E&P Indonesie.

A complex operation, executed with ease owing to meticulous planning.

EPC of the Ensus Project at Wilton, Teesside, North-East England

Client

The Ensus Group

A Greener Future

The world's largest wheat-based bioethanol plant.

The project is of great significance for the European energy industry as it demonstrates the importance that biofuels and other greener, renewable energy sources will increasingly play in producing fuels for the future and alternative sources of power.

Achievements

Engineering design was delivered right across the Simon Carves network of global centres of excellence, with work carried out in India and Singapore.

The plant has been designed according to strict sustainability criteria to meet one third of the UK's bioethanol demand.

The 350,000 tonnes of high protein animal feed produced by the plant will reduce European demand for soy meal imports that contribute to high levels of deforestation in South America.

MRT Circle Line Contract C856, Singapore

Client

Land Transport Authority, Singapore

Without Disturbing the City Above

Prestigious project as the Circle Line (CCL) is a soon-to-be completed mass rail transit system, and one of the most ambitious tunneling projects currently being undertaken in South East Asia.

This contract, being executed by Sembawang is one of the most challenging sections of the whole Circle Line construction with a range of engineering feats.

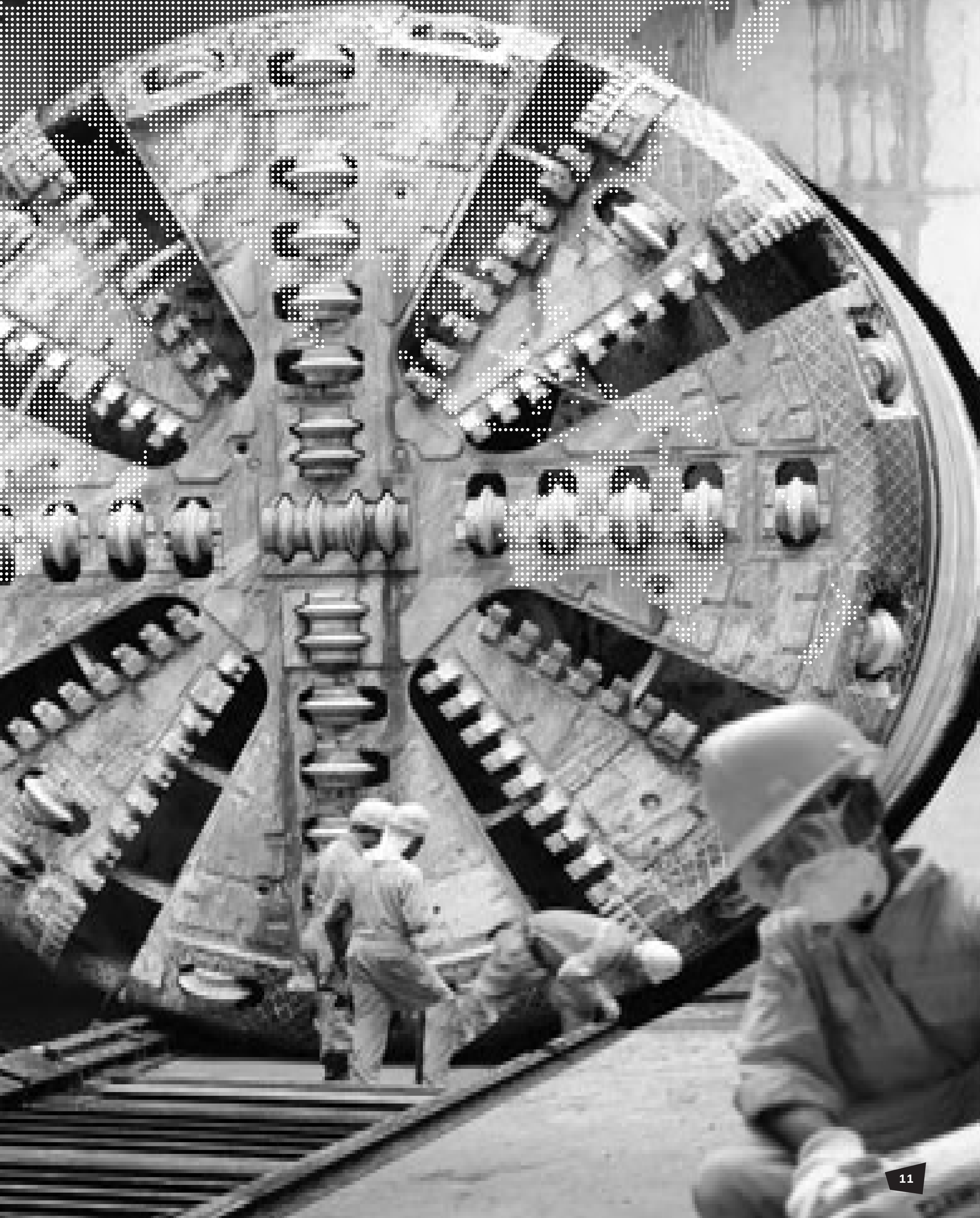
Achievements

Tunneling in highly variable ground conditions, involving excavation of highly alternating sedimentary and alluvial deposits; making it imperative to consider many factors involved in tunneling in such mixed soil conditions.

One of the major challenges for C856 is to tunnel beneath a row of more than four decades old shophouses, underneath a range of structures, from public roads to residential housing and commercial blocks.

Working in close proximity to power substations, high tension cables and existing viaduct structures.

Working in close proximity to dock and historical structures.



The Middle East Projects

Project List

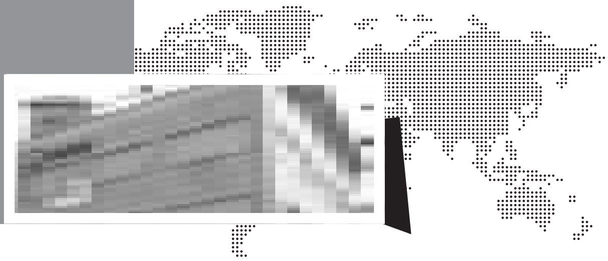
Awarded and Under Execution for 2008 – 2009

Conquering the Middle East

Prospects of growth in the Middle East remain bright. Punj Lloyd is already present in all the 'high growth promise' economies of the region, as the list below illustrates:

1. Strategic Gas Transmission Project for Qatar Petroleum of total value US$ 800 million.
2. Doha Urban Pipelines Relocation for Qatar Petroleum of total value US$ 180 million.
3. Multi Product Pipeline for Qatar Petroleum of total value US$ 98 million.
4. EP2 Pipeline Project for Ras Laffan Olefins Company Limited of total value US$ 45 million.
5. EPC of OGC Pipelines for Oman Gas Company of total value US$ 112 million.
6. Early Need Tanks for Saudi Kayan Petrochemical Company of total value US$ 79 million.
7. Fuel Handling System – New Doha International Airport of total value US$ 138 million.
8. Borouge 2 - Polyolefins Project: Mechanical Work for Tecnimont Italy/Borouge, Abu Dhabi of total value US$ 72 million.
9. Borouge 2 - U&O Project Mechanical Work for Tecnicas Reunidas, Spain/Borouge, Abu Dhabi of total value US$ 108 million.
10. Yemen LNG Project Mechanical Work for Yemgas/Yemen LNG Company of total value US$ 69 million.

Company Information



S N P Punj	Chairman (Emeritus)

Board of Directors

Atul Punj	Chairman
Scott R Bayman	Director
Naresh Kumar Trehan	Director
Rajan Jetley	Director
Sanjay Bhatnagar	Director
Niten Malhan	Director
Phiroz Vandrevala	Director
Vimal Kishore Kaushik	Managing Director
Luv Chhabra	Director (Corporate Affairs)
P K Gupta	Whole Time Director

Audit Committee

Naresh Kumar Trehan	Independent Director, Chairman of the Committee
Rajan Jetley	Independent Director
Sanjay Bhatnagar	Independent Director
Niten Malhan	Non Executive Director

Investors’ Grievance Committee

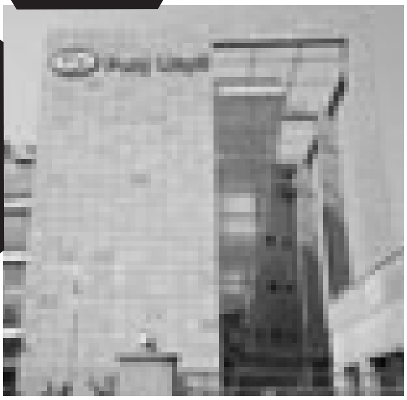
Naresh Kumar Trehan	Independent Director
Atul Punj	Executive Director
Luv Chhabra	Executive Director

Remuneration Committee

Naresh Kumar Trehan	Independent Director
Rajan Jetley	Independent Director
Sanjay Bhatnagar	Independent Director
Niten Malhan	Non Executive Director

Company Secretary

Dinesh Thairani



Auditor

S R Batliboi & Co. — Chartered Accountants

Registrar

Karvy Computershare Pvt Ltd
Plot No 17 – 24, Vittalrao Nagar
Madhapur, Hyderabad- 500 081

T + 91 40 2342 0818 – 24
F + 91 40 2342 0814

Bankers

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

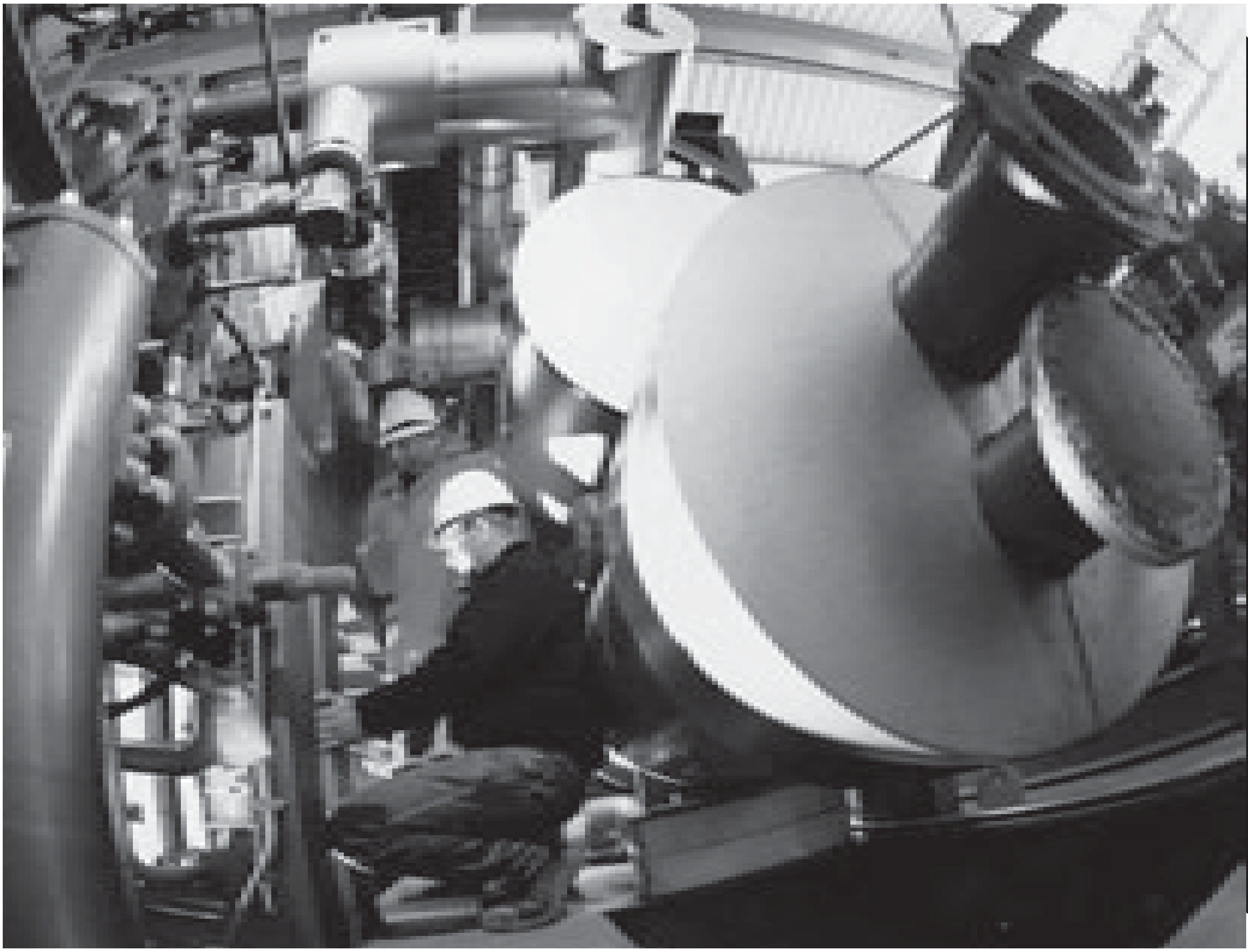
Health, Safety and Environment

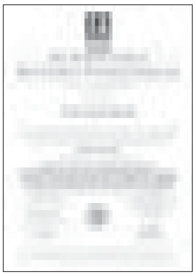
Global Standards

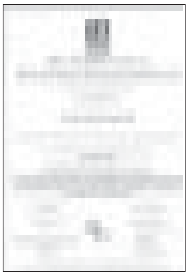
Focusing on Building a Culture of Safety

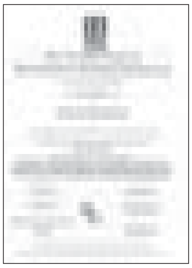
Safety at Site > At Punj Lloyd safety is non-negotiable and is an integral part of business. Every person is committed to ensuring a hazard-free and safe working environment, going beyond mere compliance of safety rules and focusing on building a safety culture. This not only implies keeping employees safe, but also supporting a healthy business through rigorous execution and engagement of Health, Safety and Environment (HSE) measures — achieved through leadership engagement, early program involvement, design, technology selection, risk mitigation and work performance.

Punj Lloyd drives its HSE practices through the adaptation of three basic principles: accountability from each employee (enforced through front–line supervision); incorporating safe work practices as standard operating procedures; and the philosophy that safety is not special – it is simply an equal part of the business process. This is inculcated into employees from Day 1; the Company trains all new hires on accident/hazard recognition even before they start on any assignment. Punj Lloyd creates, selects and delivers effective training, including group safety efforts that get the most learning from existing teams. Regular training is carried out to update knowledge of the employees on various project activities. ‘Safety Alerts’, mock drills and reporting and learning from near-miss incidents are some of the tools used in the training process. Safety promotion activities are high on the Company agenda: including celebration of National Safety Day, AIDS Awareness Day and Environment Day at sites across the globe.









Punj Lloyd's international standards, construction and project management techniques have been recognised for over a decade. The Company holds and maintains Quality, Environment and Occupational Health & Safety Management System Certification (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007, respectively). Also, the IFC performance standards have been integrated in the Company's existing occupational health, safety and environment management system to establish requirements to avoid, reduce, mitigate or compensate for impacts on people and the environment and to improve conditions where appropriate.

These efforts have been recognised and appreciated by external agencies and clients. At the YLNG project in Yemen and OGD III Project at Abu Dhabi, the Company achieved more than 7 million safe man-hours. As recognition for its efforts in safety, Punj Lloyd was awarded the Greentech Gold Award in Safety Management for the Construction Sector in 2008-09.

Human Resources

People

Empowering Individuals—Nurturing Careers

HR Philosophy > Punj Lloyd believes in empowering its people and in meritocracy. Employees are given significant responsibility at the early stage of their work life, and based on their ability to take up and execute challenging assignments, career paths are suitably accelerated. Individual achievement targets are aligned to Company goals and objectives and Punj Lloyd's appraisal system not only factors in monetary incentives, but also career and knowledge development opportunities. The Company also believes that cross-border experience creates global managers and supervisory staff; thus, over a period of time, key performers are not only geared to greater responsibilities in a country but are exposed to global work practices and cultures that enable them to successfully take up and execute assignments across the world. 'Grow from within' is also something in which Punj Lloyd believes: lateral inductions are necessary, but identifying, growing and promoting internal talent to more and more challenging positions in the Company is critical.

The Key HR Issues > Punj Lloyd has rapidly evolved in size, reach and complexity of operations. From an EPC group in the engineering and construction sector, the Company is fast transforming itself into a diversified conglomerate, exploring and exploiting business opportunities in energy, building, infrastructure, defence, aviation, marine and upstream. Therefore, the key issues that Punj Lloyd wishes to address from a people perspective are:

- Inducting talent and skills in business areas that have not traditionally been the business areas of the Company; e.g. Defence.
- Building managerial talent and developing a leadership pipeline to meet the ever increasing demand of top talent to manage and execute the Company's business.
- Developing the skill sets of workmen and supervisors who can then be utilised for the various projects that Punj Lloyd executes: not only in India but across the world.

The Major Initiatives

Inducting talent

Punj Lloyd is one of the country's premier recruiters. Annually about 350 Graduate Engineer Trainees and Management Trainees are inducted into the Company from premier institutes and government polytechnics across the country. Punj Lloyd has also implemented an accelerated development program for MBAs from India's leading business schools and over the past two years, the Company has recruited 16 MBAs with 5 years or more of related industry experience. In addition, the Company and the Group are exploring opportunities for laterally inducting people at various levels.

Developing worker skill sets

Punj Lloyd requires about 8,000 skilled people with diverse skill sets for its various projects globally. Since execution time, quality and safety imperatives vary across geographies, upgrading workmen skills is not only desirable, it is often a key differentiator between Punj Lloyd and its competition. The Company has set up Craftsmen Training Institutes (CTI) in Chhindwara (near Nagpur), Belgaum and Banmore (near Gwalior).

Together We Succeed

Punj Lloyd's engineers have multi-disciplinary skills, a wide range of experience in project management and execution and a tremendous ability to work across cultures and geographies. The Company integrates and trains local workforce, creates a multi-cultural composite project team that executes complex projects within time, cost and quality parameters.

In Kazakhstan, where the workforce consisted of 85% Kazakhs, the Indians learnt the local language in order to communicate directly with their co-workers rather than go through interpreters. On the other hand, the Kazakh workers learnt to appreciate Indian cuisine and joint meals enforced the bonding process. In addition to Kazakhs and Indians, Americans, British and Turkish manpower were also employed at the site.

The institutes train welders, fitters, operators and mechanics to hone their skills. Through these institutes, Punj Lloyd will be providing skill training of 54,000 man days per annum.

Building managerial capabilities

Inaugurated in July 2008, the Executive Development Centre at Banmore (EDC) is the Company's landmark training initiative to develop Graduate Engineer Trainees, Engineering Diploma Holder Trainees and Management Trainees. As part of the induction process, new recruits undergo an intensive, inter-disciplinary 7- 8 weeks' residential training cum foundation programme at the EDC, comprising presentations, assignments, site visits and practice exposure in various disciplines, which gives new recruits an understanding of the Group's operations in different business segments and geographies.

Learning needs of existing employees are also identified for all locations and geographies and appropriate training partners are chosen to get the best possible solutions. The training programs are aimed at sharpening personal/inter-personal effectiveness, leadership skills, team building and communication skills. The Group is planning to achieve a total of 11,270 man days of training per annum.

Punj Lloyd has also started a programme for training project managers on the commercial and financial aspects of business, along with Management Development Institute, Gurgaon, a

As part of the induction process, new recruits undergo an intensive, inter-disciplinary 7- 8 weeks' residential training cum foundation programme at the EDC

premier Indian management school. The training programme helps the managers to understand the criticality of management decisions with regards to top line and bottom line of projects.

Punj Lloyd is partnering with Indian School of Business (ISB) to set up its new centre at Mohali. The Company is among the four Founder Supporters who have contributed towards the development of ISB Mohali. The campus will have four Centres of Excellence amongst which will be Punj Lloyd Institute of Physical Infrastructure Management.

Talent building is not just a function of training: it is also a function of 'on the job' mentoring and guidance. To emphasise this, all senior managers are encouraged to identify and mentor talent within their business segments and geographies. The Company has laid down processes for mentoring, assessing, transforming, rewarding and promoting, which are cascaded down from the senior-most levels of management. Identification and nurturing of people talent is one of the significant Key Performance Indicators (KPI) of senior management in Punj Lloyd.

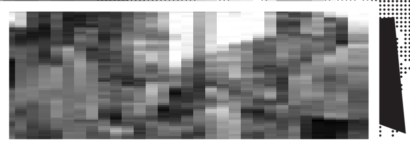
Together We Succeed

At our Libya Sirte Oil pipeline site, out of our multi-cultural manpower of 1455, there is a mix of Indian, Bangladeshi, Nepali, Libyan, Algerian, Moroccan, Sudani, Chadi, Somalian, Tunisian, Bulgarian, Ukrainian, Egyptian, Pakistani and Ghanaian nationalities.

Corporate Social Responsibility

Enriching Lives

Creating Value for Society



Punj Lloyd's Corporate Citizenship Initiatives > The Company's initiatives are born out of a deep desire to make a significant change in the areas where it operates. The Company focuses on two major areas: AIDS awareness and, by extension, life enrichment and education.

The Life Enrichment Programme > Construction workers are the mainstay of Punj Lloyd's projects. Many of them are migrants, socially displaced and economically challenged; they travel many hundreds of miles in search of jobs. Often enough, government health programmes do not reach these people — precisely because they are on the move from one site to another. Punj Lloyd has taken upon it to address the challenge of health and life improvement of these migrant workers at its myriad construction sites in India. And it is addressing the challenge through its Life Enrichment Programme.

Phase I of the Life Enrichment Programme was launched in February 2007 at Medicity, a multi-speciality institute that was being constructed by Punj Lloyd in Gurgaon, India. The project was initiated as a sustained programme of securing safe health practices for Punj Lloyd's workers/employees at all levels at the site, with focused action on propagating an enabling environment for the prevention of HIV/AIDS.

With SNS Foundation being the implementation partner, the one year project involved 1,400 unskilled and semi-skilled, marginally literate migrant workers employed by Punj Lloyd in the age range of 18-30 years.

Vijay Shankar Singh – Peer Educator, LE II, Panipat

I think safety is very important in our work. At the work site if we ignore safety measures, accidents can happen and we can hurt ourselves. I belong to Bihar and left my family back home to earn money. I always take care of health and safety because I believe that if I'm healthy I can earn for myself and my family. Life Enrichment Programme educated us on different issues like how to stay healthy and fit, mentally and physically (so that we can give our 100%), about safety, sex related problems, HIV/AIDS, condoms etc. Jawaharlal Nehru once said that workers are the treasure of the country and till the time they are healthy and fit, the country will progress. I have really benefitted from this program and I will tell all my friends and co-workers about things I learnt from Life Enrichment Programme.

In addition to educating these workers about safe sex practices, the programme focused on access to healthcare, counselling and health building, through blood tests, free medical check-ups, free distribution of condoms and various educational tools to make them aware about a safer and healthier lifestyle.

Phase I was a great success – so much so that people who were involved in the project have now become the core group that would educate others wherever they go.

Appreciating the work done by Punj Lloyd during Phase I, International Finance Corporation (IFC) Washington supported the Company in Phase II of the Life Enrichment Project (LE II), where construction workers of the Company at three Indian Oil Corporation (IOC) sites are the target audience. The three sites are at Panipat (Haryana), Vadodara (Gujarat) and Haldia (West Bengal).

The eighteen-month programme targets an overall improvement in health-seeking behaviour of 4,000 Punj Lloyd construction workers to substantially add to their self worth. The programme includes providing on-site medical facilities, intensive communication and counselling, courses on nutrition and yoga, condom promotion and the adoption of a peer educator model to provide education on important health issues such as substance abuse, sexual and reproductive health, including HIV/AIDS, and tuberculosis.

'Mentors' and 'Ambassadors' have been identified from among the management personnel at each site, while 'Peer Educators (PEs) and 'Peer Coordinators' (PCs) will lead the communication and behaviour change

Punj Lloyd has taken upon it to address the challenge of health and life improvement of migrant workers who work at its myriad construction sites in India

Scholarships and sponsorships are provided to encourage education among children, especially the girl child

Lalit Mohan (Camp Boss, Labour Colony) Peer Coordinator, LE II, Panipat

SNS Foundation educated us on different topics like HIV/AIDS, health, safety, cleanliness and hygiene. They also organised street plays on issues like personal health, safety and HIV/AIDS. Initially, workers were very sceptical about HIV test but after SNS Foundation's trainings, 234 workers voluntarily got their HIV test done. Condom depots were also installed at sites and worker colonies. They also take care of the hygiene and quality of our food.

among peers. Together, they demonstrate their wholehearted commitment to support the objective of making the workplace environment a safe haven for all.

The Education Initiatives

Dayawanti Punj Model School, Sitamarhi

During his visits to the areas of Bhadohi and Sitamarhi, Mr. S N P Punj, the Founder of the school at Sitamarhi, came face to face with illiteracy, prejudice against girl children and poverty. Although Sitamarhi in eastern Uttar Pradesh is a famous religious site and has important historical implications, economic development seemed to have bypassed the area. Illiteracy, superstitions, gender bias, lack of social awareness and poor hygiene have all contributed to the lack of growth in the region.

To address this problem, Mr. S N P Punj started an English medium school for girls at Sitamarhi, Dayawanti Punj Model School, which gives freeships and scholarships as an incentive to parents to educate their daughters.

The school is affiliated to the Central Board of Secondary Education (CBSE). From 100 students five years ago, the school today has 1,100+ students from Nursery to Class 10. In 2008, the school had sent its first batch for the CBSE Secondary exams and is expected to soon grow to the senior secondary level, under the 10+2 scheme. In addition to the prescribed curriculum, students are exposed to various extra curricular activities. Started as a school for the girl child, it has gained so much in popularity that local parents requested to have their sons educated in the school as well; and in response, the institution has evolved into a co-educational English medium school.

The students, who largely belong to families of small farmers and traders, are equipped with both intellectual and practical skills; where needed, the school arranges for tutorials and remedial teaching. Scholarships and sponsorships are provided to encourage education among children, especially the girl child. Presently 150 students, mostly girls, benefit from these scholarships. The school also provides free nutrient-rich mid-day meals to students from nursery to Class 3. Systematic medical check-ups are undertaken and the children are taught the importance of maintaining good health.

52 well qualified teachers from various parts of India, reside at the campus along with their families. Teachers and their families are provided well furnished accommodation.

The school has a training centre where the teachers are updated with the latest developments in teaching methodology and

In School

To encourage overall development, the school equally focuses on extra curricular activities. The school organises sports day and annual day in which all the students are encouraged to participate and present their talent. Yoga has been introduced. Every year, thirty students, 50% of them girls, are chosen from Classes 1 to 10 to travel to New Delhi by train. For the first time in their lives, children get a first hand experience of the Republic Day Parade. Field trips are organised to the Shankar Doll Museum, Rail and National Museum, Zoological Gardens and even a visit to the International Airport, with special permission for entrance into a commercial aircraft.

The kind of exposure these students enjoy has a dramatic effect on the others, as they share the experience of the exciting time they had in Delhi, along with their classmates. Supported by their learning and these experiences, the students aim to become pilots, doctors and engineers.

child psychology. In addition to their teaching responsibilities, a number of them also undertake regular door to door campaigns in and around the Sitamarhi district to spread awareness about the importance of education.

Leveraging on Punj Lloyd's infrastructure-building capabilities, the school has been built with the best amenities, including a swimming pool, gymnasium, internet facilities and a state-of-the art auditorium. To meet the constant demand of the parents for lodging and boarding for the students, two hostel blocks are being built.

Students of Dayawanti Punj Model School have won accolades at various national drawing and general knowledge competitions held in various cities every year. The school is also looking at establishing a 'Sports Academy' to train the children.

Developmental Initiatives at Sitamarhi

Punj Lloyd's involvement with Sitamarhi is not restricted to the school alone. Today, using the school as a fulcrum, the Company has a number of allied initiatives running in the area – all focused on lifting the standard and quality of life of the people in the immediate region.

Pt. Kanahya Lal Punj Bal Bhawan

Government of India has sanctioned a Bal Bhawan – the 'Pt. Kanahya Lal Punj Bal Bhawan', sponsored by Punj Lloyd - at Sitamarhi, on similar lines to that of the National Bal Bhawan in New Delhi. The Bhawan provides children between the age of 5-16 years a platform to engage in activities like art, music, dance, drama, painting and photography, electronic repairs, doll-making and designing.

Village Development Programme

A Village Development Programme was launched, which aims at developing three villages falling within a 5 km radius by adopting one village every year and converting it into a 'Model Village'. The programme is centred round a five point agenda:

- Education for all
- Health, Hygiene, Sanitation
- Women Work Centre
- Tree Plantation
- Social Awareness & Awakening

Economic Overview > The World Economy > After significant global growth over almost a decade, signs of a slowdown were to be seen by the end of 2007. Matters worsened in 2008, especially in the second half — and more so after the collapse of Lehman Brothers on 14 September 2008. The global credit meltdown that followed soon translated to the real economy. By the fourth quarter of 2008, every major developed nation was in recession — which is expected to continue throughout calendar 2009.

Economic activity in the US has declined sharply; the US economy is expected to shrink between 2.6% and 2.8% in calendar 2009. The Euro area, too, is facing large contraction; with high unemployment rates, significant structural rigidities, and, in many countries, a poor budgetary situation, the EU runs a serious risk of entering a long deflationary cycle, with de-growth in the region being projected to be between 3.5% to 4%.

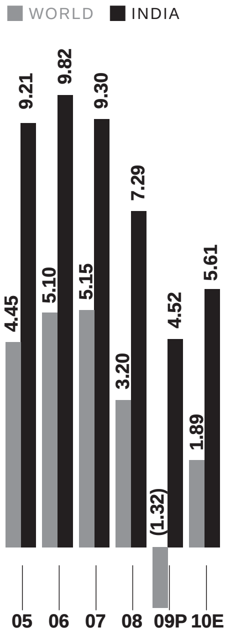
Global growth projections for calendar 2009 reflect a 1.3% shrinkage (Chart A) – the first decline in world output on record.[1] And even the 1.3% shrinkage is seen to be optimistic; the World Bank expects the shrinkage figure to be 1.7%.To combat all of this, large amounts of liquidity have been injected into the global economy through government announced funding. Already, well above US$ 2.5 trillion have been, or is in the process of being, injected — the G20 announced a global stimulus package of US$1.1 trillion in April 2009. Simultaneously, central banks across countries have rapidly reduced policy rates, with a consequent drop in short-term interest rates.

[1]Source: International Monetary Fund, World Economic Outlook Database, April 2009

A

IN %

India's GDP Growth 2005 – 2010



However, how much of these measures have translated to 'money on the ground' for corporate entities and individuals to borrow and spend still remains in doubt.[2]

India

The official GDP growth numbers released on 29 May 2009 is 6.8% for 2008-09, with Q4 GDP growth at 5.8%. But that is just one part of the problem. At the time of writing this Management Discussion and Analysis, India is facing two conflicting situations. The first is a hugely positive uplift in sentiments, with the Congress winning 206 seats in the recent elections for the 15th Lok Sabha and the United Progressive Alliance (UPA) comfortably securing a majority. The fact that Dr. Manmohan Singh will be again leading his team — this time unfettered by the compulsions of meeting the demands of the Left parties — has created a universally positive milieu throughout India.

But there are disquieting trends. Industrial growth has been falling sharply. While there seems to be no dearth of liquidity in the financial system, banks are still not lending enough, and there doesn't seem to be an adequate credit uptick. The consolidated fiscal deficit for 2008-09 is estimated at 11% of GDP; and, given the government's objective of increasing spends on education, health, social infrastructure and support for families below the poverty line, there is little likelihood of the consolidated deficit reducing sharply in 2009-10. Thus, there are concerns of interest rates hardening in the second half of 2009-10. Equally, with the rise in crude oil prices — it is now at US$ 70 per barrel — there is a scope of rising inflation during the second half of the year.

Thus, as far as India goes 2009-10 may be an unpredictable year. The baseline GDP growth forecast remains at around 6% to 6.5%. However, if the new government shows speed and determination — as people think it will — we could see a significant upsurge in investment demand and, with it, a rise in growth rate to the 7% to 7.5% range. We will have to wait and see.

The Business Segments

As shown in Table 1, Punj Lloyd Ltd. ('Punj Lloyd' or 'the Company') operates in four major

1 REVENUES AND ORDER BACKLOG: BY BUSINESS SEGMENT IN RS CRORE

Segments	Oil & Gas	Civil & Infrastructure	Petrochemicals	Power	Total
Total Revenue (2008-09)	7,233.76	3,007.37	1,017.64	457.13	**11,715.90**
Percentage Share	61%	26%	9%	4%	**100%**
Of which, Top 15 revenue earners	4,118.83	1,624.72	1,003.24	352.81	**7,099.60**
Percentage Share	58%	23%	14%	5%	**100%**
Order Backlog	10,514.67	6,425.99	2,525.83	1,218.72	**20,685.21**
Percentage Share	51%	31%	12%	6%	**100%**

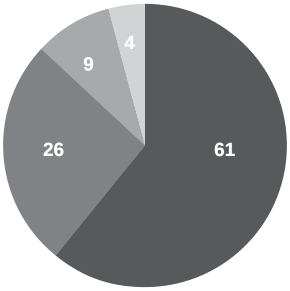
[2]**Source: Reserve Bank of India, Annual Policy Statement: 2009-10**

B

IN %

Share of Total Revenue 2008 – 2009

- OIL & GAS
- CIVIL & INFRASTRUCTURE
- PETROCHEMICALS
- POWER



segments: Oil and Gas, Civil and Infrastructure, Petrochemicals and Power. Chart B shows the revenue distribution of the four segments. Table 1 gives the figures.

Oil & Gas

The oil & gas business contributes to 61% of Punj Lloyd's total revenues and about 58% of Punj Lloyd's top 15 revenue earning projects in 2008-09. This business offers services in process engineering, pipelines, both onshore and offshore, and tankages.

The segment earned revenues of Rs. 7,234 crore during the year and as on 31 March 2009, has an order backlog of Rs. 10,515 crore.

In 2008-09, Punj Lloyd won the Strategic Gas Transmission Project for Qatar Petroleum, valued at Rs. 3,636 crore and involved laying two new 36" dia pipelines and 24 Core FOC laying. This is the largest project that the Company has undertaken in the oil & gas business till date. The Company's capabilities in the oil & gas sector are also well recognised in India. In 2008-09, the Company has won big ticket projects both for the refineries as well as for pipelines. Some of the projects that Punj Lloyd has been awarded are highlighted in Table 2 below.

In tankage, the Company has the expertise to execute a complete EPC project for tank farms and terminals, including cryogenic storage. Punj Lloyd is one of the few companies in the world having its own design capabilities and construction expertise for cryogenic and floating roof tanks.

Among the projects under execution during the year, the 'EPCC 8 packages' for IOCL Panipat is worth separate mention. The Rs. 350 crore project is for the design and construction of offsites and storage facilities for the naphtha cracker project at IOCL's Panipat refinery. Unlike other projects, here all kinds of storage equipment are being manufactured at site, including spheres, moulded bullets, atmospheric tanks and propylene and ethylene cryogenic tanks.

Table 3 summarises the revenues the Company has earned from process engineering and tankage for 2008-09 and the order backlog as on 31 March 2009.

Some of the other major projects that have been executed are detailed below:

- Two orders for New Doha International Airport fuel system; contract value Rs. 608 crore.
- Two order for mechanical work, including steel, equipment and pipeline fabrication and erection for Abu Dhabi Polymers Company (Borouge); contract value Rs. 762 crore.

Offshore Projects in Oil & Gas

During 2008-09, this business unit (in association with our wholly owned subsidiary, PT Sempec of Indonesia) was executing an offshore EPC project, with a contract value of Rs. 1,289 crore, involving four well head platforms, pipelines, flexibles, cable laying and SBM, etc, for ONGC at Heera. Subsequently, in April 2009, Punj Lloyd has successfully commissioned and handed over

2 **MAJOR PROJECTS: AWARDED AND UNDER EXECUTION FOR 2008-09: OIL & GAS** IN RS CRORE

Project	Client	Contract Value
Delayed Coker Unit	IOCL, Vadodara	590
Sulphur Block for Bina Refinery Project	Bharat Oman Refinery, Bina	590
Motor Spirit Quality Upgradation	IOCL, Barauni	649
EPC Contract for Pipeline	Gujarat State Petronet Ltd.	239
Heated and Insulated Gas Pipeline: Three Sections	Cairn India Ltd.	141
Dense Phase Ethylene and Butane Pipelines between Ras Laffan and Mesaieed	Ras Laffan Olefins Company Ltd, Qatar	191
EPC for 21 Storage Tanks	Eastern Bechtel Co. Ltd., Abu Dhabi	140
Offsite and Utilities	Yemen LNG, Yemen	322
Construction of Two Gas Pipelines in Libya	Sirte Oil Company of Libya	1,349

3	PROCESS ENGINEERING & TANKAGE: SEGMENT-WISE REVENUE & ORDER BACKLOG		IN RS CRORE
Business Segments	**Oil & Gas**	**Petrochemicals**	**Total**
Revenue	3,204.79	1,017.54	**4,222.33**
Percentage Share	76%	24%	**100%**
Order Backlog	4,061.55	2,525.83	**6,587.38**
Percentage Share	62%	38%	**100%**

Disclosure on Heera Project

Some commercial issues have arisen during the course of the execution of the project. During the execution phase, it was discovered that there was considerable variation between the structural design specified by the client and the actual work that needed to be done if the project were to be successfully executed. This meant that the structural design had to be modified, costing Punj Lloyd engineering time and effort; moreover, it emerged that the complexity and quantum of marine installation work and steel fabrication was substantially more than what was originally scoped. This, in turn, led to time and cost overruns, for which Punj Lloyd has a potential variation order claim of about US$ 100 million on ONGC, as well as a demand that the time extension be considered.

the first of the four offshore wellhead platforms to ONGC for it to commence drilling and production operations. Heera is the first of Punj Lloyd's offshore platform projects in India and the successful technical execution of the project has established the Company's credentials in offshore.

It also completed the Uran Trombay Gas Pipeline (the UTG pipeline), where a substantial part of the project was offshore. The project scope included 24 km of 20" dia pipeline and terminal work and was completed before time.

During 2008-09, Punj Lloyd bid for a US$ 130 million project in Thailand, as well as for the ZADCO block in Abu Dhabi. It has also submitted bids to ONGC with a combined value of more than US$ 2.5 billion.

In the offshore business, Punj Lloyd identifies two issues critical to success: equipment and the skills to effectively deploy them. Punj Lloyd has acquired sophisticated equipment and machinery over the past few years, especially during 2008-09. Pipe-laying barges are used to lay sections of the pipeline at various water depths; the Company has acquired two such barges, one operating in depths up to 60 metres; the other can lay pipes in depths of 150 metres. Punj Lloyd is one of the few companies in the world that has such sophisticated equipment. In 2008-09, the Company also acquired an accommodation and crane barge.

Punj Lloyd has a long-term growth objective of being able to graduate to deep-water offshore work, both in India and the overseas markets, especially in the Gulf region.

Business Development and Growth Plans

In India, capital investments in the upstream oil & gas sector are expected to grow. Hindustan Petroleum Corporation Limited (HPCL) is planning to upgrade both its Vizag and Mumbai plants to conform to Euro IV emission norms. There are also plans for Diesel Hydrotreater (DHT) units, in which Hydrogen Units and Sulphur Recovery Units form a part. These projects have an estimated spend of Rs. 3,500 crore. In addition, Mangalore Refinery & Petrochemicals Ltd. (MRPL) is expanding its operations; Punj Lloyd is bidding for major packages, especially for the Delayed Coker Unit. The Government of India is planning to build an Underground Strategic Reserve, for which Punj Lloyd has bid for the topside of the cavern storage.

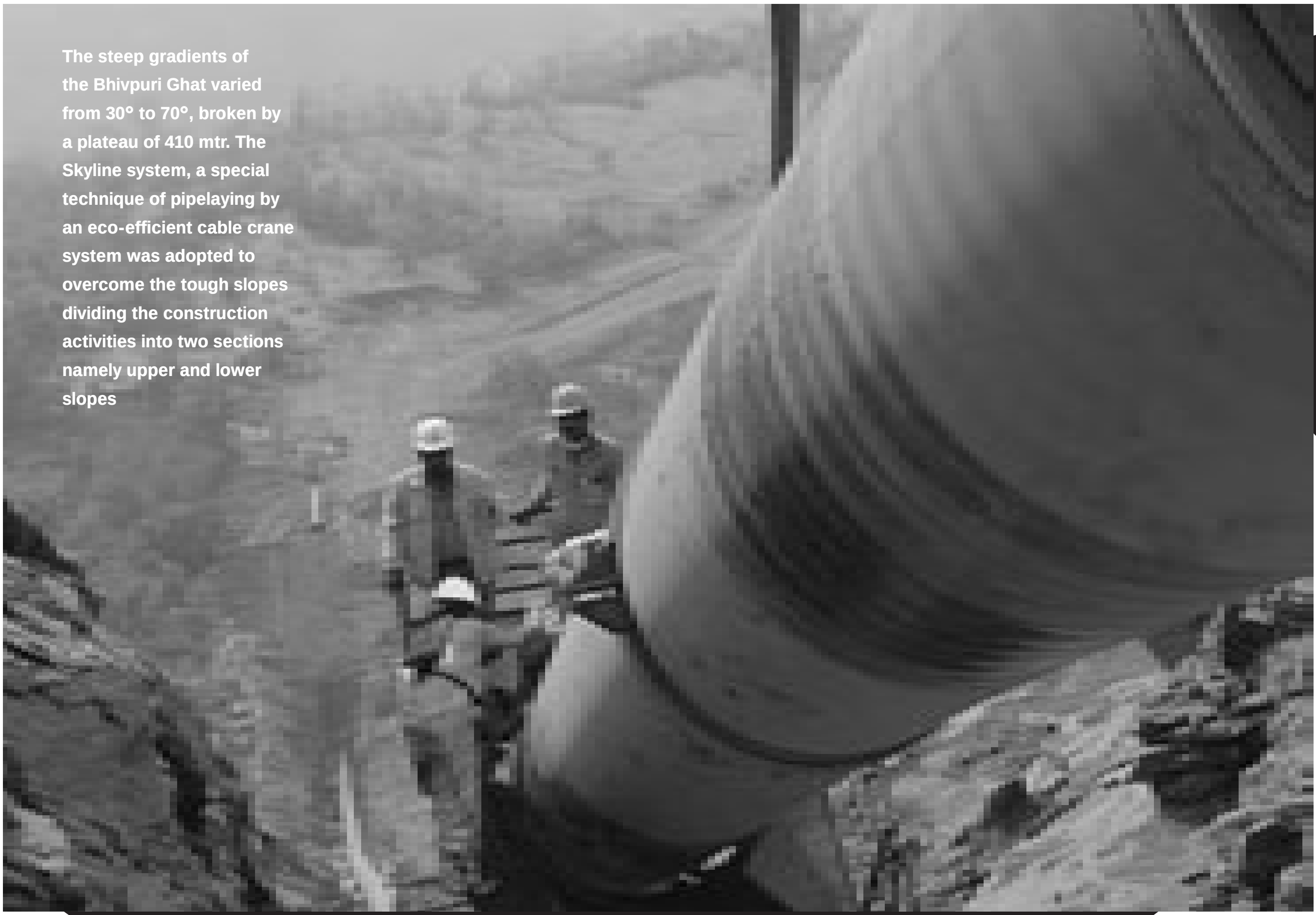
On the pipelines side, Gas Authority of India Ltd (GAIL) is putting in a parallel pipeline between Dahej and Vijaipur, which is about 550 km long; Punj Lloyd has already submitted its bid. The Bawana Nangal gas pipeline project is also in the offing. According to newspaper reports—(The Economic Times, 13 April 2009)

"GAIL has upped its planned expenditure for 2009-10 by as much as 56% compared to the previous fiscal. The gas major has pegged its capex for 2009-10 at Rs 5,558 crore against a revised estimate of Rs 3,559 crore for 2008-09".

Punj Lloyd also plans to enter new geographies. The Company is one of the four international pre-qualified bidders for a mega pipeline project in Papua New Guinea.

Though crude oil prices have come down from US$ 147 per barrel to around US$ 70 per barrel, oil producing nations and oil majors have not cut back significantly on their expansion and investment plans, as can be seen from the following comments and reports:

- *The onshore division of UAE state-run oil firm ADNOC plans to award around $2 billion of contracts to expand capacity before the end of the year (2009).*[3]
- *The Abu Dhabi Government is going ahead with its plans to invest as much as $20 billion by 2010 to increase its crude output capacity… and also pump in $25 billion over the coming five to six years into its gas industry.* [4]
- *Libya's National Oil Corporation (NOC) has approved the development plan which is aimed at improving the economics of the refinery, cementing its position in the local market, and also allowing it to meet new production specifications… a UAE-based consortium of TransAsia Gas and Star Petro Energy have agreed to take a 50% stake in Ras Lanuf, Libya's largest refinery. The Azzawiya plans call for a two-phase refinery revamp project, harbour expansion, and revamp of a lube oil blending plant… ARC has not announced the forecast cost of its*



The steep gradients of the Bhivpuri Ghat varied from 30° to 70°, broken by a plateau of 410 mtr. The Skyline system, a special technique of pipelaying by an eco-efficient cable crane system was adopted to overcome the tough slopes dividing the construction activities into two sections namely upper and lower slopes

upgrade, but previous estimates have put the refinery's revamp at around $650 million[5]

- *In India, about 27 million tonnes per annum additional capacity is planned to come up under PSUs. Under joint venture, 43 million tonnes per annum capacity will be added in the next four to six years …creating additional refining capacity of about 110 million tonnes per annum during the near future and will require an investment of over US$ 22 billion.*[6]

Given the increasing demand for oil and petroleum products from developing economies, it is unlikely that oil companies will 'shut down' their offshore plans. In India, ONGC is going ahead with its offshore projects: the Heera project is ongoing and ONGC has major investment plans in their offshore operations, giving rise to optimism about business prospects in the offshore segment.

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[3]Source: http://business.maktoob.com/20090000001755/ADNOC_plans_$2_bln_oil_expansion_contract/Article.htm

[4]Source: http://www.oilandgasnewsworldwide.com/bkArticlesF.asp?Article=25621&Section=3952&IssueID=540

[5]Source: https://www.zawya.com/story.cfm/sidv52n14-3NC11/Libya&rsquo%3Bs%20Azzawiya%20Refinery%20Continues%20To%20Seek%20Investors%20For%20Upgrade%2FExpansion

[6]Source: Ministry of Petroleum, Govt. of India website

4 REVENUES AND ORDER BACKLOG: CIVIL, INFRASTRUCTURE & POWER					IN RS. CRORE
Geographies	**Africa**	**East Asia**	**Middle East**	**South Asia**	**Total**
Revenue					
Civil Engineering, Building & Power	-	2,348.12	80.45	468.34	**2,896.91**
Roads & Other Infrastructure	-	-	-	567.59	**567.59**
Total	**-**	**2,348.12**	**80.45**	**1,035.93**	**3,464.50**
Percentage Share	-	68%	2%	30%	**100%**
Order Backlog					
Civil Engineering, Building & Power	2,058.05	1,824.61	146.87	2,606.43	**6,635.96**
Roads & Other Infrastructure	-	-	-	1,008.75	**1,008.75**
Total	**2,058.05**	**1,824.61**	**146.87**	**3,615.18**	**7,644.71**
Percentage Share	27%	24%	2%	47%	**100%**

Civil, Infrastructure & Power

The Civil, Infrastructure & Power business of Punj Lloyd comprises two elements (Civil Engineering, Building & Power, and Roads & Other Infrastructure). Together, they have contributed Rs. 3,465 crore of topline to Punj Lloyd during the year ended 31 March 2009, with a residual order book of Rs. 7,645 crore as on that date (Table 4).

Civil & Infrastructure work is executed through three entities: Punj Lloyd Ltd. (which mainly executes projects in India), Sembawang Engineers and Constructors Pte Ltd. (SEC) and Sembawang UAE

India Operations

In India, Punj Lloyd provides integrated design, EPC and management services for infrastructure projects, including roads, highways, flyovers, bridges, elevated railroads, metre rail, underground tunnels, seaports and airport terminals.

The Company has successfully completed four of its eleven highway project during the year. The multi-speciality ‘Medicity’ project at Gurgaon (Haryana) is also nearing completion. Some of the other projects won and being executed during the year are as follows:

- Civil works for the aerodrome at Pakyong, Sikkim; contract value Rs. 264 crore.
- Elevated Metro rail viaduct at Delhi; contract value Rs. 86 crore.

5 ESTIMATED INFRASTRUCTURE SPENDS: 11TH PLAN PERIOD (2009 - 2012)			
Key Sectors	**Estimated Investment (US$ Billion)**		
	2009-2010	**2010-2011**	**2011-2012**
Electricity	31.60	39.51	49.65
Roads & Bridges	14.80	17.09	19.99
Railways (Incl MRTS)	12.38	15.10	19.18
Ports	4.34	5.00	5.85
Airports	1.48	1.66	1.92
Water Supply & Sanitation	6.83	8.32	10.27
Irrigation (Incl watershed)	11.80	15.57	20.11
Telecommunication	12.15	15.41	19.67
Storage	1.11	1.21	1.31
Gas	0.83	0.93	1.03
Total	**97.32**	**119.80**	**148.98**

Source: Planning Commission Documents

- Seaport project in Maharashtra; contract value Rs. 800 crore.
- Providing a parking facility for the Commonwealth Games at Delhi in 2010; contract value Rs. 304 crore.

The Company is also executing two projects, totalling Rs. 2,058 crore, in Libya in a joint venture with a Libyan company; Punj Lloyd will have 85% of the project while Public Works Company, Tripoli will have the balance 15% share. The two projects involve EPC and project management water, sewerage, roads and other facilities for Arada Zones 4 & 5a of Tripoli City.

Growth Plans

The spend commitments of the Government of India in the infrastructure sector have increased substantially, especially for the 12th Plan Period. Table 5 details the estimated infrastructure investment for the next three financial years in various sectors [7]

- **Railways** Indian Railways have plans for large scale infrastructure development. The qualification process of the 300 km dedicated Eastern Freight Corridor is expected to commence shortly. Punj Lloyd is in discussions with various leading international companies in the railway segment for joint participation in this and other railway projects.
- **Ports** Almost all the major ports in the country have announced capacity enhancement, which are being coordinated through the National Marine Development Programme. Punj Lloyd has been pre-qualified for the Goa port project. In Abu Dhabi, the Company has been technically qualified for the Khalifa Port and Industrial Zone Project in consortium with a Greek company.
- **Airports** Government of India has already invited private participation in the upgrade of airports and airport terminals and in the construction of new ones. The next three years should see spends of around US$ 6 billion and the Company is looking to exploit these opportunities. With Punj Lloyd executing the Sikkim project, a reference has been created.
- **Roads and Highways** Phase V of the development programme of the National Highway Development Plan (NHDP) looks at

[7]Source: Various

News Flash

Punj Lloyd has, on 16 April 2009, announced the award of three contracts worth Rs. 308 crore for the construction of eight key stations for the Bangalore Metro Rail Project.

In the first phase of the project, construction work would comprise double-line electrified North-South and East-West corridors, covering a total length of 33 km.

The scheduled time for completion of each of the contracts is 22 months.

further upgrading Indian roads. The National Highways Authority of India (NHAI) has started inviting for pre-qualification bids for various road packages. Punj Lloyd is looking at tie-ups with select companies where it can go forward for these bids, either on a 'Build-Own-Transfer' (BOT)/Annuity basis or on a 'project execution' basis.

- **Mass Rapid Transport Systems** The Company has won three contracts for the Bangalore Metro Rail Project ('See News Flash').
- **Libya** The country offers large and varied opportunities in the infrastructure sector. Due to past international sanctions, infrastructure development in Libya has not progressed at the pace it ought to have; the country, however, has sufficient funds to explore and execute expansion projects in various infrastructure segments. Punj Lloyd has already established its credentials in the region and expects to leverage this further in the near future.

Sembawang Engineers & Constructors Pte. Ltd., Singapore (SEC)

SEC, the engineering and construction arm of SembCorp Industries Ltd. Singapore and the biggest constructor in Singapore, was acquired by Punj Lloyd in 2006-07. In its second full year of operations after being integrated with the Punj Lloyd Group, Sembawang has been reorganised and refocused in line with the overall business goals of the Punj Lloyd Group.

During the year, SEC earned revenues of Rs. 2,462 crore (Singapore $ 775 million) with an order backlog of Rs. 3,777 crore.

The Marina Bay Sands project, where SEC was involved in constructing the substructure and superstructure of this mega resort, was substantially completed during the year; as was the construction of Bayfront Station including associated tunnels for Downtown Line Stage 1 for the Singapore Land Transport Authority. These two large projects generated revenues of Rs. 1,356 crore for SEC during the year.

SEC is also exploring business opportunities in India, where it has pre-qualified for the extension of the Metro Rail Project in Kolkata. Indian MRTS projects offer ample opportunities for SEC, in conjunction with the Civil & Infrastructure Group based out of India.

Sembawang was already involved in the Middle East with a building project in Bahrain. The company is now looking at deepening its footprint in the region, and have, therefore, set up Sembawang UAE in the third quarter of 2008-09. Infrastructure spends in the Middle East economies (Qatar, Abu Dhabi and Oman) are ongoing and offer the company growth potential. Also, the UAE operations also serve as the base for exploring and executing business opportunities in Africa and Europe. In the Middle East and European markets, Sembawang is looking at government or triple-A rated clients; the company is pre-qualified in Poland, where the European Games to be held in 2012 offer business opportunities.

Sembawang has a healthy cash flow position and is largely debt free, giving it the edge required in the present market conditions, over other players. It is because of this focus and careful planning that its position is not only strong but it is also well placed to get large orders at better margins in the present markets.

Power

There are two parts to the power business: thermal and conventional and nuclear power. During the year, the power business segment of Punj Lloyd generated revenues of Rs. 457 crore, with an order backlog of Rs. 1,219 crore as on 31 March 2009.

Thermal and Conventional Power

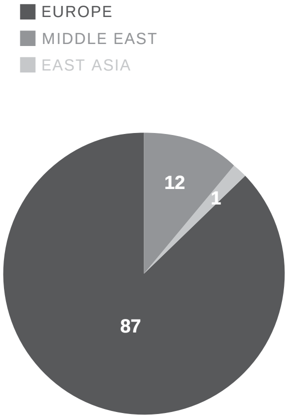
During the year, Punj Lloyd is executing the complete EPC, including civil work of balance of plant (BOP) package for 2 x 250 MW Chhabra Thermal Power Project in Rajasthan; the order value of the project is Rs. 823 crore. The first unit was synchronised on 16 April 2009 and the project is expected to be completed by July 2009.

Punj Lloyd has also been awarded the EPC for BOP at the 2 x 270 MW Govindwal Sahib Power project in the Tarn Taran district of Punjab. Punj Lloyd has already started the engineering work for the project, which is valued at Rs. 1,005 crore.

[8]Source: 'Power Scenario at a Glance': Central Electricity Authority, Apr 2009
[9]Source: Ministry of Power, Govt. of India, Website
[10]Source: 'Nuclear Power in India': World Nuclear Association

IN %

Revenues: Petrochemicals 2008 – 2009



On the business development front, the power segment has entered into an agreement with General Electric (GE) to work together in Indian and international markets, with Punj Lloyd as the EPC contractor for the entire plant (including turbine) and GE as the equipment and technology supplier. Over the next few years, Punj Lloyd wishes to migrate from being an EPC player of BOP in power plants to a full EPC player.

Nuclear Power

India will need to develop its nuclear power generation capability if it is to meet its growing demand for power. The power shortage for 2008-09 is estimated at 11.0%[8]. Currently, only 4,120 MW (2.8%) of India's total generation is met through nuclear power. The country proposes to add another 3,380 MW of generation capacity by the end of the 11th Plan period[9]; have 20,000 MW of nuclear power by 2020 and targets 25% of its electricity supply to come from nuclear power by 2050[10]. This will not be possible without Private Public Partnerships (PPPs); though, currently, the sole authority supervising India's civil nuclear programme is the Nuclear Power Corporation of India Ltd (NPCIL).

Punj Lloyd recognises that this area offers long term growth opportunities for its engineering and construction businesses. Punj Lloyd envisages that, over a period of time, the following business opportunities will arise for the Company in the nuclear power generation business:

- In EPC.
- Decommissioning of Nuclear Power Plants and nuclear waste management; using the experience of Simon Carves Ltd (UK), which has 3.5 million man hours of experience in nuclear de-commissioning, spent-fuel management and engineering advisory services.
- In Nuclear Fuel and Consultancy.
- In Components.
- In Operations & Maintenance.

The team is establishing relationships with leading global nuclear technology providers for EPC jobs, as well as exploring qualification opportunities jointly with the appropriate international EPC majors. Punj Lloyd has also been issued the pre-qualification (PQ) documents for civil work contract for the Pressurised Heavy Water Reactors (PHWR) of 700 MW each, worth Rs. 650 crore at Kakarpara in Gujarat.

Petrochemicals

In 2008-09, the petrochemicals segment generated revenues of Rs, 1,018 crore, with an order backlog of Rs. 2,526 crore as on 31 March 2009 (Table 6).

Simon Carves

Simon Carves Limited, UK (SC)

Simon Carves Limited provides comprehensive Engineering, Procurement, Construction and Commissioning (EPCC) services the across the global process industry sector, focusing on petrochemicals and renewables, especially bio-fuel manufacture. Its expertise lies in the following areas:

- **Polymers and Petrochemicals,** having designed and supplied over 80 manufacturing facilities to its customers world wide.
- **Chemicals,** with its own acid technology and through strategic licensor relationships for other technologies: SCL has built over 350 chemical manufacturing facilities worldwide; the company has extensive experience in the Pharmaceutical and Agro chemical markets particularly in Europe having worked closely in partnership with AstraZeneca over a long period of time.
- **Nuclear Power,** where it has been involved in the design and build of new installations

6 REVENUES AND ORDER BACKLOG: PETROCHEMICALS — IN RS. CRORE

Geographies	Middle East	East Asia	Europe	Rest of World	Total
Revenue	125.24	10.67	881.24	0.49	**1,017.64**
Percentage Share	12%	1%	87%	0%	**100%**
Order Backlog	1,251.10	398.32	186.49	689.92	**2,525.83**
Percentage Share	50%	16%	7%	27%	**100%**

in the UK particularly fuel fabrication, waste treatment and processing.

In 2008-09, Simon Carves generated revenues of £169 million (2007-08: £177 million).

At 31 March 2009, the Punj Lloyd Group reorganised its holding structure of Simon Carves Limited. Simon Carves Singapore Pte. Ltd. is now the parent company. There will be no effect on Simon Carves Limited, and is a reflection of the Group wide focus on projects in Asia and the Middle East. The Abu Dhabi office becoming the global headquarters of Simon Carves will allow it to exploit opportunities in the Middle East and Asia.

Projects Under Execution

Over the last year, SC has continued to establish itself as a leader in the EPCC space of bio-ethanol facilities as it delivers the world's largest wheat based facility. On the back of its performance on this plant, SC has secured a further contract with the existing customer; it has also completed a study for Vireol and negotiated an exclusive position for the proposed EPC contract for their plant in the UK.

SC has been implementing a number of major projects through the period.

- **Teesside LDPE Plant** involving EPC of a 400,000 TPA LDPE plant. The project had reached substantial completion when the contract was terminated early by the customer. This early termination is considered wrongful by SC and is now the subject of a formal dispute that is being pursued vigorously by the company.
- **Teesside Bio-ethanol Plant** involves EPC and commissioning of 1,100 Kilolitres /day bio-ethanol manufacturing facility, which is the largest of its type in the world. Construction is nearing completion and commissioning work has commenced.
- **Humberside Bio-ethanol Plant** Work has been completed on the front end design and the project is now progressing towards full EPC of a 540 Kilolitres /day bio-ethanol facility directly with SC on an exclusive basis.
- **Thailand LDPE Plant** This project is a joint venture between SC and Toyo-Thai Corporation Public Company Limited (TTCL) with SC performing engineering and

The SABIC Teesside LDPE Plant Dispute

In February 2006 the Company entered into a contract for the design, procurement and construction of a low density polyethylene production plant. The Contract price was £135 million but this was increased by agreement to £155.8 million.

In November 2008, the customer terminated Simon Carves' employment under the Contract, prior to the scheduled completion date and subsequently encashed two bonds, a performance bond of £13.5 million and an Advance Payment Guarantee of £15 million totalling £28.5 million.

The Company remains in dispute with the client over this action and fully intends to recover its full commercial entitlement, including the sum associated with the encashed bonds of £28.5 million.

Despite the adverse decision of an early adjudication process, the company remains of the view that liability has not been established. Moreover, the question of quantum has not been considered at all yet. However, following conservative accounting norms, the loss has been recognised to reflect the appropriate accounting treatment of this sum.

The Company's management has taken external legal advice, in particular, with respect to its position following the recent Adjudication decision. This external advice supports the Management's view that the company is in no worse position now than prior to the Adjudicator's decision. The company is now preparing its claim in the Court of Justice.

procurement work on the critical high pressure systems. Engineering work is complete and SC is now providing technical assistance to the field construction and commissioning activities.

- **Abu Dhabi Aluminium Fluoride Plant** This project was awarded in the period and is to engineer, procure and provide construction assistance to build a sulphuric acid facility and the associated utilities and infrastructure for an aluminium fluoride facility in Abu Dhabi.
- **Middle East LDPE Plant** This project is to deliver EPCC of a 300,000 TPA LDPE facility. SC has provided the engineering and procurement of the high pressure plant; the work is now complete and is supporting the field construction completion and commissioning activities.

Growth Plans

The Middle East has shown some resilience and proposed investments in the region range between US$ 100 to 120 billion (2008 - 2012) with focus on LDPE, HDPE, Sulphuric Acid and Chlor Alkali. The Europe and Far East markets are 'softer'. The market for renewables is largest in Europe (approximately US$ 10 billion); funding availability and financial closure, however, will remain key issues.

SC is adapting to these market conditions and is shifting the centre of excellence for petrochemicals to the Middle East and will focus its European operation on renewables. Opportunities in the Far East will be pursued on a 'project by project' basis. To support its activities in the Middle East, SC has established a branch office based in Abu Dhabi during the period.

Simon Carves India Limited (SCIL)

SCIL is a full spectrum design, engineering and consulting company that provides services in Plant, Infrastructure and Product sectors. Incorporated in November 2006, the company currently has 733 engineers, of which 204 people have over 10 years of applicable experience in their fields.

During the year, SCIL earned revenues of Rs. 80 crore, compared to Rs. 35 crore in the previous year. SCIL have closed design work for projects such as 360 TPD Sulphur Recovery Units, Storage Units for cryogenic tank farms, a bio-ethanol plant, an LNG plant and pipelines of varying dimensions.

The company is currently working on projects for plant and ancillary facilities for a polysilicon manufacturing unit (detailed design and engineering), a naphtha hydro treating unit, an LDPE plant, a Delayed Coker unit and a number of pipeline projects.

In the near future, SCIL hopes to grow its business portfolio to encompass product design projects as well, with a stronger presence in South East Asia and the Middle East. During the next year, the company plans to grow business in its target verticals of process plants, petrochemicals, chemicals, infrastructure, polysilicon and tankage, with the ambition of being a globally recognised engineering consulting company in its field of expertise.

The Geographies

Asia Pacific

In spite of the economic slowdown in the Asia Pacific region, Punj Lloyd has performed well during 2008-09, with all its projects under execution being profitable and 'cash flow positive'.

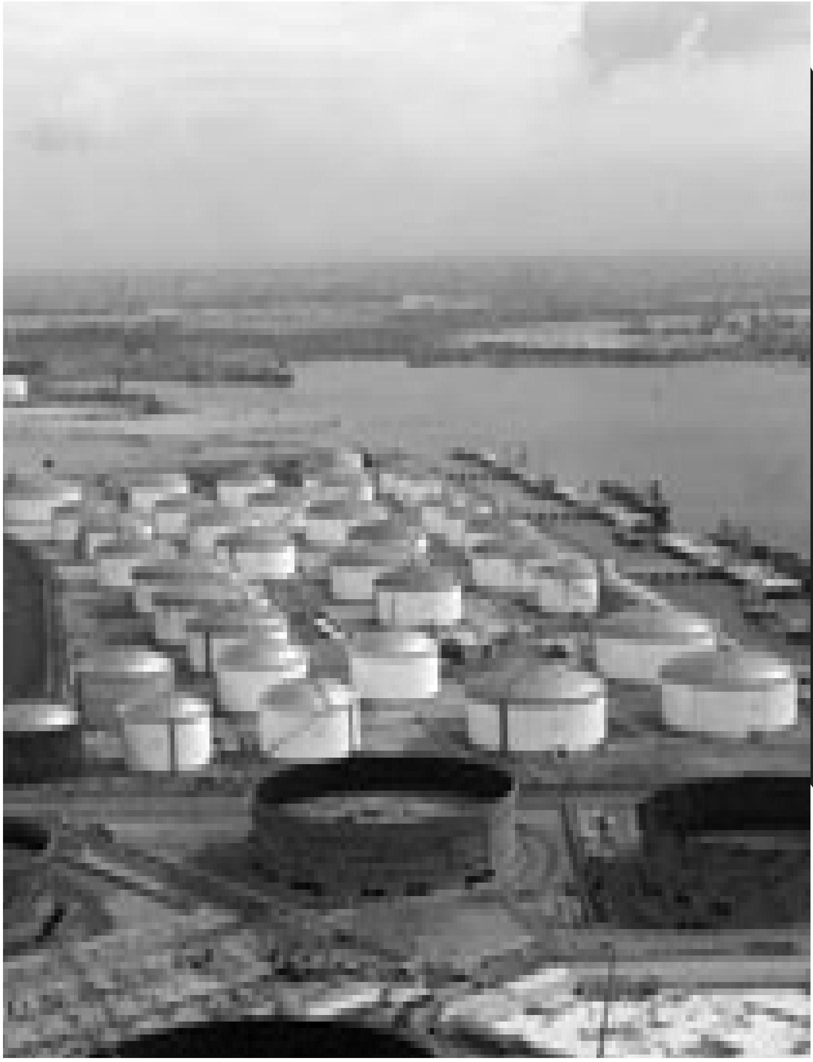


Table 7 lists some of the region's headline projects of 2008-09.

The ExxonMobil refinery site at Singapore, where Punj Lloyd is working on three construction packages, is also on schedule. ExxonMobil has extremely high standards of safety and quality and it is a reflection of Punj Lloyd's capabilities that it was adjudged as the best contractor for safety for the month of December 2008 for the IRF Tankage project.

In the Asia Pacific region, Punj Lloyd has also entered into the business of manufacturing power plants, where it is working on a 52 million IFC funded project for ADARO (Indonesia's second largest coal mining company) in East Kalimantan.

Future Prospects and Growth Plans

Despite the second half of 2008-09 and the first quarter of 2009-10 reflecting relatively bleak economic indicators, the overall Asia Pacific region has growth potential for Punj Lloyd. Though there has been some slowdown and some projects have been delayed, no major project has been cancelled, either by sovereign entities or by large multinationals.

The Company is also planning projects and exploring business opportunities in new territories. Given Punj Lloyd's track record in the region of successfully bidding for; winning and executing large projects, the Company feels that its prospects of gaining and executing profitable business during the next financial year is high.

The Company feels that Malaysia presents significant opportunities in offshore pipeline installation work. Punj Lloyd has, therefore, set up a full fledged business development office in Kuala Lumpur. The Company has also made considerable progress to gain opportunities in Thailand, Vietnam and Papua New Guinea.

In this region, Punj Lloyd would explore three additional areas of business:
(a) offshore platforms; (b) construction of power

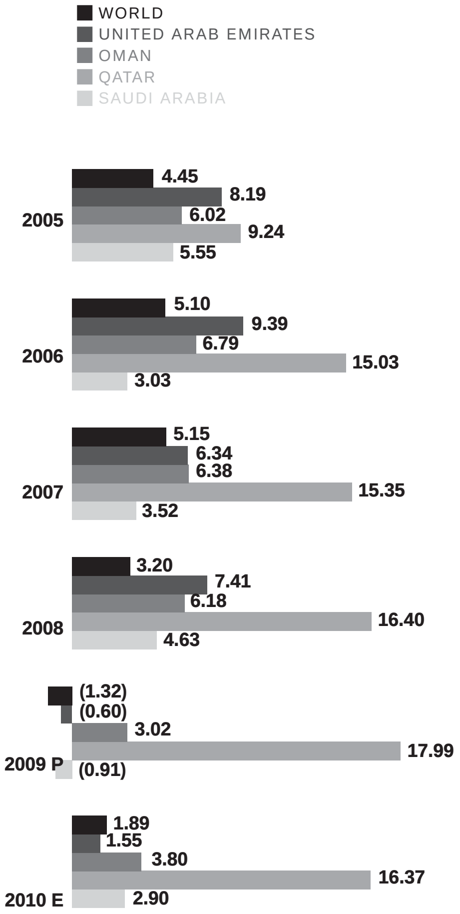
7 CONSOLIDATED LIST OF PROJECTS: AWARDED AND UNDER EXECUTION FOR 2008-09 : ASIA PACIFIC

Project	Client	Contract Value
Turn around work in a live refinery	ExxonMobil/Foster Wheeler – Worley Parsons JV	US$ 86 million
EPC of tank farm project	Shell	US$ 22 million
Sabah Sarawak Gas Pipeline Project	Petronas Carigali Sdn Bhd	US$ 500 million
South Utility Platform –Tunu Field Development TP11S/EPSC5 Project	Total E&P Indonesie	US$ 15 million

D

IN %

GDP of Middle East Economies vs World GDP 2005 – 2010



plants on an EPC basis and (c) large material handling projects.

The Middle East

Calendar 2008 has been a good year for the Middle East (Chart D). All the regional economies have outperformed the world average, with only UAE and Saudi Arabia showing signs of marginal de-growth. Overall, the region reflected about 6% growth over the year and most companies in the region have enjoyed strong revenue and profit growth.

The Year in Perspective

In 2008-09, the Company secured the Group's largest project of US$ 800 million – the Strategic Gas Transmission Project project, with Qatar Petroleum. Punj Lloyd's Middle East operations also bagged and executed other important orders, in excess of targeted numbers (Table 8).

Future Prospects

Prospects of growth in the Middle East remain bright. Though oil revenues have shrunk, the economies have not shut down spends, either in the oil & gas or infrastructure sectors. Abu Dhabi, Yemen, Qatar and Oman all show growth promise – and Punj Lloyd is present in all these countries. 2009 is expected to be a year of changing fortunes, with the region ending the year better placed for sustainable long-term growth.

In the near future, Punj Lloyd intends to expand its geographical footprint in the Middle East and North Africa, using Abu Dhabi as the base.

The Caspian

Punj Lloyd had entered the Caspian region about a decade ago as one of the early movers in the pipelines business. Last year, as reported, the Company won a large order in the field of non-conventional energy. During 2008-09, the Caspian region contributed Rs. 246 crore of revenues; the order backlog as on 31 March 2009 was Rs. 877 crore.

The major projects that are being executed in the Caspian include the following:

- A major project in the field of non-conventional sources of energy.
- Laying of pipeline from the onshore processing facility at Caspian Pipeline Consortium pumping station for AGIP Kazakhstan North Caspian Operating Company N.V.; contract value Rs. 357 crore.
- Solar Energy Chlor-Alkali Feed for Aizel; value of contract Rs. 5 crore.

The Caspian region is rich in mineral wealth; substantial investments in the building and infrastructure space are also expected in the near future. The area (especially Kazakhstan) has unique climatic challenges that make for project execution difficult and thus forms a 'barrier to entry' for competition. Punj Lloyd, having established itself in the region, now expects to leverage its strengths and experience for greater growth.

Defence

India's defence expenditure has been growing over the past couple of years, and, given the geo-

8 LIST OF PROJECTS: AWARDED AND UNDER EXECUTION FOR 2008-09: MIDDLE EAST

Segment	Project	Client	Value
Pipelines	Strategic Gas Transmission Project	Qatar Petroleum	US$ 800 million
	Doha Urban Pipelines Relocation	Qatar Petroleum	US$ 180 million
	Multi Product Pipeline	Qatar Petroleum	US$ 98 million
	EP2 Pipeline Project	Ras Laffan Olefins Company Limited	US$ 45 million
	EPC of OGC Pipelines	Oman Gas Company	US$ 112 million
Tankage & Terminals	Early Need Tanks	Saudi Kayan Petrochemical Company	US$ 79 million
	Fuel Handling System - NDIA	New Doha International Airport	US$ 138 million
Process Plants	Borouge 2 - Polyolefins Project: Mechanical Work	Tecnimont Italy/Borouge, Abu Dhabi	US$ 72 million
	Borouge 2 - U&O Project Mechanical Work	Tecnicas Reunidas, Spain/Borouge, Abu Dhabi	US$ 108 million
	Yemen LNG Project Mechanical Work	Yemgas/Yemen LNG Company	US$ 69 million

political realities of the region, defence expenditure is expected to keep growing (Table 9).

Punj Lloyd Group has identified areas in which it will be able to effectively contribute to Indian defence needs in land, sea and air applications, not just as a supplier for 'offset' materials, but as part of the global supply chain for defence equipment majors.

Land

Punj Lloyd Group is amongst the select few private companies having licenses for the manufacture of guns, rockets, artillery missile systems and for electro optical systems, fire control systems, C3I systems and power packs associated with armoured fighting vehicles. The Company also has the licence for the assembly and manufacture of small arms.

The Group has signed a collaboration agreement with a leading manufacturer of artillery systems with whom Punj Lloyd has developed an artillery weapon. The Group proposes to setup fabrication and assembly facilities for artillery land systems in Madhya Pradesh (near Gwalior) where 65 acres of land has been earmarked for this purpose.

Air

Punj Lloyd has access to facilities in South India, capable of handling Airbus and Boeing platforms. Punj Lloyd proposes to setup precision manufacturing facilities that can be used for assembly, retrofit and integration of sub-assemblies onto aircraft platforms; engine refurbishment and overhaul and component and accessory repairs.

Sea

Punj Lloyd is a co-promoter of Pipavav Shipyard Ltd. Located on India's west coast at Gujarat, the shipyard is one of the world's largest. Spread over 782 acres of land, the shipyard has excellent connectivity via road and rail; proximity to Pipavav Port on the sea side is an added advantage. The shipyard includes 210 acres of fully developed waterfront; nine automated workshops developed in 250 acres of land; two dry docks, which are the largest in South Asia and state-of-the-art fabrication facilities. The shipyard will be able to build, repair and maintain naval platforms for the Indian Navy and Coast Guard. Pipavav is also the only shipyard capable of docking the 'Admiral Gorshkov' (to be renamed INS Vikramaditya), India's new aircraft carrier. Production and development opportunities with global primes for integration of sub systems and weapons on to naval platforms will also exist at this port.

Punj Lloyd expects that over the medium to long term, its defence business will contribute substantially to its topline and bottomline. The business is, by its very nature, a 'long gestation' one; today, the Company is in the process of establishing relationships and collaborations that would help to grow the business over the next few years.

Material Procurement & Sourcing

The sourcing function of Punj Lloyd looks after the buying of materials for projects that are ultimately

9 BREAK-UP OF INDIAN DEFENCE EXPENDITURE IN RS. CRORE

Service/Department	2005-06	2006-07	Revised Estimate 2007-08	Budgeted Estimate 2008-09
Army	39,458	39,578	45,432	49,228
Navy	13,967	16,198	16,036	19,507
Air Force	21,704	24,274	24,683	30,127
Dept of Defence Production	137	83	452	251
Defence Research and Development	5,283	5,361	5,897	6,487
Grand Total	**80,549**	**85,494**	**92,500**	**105,600**

Source: Ministry of Defence Website

Punj Lloyd is creating a Global Intelligence Unit (GIU) for managing its global business development opportunities. The GIU will track and monitor sales opportunities globally and enable learnings through feedback

transferred to the client, i.e. project materials and project consumables.

In 2008-09, the function saw two different sets of phenomena. During the first half of the year, material costs of major raw materials (steel, cement, etc.) were on the rise; conversely, in the second half of the year, prices dropped quite sharply. Thus, the function had two separate objectives during the year. In the first phase, the function was focused on keeping costs within budget through planned 'staggered procurement'; the second phase was more a case of optimising procurement benefits.

During the year, Punj Lloyd has developed sourcing establishments and initiatives in low cost countries. Through this, the Company hopes to substantially reduce material acquisition costs. Other initiatives that the function have undertaken for cost optimisation include bulking of common requirements across multiple projects (for cost-effective volume buying), engaging vendors for volume discount contracts and tying up with vendors in the pre-bid stage itself in order to reduce the 'time to project' cycle for material procurement.

People

Punj Lloyd's people philosophy revolves around two tenets: 'empowerment' and 'meritocracy'. Employees are encouraged to take up responsibilities early in their careers and initiatives are suitably rewarded. To develop people capabilities, the Company inducts the right quality of people, trains them intensely and repeatedly over time and offers multiple growth opportunities, not just in India but across the world.

Details of Punj Lloyd's people initiatives are given in a separate section.

Punj Lloyd Ltd. had 11,268 people as on 31 March 2009; the Group's headcount number is 14,811. Industrial relations remained cordial and there were no disruptions of work due to any industrial relations issue.

Information Technology

The Company's IT platform and initiatives are built around three precepts: Value Creation, Operational Integrity and Cost Leadership and are aligned to the Group's business goals.

Value Creation

Value creation is focused on integrating processes to enhance productivity and business value and works around three areas: a single footprint for Oracle, Sales Management & Customer Relationship. Management (CRM) and Knowledge Management.

All Punj Lloyd Group entities are on a unified Oracle ERP platform to provide a 'single source of truth' for all reporting. The software caters to an end to end EPC business model with sophisticated risk modelling tools, budgets, estimation, project management and project controls software. To support globally distributed engineering design centres, Punj Lloyd uses state of the art engineering design software to enable integration across geographies and between the Company and the client.

Simon Carves India has created a high end engineering design work environment with clients to build global engineering teams working seamlessly through high-security digital environments for collaboration, productivity & speed. Advanced engineering tools like PDMS for plant design, Ceaser for stress analysis, Aspen for process industry and Microstation for design simulation are used to meet diverse requirements. For knowledge management and collaboration with customers and partners the latest EDMS technologies are being used widely.

Punj Lloyd is also creating a Global Intelligence Unit (GIU) for managing its global business development opportunities. The GIU will track and monitor sales opportunities globally and enable learnings through feedback. Lessons across businesses and geographies will be available on a single platform for managers to share and learn. Initiatives on document sharing and collaborative working tools have already been implemented. The Company is also examining knowledge management software that would allow it to harness and share knowledge. A pilot project has already been rolled out and based on the results Punj Lloyd expects to implement this further during 2009-10.

The Company has identified over seventy operational risks, for which tolerance parameters, treatment procedures have been defined and persons responsible for managing these risks have been identified

Operational Integrity

The Company has robust fail-safe mechanisms, especially for backup and Disaster Recovery, with the Singapore and India data centres acting as mutual fall back sites for disaster management. Punj Lloyd is exploring the possibility of consolidating its backup and disaster recovery site operations.

Punj Lloyd has a comprehensive IT security policy in line with ISO 27001 and BS 7799 standards. Risk audits for IT security are conducted and risk registers for IT activities are in place. Access to Internet is monitored to ensure data safety and integrity. Adequate physical security measures have also been implemented.

Punj Lloyd uses a variety of modes including leased lines, VSAT and mobile communication vans for fail-safe communications between all offices and project sites. The Company is currently evaluating a unified communications framework that would allow it to leverage technology to create a seamless video, voice and data integrated communications network.

Cost Leadership

All IT initiatives are benchmarked against costs. All cost leadership initiatives are driven at the Group level; these ensure efficiency gains and deal with volume growth without compromising on service quality and operational integrity. Punj Lloyd has migrated a large number of its employees to open standard software and globally standardised on its hardware and software platforms. It has adopted 'software as a service' and 'virtualisation' concepts as it strives to be global environment conscious moving towards a 'Green IT' and for bringing in cost efficiencies.

Risk

Risk Management Structure

Punj Lloyd's risk identification and assessment activities revolve around three phases of the project life cycle: the 'sales decision' stage, the 'bidding and estimation' stage and the 'construction and execution' stage. The Company has set up a risk management structure that cascades downwards from the level of the Board of Directors to the Project Heads. Each level has non-overlapping roles, with the overall responsibility of ensuring that all major risks are identified, evaluated and catered to, whether in costs (at the bidding stage) or through risk mitigation measures (at the execution stage).

Risk Evaluation and Compliance

Web enabled and templated risk identification and management processes have to be completed even before a preliminary bid or estimate can be put in place. The Bid Review Committee recommends the prospects of the bid to the senior-most levels of management. Risk tolerances have been built at the Company level. A thorough assessment is done of client, capability, competence and capacity to execute, within strictly defined timelines, keeping in mind the strategic alignment of the Company. The Company's Contracts Department also examines the bid and the tender documents to evaluate legal and contractual clauses and Punj Lloyd's position and liabilities with respect to them.

The Company has identified seventy operational risks, for which tolerance parameters, treatment procedures have been defined and persons responsible for managing these risks have been identified. These risks are broadly categorised into contract and commercial risks (including financial risks), engineering risks, sourcing risks and construction risks. Execution risks are identified and monitored around a 'cost breakdown structure' template. Once risks are identified, Punj Lloyd uses internationally accepted simulation models to value them through a range of outcomes; an overall 'contingency risk value' is then generated. Contingency values cannot be reduced or overridden, except in line with responsibility matrix. The value is mapped against the Company's risk appetite and the stage of the project life cycle to determine whether or not to proceed with a project, and if to proceed, then at what cost and terms.

Punj Lloyd constantly reviews the execution risks of all its major projects individually to adopt mid-course corrective measures where needed. If a variation is more than the acceptable tolerance levels, the numbers and the action plans are

reviewed by the senior-most management group of the Company.

Financial Performance

Stand-Alone Financials

The Company grew its sales revenues by over 53% over the previous year reaching Rs. 6,887.95 crore (compared to Rs. 4,488.57 crore in 2007-08).Total income also increased by the same margin, clocking Rs. 6,955.62 crore vis-à-vis Rs. 4,541.76 crore during the previous year. Earnings before Interest Depreciation and Taxes (EBIDTA) grew 42% year-on-year to reach Rs. 864.82 crore (2007-08: Rs. 608.40 crore). Cash profit of the stand-alone entity increased by 42% over last year to reach Rs. 647.09 crore. Both profit before taxes (PBT) and profit after taxes (PAT) have grown over 45% compared to the previous year to reach Rs. 494.78 crore and Rs. 321.10 crore, respectively. The PBT margin is at 7.11% for 2008-09 (7.51% in 2007-08) and the PAT margin is at 4.62% (4.88% in 2007-08).

As on 31 March 2009, the standalone entity has a total debt of Rs. 2,937.85 crore, which is 214.81% higher than the total debt a year ago (Rs. 1,367.64 crore). Secured loans have increased by Rs. 1,255.00 crore, while working capital borrowings have increased by Rs. 920.49 crore, reflecting an increase of 213% and 250%, respectively.

The standalone entity had a basic earning per share of Rs. 10.58, compared to Rs. 7.81 in the previous year.

Consolidated Financials

At a consolidated level, the Punj Lloyd Group increased its sales by 54% over the previous year to reach Rs. 11,912.03 crore for the year ended 31 March 2009 (previous year: Rs. 7,752.92 crore). Total income, at Rs. 12,001.93 crore, registered an increase of over 52% over the 2007-08 figure of Rs. 7,871.11 crore.

The profit figures at the consolidated level, however, have reduced sharply. Consolidated EBIDTA has come down from Rs. 810.35 crore in 2007-08 to Rs. 530.29 crore in 2008-09. This is mainly due to a one-time charge of Rs. 473.06 crore taken on the books of accounts of Simon

Carves Ltd., UK on a disputed contract *(see THE SABIC TEESSIDE LDPE PLANT DISPUTE: page 37);* which has, in turn, reduced the consolidated EBIDTA, profit before tax and profit after taxes.

Total debt for the consolidated entity stands at Rs. 3,532.46 crore as on 31 March 2009 (Rs. 1607.17 crore as on 31 March 2008). The overall debt equity ratio stands at 1.42:1.

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 recording of financial transactions and adherence to 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.

There are well defined and documented procedures, policies and authority guidelines for each business unit. The Company's Oracle based ERP ensures uniformity of systems and processes, and thereby internal controls, for all functions. The Company has also implemented an IT based Statutory Compliance tracking tool to monitor compliance with applicable laws and regulations at various projects sites and at the Head Office.

The Internal Audit Division conducts audits across the Company throughout the year to test check the internal control system, reports observations to the Audit Committee and tracks the compliance status of the audit observations. Project reviews are also carried out by the Internal Audit team as a part of internal control process.

Future Outlook

Punj Lloyd intends to leverage its global reach and wide spectrum of business operations in its future quest for growth and profitability. The Company is in a number of geographies: East Asia, South Asia (including India), the Middle East, the erstwhile CIS countries and Europe. It is also into a number of business segments: oil & gas, petrochemicals, civil & infrastructure and power. This spread, both in reach and business segments, substantially de-risks it from economic volatility.

The world economy is showing signs of recovery; some countries and business sectors have been less affected by the slowdown than others. The Group's clients, being sovereign entities or global majors in their businesses, are those where the quality of business is not in dispute.

Punj Lloyd Group is also entering new businesses that are expected to offer exciting growth potential. Nuclear power and defence are two such areas. Although the Group's initiatives in these areas are at a nascent stage, the Group expects that, over a period of time, these will become substantial revenue drivers in its portfolio.

As it goes forward, Punj Lloyd is excited and optimistic about the future: of the economies and the business segments in which it operates and the growth opportunities.

Cautionary Statement

The management of Punj Lloyd Ltd. has prepared and is responsible for the financial statements

10 SUMMARISED FINANCIALS: PUNJ LLOYD LTD.—STAND-ALONE AND CONSOLIDATED IN RS. CRORE

	Stand-Alone			Consolidated		
	2008-09	**2007-08**	**% Change**	**2008-09**	**2007-08**	**% Change**
Sales/Income from Operations	6,887.95	4,488.57	53.46%	11,912.03	7,752.92	53.65%
Total Income	6,955.62	4,541.76	53.15%	12,001.93	7,871.11	52.48%
Earnings before Interest, Depreciation and Taxes	864.82	608.40	42.15%	530.29	810.35	(34.56%)
Cash Profit	647.90	454.34	42.43%	178.42	629.71	(71.67%)
Profit Before Taxes	494.78	340.95	45.12%	1.34	483.48	(99.72%)
Profit After Tax	321.10	221.44	45.00%	(224.69)	359.99	–

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

Directors' Report

Year ended 31 March 2009

Twenty First Annual Report

Your Directors present the Twenty First Annual Report for the year ended 31 March 2009

FINANCIAL RESULTS		IN RS. CRORE
Particulars	**2008-09**	**2007-08**
Total Revenue	6,955.62	4,541.76
Profit Before Interest, Depreciation & Tax (PBIDT)	808.54	567.62
Less: Interest	194.28	113.28
Gross Profit	**614.26**	**454.34**
Less: Depreciation	119.48	113.39
Profit Before Tax (PBT)	**494.78**	**340.95**
Less: Provision for Taxation including Deferred Tax Charge	173.68	119.52
Profit After Taxation (PAT)	**321.10**	**221.44**
Add: Profit Brought Forward	423.98	236.64
Transfer from Foreign Exchange Translation Reserve	(2.10)	-
Transfer from Foreign Project Utilised Reserve	3.65	2.60
Surplus Available for appropriation	**746.62**	**460.68**
Appropriation		
Dividend on Equity Shares	9.10	12.14
Corporate Tax on Dividend	1.55	2.06
Amount transferred to General Reserve	50.00	22.50
Transfer to Debenture Redemption Reserve	37.50	-
Profit carried to Balance Sheet	648.47	423.98
TOTAL	**746.62**	**460.68**

Capital Structure

During the year under review, the share capital of your Company was changed by allotment of 35,974 equity shares of Rs. 2/- each to employeess under ESOP 2005 and ESOP 2006 of the Company.

Dividend

The Directors recommend a dividend of 15% on equity shares, i.e. Re. 0.30 per share. Pursuant to the provisions of Companies (Transfer of Profits to Reserves) Rules, 1975, Rs. 50 crore has been transferred to General Reserve.

Operations Review

Total Revenue of your Company rose by 53.15% from Rs. 4,541.76 crore in FY 2007-08 to Rs. 6,955.62 crore in FY 2008-09. The profit before interest, depreciation and tax (PBIDT), has increased by 42.44% from Rs. 567.62 crore in

FY 2007-08 to Rs. 808.54 crore in FY 2008-09.

During the year, the unsecured loans of your Company have increased to Rs. 567.97 crore from Rs. 252.80 crore. The secured loans have increased during the year from Rs. 1,114.84 crore to Rs. 2,219.88 crore due to the additional working capital required for execution of various new projects being undertaken by the Company. During the year, the Company issued Secured Redeemable Non Convertible Debentures amounting to Rs. 150 crore.

The Profit Before Tax (PBT) has increased by 45.11% from Rs. 340.95 crore in FY 2007-08 to Rs. 494.78 crore in FY 2008-09 and the Profit After Tax (PAT) has increased by 45% from Rs. 221.44 crore in FY 2007-08 to Rs. 321.10 crore in FY 2008-09.

Business Review

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

Subsidiary Companies and Joint Ventures

During the year, five new subsidiaries were added; these are Punj Lloyd Systems Pvt. Ltd. (formerly Indtech Construction Pvt. Ltd.), PL Engineering Pvt. Ltd., Technodyne International Ltd., Punj Lloyd Engineers & Constructors Pte Ltd. (formerly Abu Dhabi Engineers & Constructors Pte Ltd.) and Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.

During the year, Spectra Net Ltd. and Spectranet Holdings Ltd. ceased to be subsidiaries of the Company.

The Board of Directors at its meeting held on 23 October 2008 approved the scheme of arrangement for demerger of Internet Service Provider (ISP) Division on a going concern basis into a wholly owned subsidiary of the Company. The necessary approvals from shareholders and creditors have been obtained. Sanction of the Hon'ble High Court of Delhi is awaited.

On an application by the Company under section 212(8), the Central Government has, vide its letters No. 47/228/2009-CL-III dated 20 April 2009 and 20 May 2009 exempted the Company from attaching copy of Balance Sheet, Profit and Loss Account and other documents in respect of its subsidiaries for the year ended 31 March 2009.

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

Annual accounts of subsidiary companies and the related detailed information will be made available to the holding and subsidiary company investors, seeking such information. Copies of the annual accounts of the subsidiary companies are available for inspection by any investor at the Registered Office as well as the Corporate Office of the Company between 11.00 am to 1.00 pm on all working days.

Health, Safety and Environment (HSE)

Safety is non-negotiable and is an integral part of business of the Company. Every person is committed to ensuring a hazard–free and safe working environment, going beyond mere compliance of safety rules and focusing on building a safety culture. This not only implies keeping employees safe, but also supporting a healthy business through rigorous execution and engagement of HSE measures — achieved through leadership engagement, early program involvement, design, technology selection, risk mitigation and work performance.

A detailed note on the Company's HSE practices, initiatives and measures is included in the Annual Report.

Directors

Mr. Pawan Kumar Gupta and Mr. Rajan Jetley are liable to retire by rotation at the ensuing Annual General Meeting. Mr. Rajan Jetley has expressed his unwillingness to be re-appointed. Necessary resolution for re-appointment of Mr. Gupta is being included in the notice convening Annual General Meeting.

During the year, Mr. Phiroz Vandrevala was appointed as Additional Director and his term of office is expiring at the ensuing Annual General Meeting. Necessary resolution for his appointment as Director liable to retire by rotation is being included in notice convening Annual General Meeting pursuant to a notice received under Section 257 of the Companies Act, 1956.

The Board of Directors, at its meeting held on 23 October 2008, had, subject to approval of shareholders in next Annual General Meeting, re-appointed Mr. Vimal Kishore Kaushik as the Managing Director of the Company with effect from 1 November 2008 for a period of five years or attaining the age of superannuation whichever is earlier, not liable to retire by rotation. Item for his re- appointment is being included in the Notice convening Annual General Meeting.

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

Directors' Responsibility Statement

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

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. The changes in accounting policies during the year have been mentioned at note 2 in Annexure II to the Abridged Financial Statements and also note 2(c) in schedule 'M' to the complete set of Financial Statements;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors have prepared the annual accounts for the year ended 31 March 2009 on a 'going concern' basis.

ESOPs

The details as required to be provided in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time with regards to the Employee Stock Option Plan 2005 and Employee Stock Plan 2006 of the Company as on 31 March 2009 are given below.

During the year, an aggregate of 35,974 equity shares of Rs. 2/- each were issued pursuant to

SL NO.	PARTICULARS	ESOP 2005	
		17 November 2005	**10 May 2006**
1	Total No. of options granted	32,17,445	7,71,040
2	Pricing Formula	Exercise price being at 10% discount to IPO price i.e. Rs. 630/- per share of Rs. 10 each. After split in face value of share from Rs. 10 to Rs. 2 per share, the exercise price adjusted to Rs. 126/- per share	Rs. 235.99 (being the market price as defined in SEBI guidelines)
3	Number of options vested	19,30,536	2,31,286
4	Number of options exercised	4,36,018	10,132
5	Total no. of shares arising as a result of exercise of options	4,36,018	10,132
6	Number of options lapsed	11,29,486	4,27,675
7	Number of options forfeited	Nil	Nil
8	Variation in terms of options	None	None
9	Money realized by exercise of options (Rs.'000)	54,938	2,391
10	Total No. of options in force as on 31 March 2009	20,87,959	3,43,365
11	Grant to Senior Management - Number of options - Vesting period	 18,50,545 4 Yrs	 3,52,935 4 Yrs
12	Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during the year	Mr. V. K. Kaushik, Options granted – 2,00,000	Mr. Pradeep Kulshreshtha, Options granted – 40,000
13	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil

exercise of options under Punj Lloyd Employee Stock Option Plan 2005 and Employee Stock Option Plan 2006, resulting in dilution of EPS by 0.00042.

Listing of the Shares

Your Company's shares are listed at Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. and the listing fee for the year 2009-10 has been paid to these stock exchanges.

ESOP 2006

	30 October 2006	27 September 2007	30 May 2008	30 March 2009
	14,91,050	30,000	40,000	30,000
	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)
	4,47,315	30,000	Nil	Nil
	85,455	Nil	Nil	Nil
	85,455	Nil	Nil	Nil
	3,43,050	Nil	20,000	Nil
	Nil	Nil	Nil	Nil
	The remuneration committee had in its meeting held on 30 March 2009 revised the period of exercise of stock options from 18 months to three years.	The remuneration committee had in its meeting held on 30 March 2009 revised the period of exercise of stock options from 18 months to three years.	The remuneration committee had in its meeting held on 30 March 2009 revised the period of exercise of stock options from 18 months to three years.	None
	13,231	Nil	Nil	Nil
	11,48,000	30,000	20,000	30,000
	10,02,800	30,000	40,000	30,000
	4 Yrs	4 Yrs	4 Yrs	4 Yrs
	Mr. V. K. Kaushik, Options granted — 75,000	Mr. Paul Birch, Options Granted — 30,000	Ms. Pratima Ram, Options Granted — 20,000	Mr. Aditya Vij, Options Granted — 30,000
	Nil	Nil	Nil	Nil

Corporate Governance

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of this Annual Report. Certificate of the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the stock exchanges is attached to the report.

Management Discussion and Analysis

A detailed section of the Management Discussion and Analysis forms part of the Annual Report.

Consolidated Financial Statement

In accordance with the accounting standard (AS-21), consolidated financial statements, are attached and form part of the Annual Report and Accounts.

Accounts and Audit

The Auditors, M/s S. R. Batliboi & Co. will retire at the conclusion of the Twenty First Annual General Meeting and being eligible, have offered themselves for re-appointment vide their letter dated 8 May 2009. The observations of the Auditors have been fully explained in Note 6 in Annexure II to the Abridged Financial Statements and also Note 11 in Schedule 'M' to the complete set of Financial Statements.

Internal Control System

The Company has an effective internal control system that is commensurate to the size and nature of its business and ensures:

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

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

Last year, Company had upgraded its Oracle E-Business suite from version 11.5.5 to version 11.5.10.2 and implemented new modules viz. Enterprise Asset Module (EAM) and Human Resource Management System (HRMS). These performed satisfactorily during the year.

The Internal Audit Division conducts audits across the Company throughout the year to test check the internal control system, reports observations to the Audit Committee and tracks the compliance status of the audit observations. Data Analytics through Computer Assisted Auditing Techniques (CAAT) has been made an integral part of Internal Audit. Project reviews are also carried out by the Internal Audit team as part of internal control on a regular basis.

Fixed Deposits

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

Personnel

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

Consumption of Energy and Foreign Exchange and Outgo

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

Acknowledgement

Your Directors wish to place on record that your Company's success has been a result of enduring dedication, commitment and hard work of employees at all levels. Your Directors would also like to express their gratitude to the customers, partners, business associates, financial institutions, banks and various agencies of Central & State Government for their support. Your Directors would also like to thank all the shareholders for their continued confidence in the Company.

For and on Behalf of the Board

Atul Punj
Chairman

Place : Gurgaon
Date : 24 June 2009

Corporate Governance

Benefit for all stakeholders

Timely Disclosures and Transparent Accounting Policies

Company's Philosophy on Corporate Governance.

Punj Lloyd Ltd. (PLL) believes that adopting the best corporate governance practices is not only non-negotiable, it is the foundation to good business. PLL is committed to conducting its business affairs in a transparent, fair and ethical manner, which is to the benefit of all its stakeholders. Thus, all major corporate decisions are taken by the Company's professional Board with inputs from a competent management team and decisions are screened in the light of the Company's corporate governance philosophies of timely disclosures, transparent accounting policies, high levels of integrity and the best interest of all its stakeholders.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports PLL's compliance with clause 49 of the Listing Agreements with the Stock Exchanges.

Board of Directors

Composition of the Board

On 31 March 2009. PLL's Board of Directors consisted of ten Directors, of which five are independent Directors. The Executive Chairman of the Board of Directors is a promoter Director. The composition of the Board satisfies the conditions that the Listing Agreements of the Stock Exchanges have laid down in this regard.

1 DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Name of the Director	Category	No. of other Directorships[1]	No. of Board level Committee memberships/ Chairmanships in other Indian public companies		Attendance Particulars		
			Member[2]	Chairman[2]	No. of Board Meetings held during the tenure		Attendance at last AGM
					Held	Attended	
Mr. Atul Punj	Promoter, Executive	8	5	4	5	5	Yes
Mr. Vimal Kishore Kaushik	Executive	9	4	1	5	5	No
Mr. Luv Chhabra	Executive	5	3	-	5	5	Yes
Mr. Pawan Kumar Gupta	Executive	-	-	-	5	4	No
Dr. Naresh Kumar Trehan	Independent	4	-	-	5	5	Yes
Mr. Rajan Jetley	Independent	1	1	-	5	3	No
Mr. Sanjay Gopal Bhatnagar	Independent	-	-	-	5	4	No
Mr. Scott R. Bayman	Independent	1	-	-	5	4	No
Mr. Niten Malhan	Non-Executive; Non-Independent	3	4	-	5	5	No
Mr. Phiroz Vandrevala #	Independent	1	-	-	3	2	NA

Mr. Phiroz Vandrevala was appointed on 29 September 2008.

Notes

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

Number of Board Meetings

In 2008-09, the Board of the Company met five times on 30 May 2008, 29 July 2008, 23 October 2008, 23 January 2009 and 30 March 2009. The maximum gap between any two Board meetings was less than four months.

None of the Directors is a member of more than 10 Board-level Committees of public companies in which he is Director, nor is Chairman of more than five such Committees.

Directors with Material Pecuniary or Business Relationship with the Company

As mandated by Clause 49, an independent Director on PLL's Board:

- apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management, its subsidiaries and associates which may affect independence of the Director;
- is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- has not been an executive of the Company in the immediately preceding three financial years;
- is not a partner or executive or and was not a partner or executive during the preceding three years of the following :
  - a) statutory audit firm or the internal audit firm that is associated with the Company; or
  - b) legal firm(s) and consulting firm(s) that have a material association with the Company;
- is not material supplier, service provider or customer or lessor or lessee of the Company, which may affect independence of the Director;
- is not substantial shareholder of the Company

2 REMUNERATION PAID OR PAYABLE TO DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009 IN RS. '000

Name of the Director	Salary	Sitting Fees	Perquisites and Allowances	Deferred Benefits (PF & Superannuation)	Total
Mr. Atul Punj	-	-	-	-	-
Mr. Vimal Kishore Kaushik	12,000	-	10,494	1,540	24,034
Mr. Luv Chhabra	12,000	-	2,874	1,540	16,414
Mr. Pawan Kumar Gupta	-	-	-	-	-
Dr. Naresh Kumar Trehan	-	50	-	-	50
Mr. Rajan Jetley	-	30	-	-	30
Mr. Sanjay Gopal Bhatnagar	-	40	-	-	40
Mr. Scott R Bayman	-	40	-	-	40
Mr. Mehar Karan Singh*	-	30	-	-	30
Mr. Niten Malhan	-	-	-	-	-
Mr. Phiroz Vandrevala	-	20	-	-	20

* Mr. Mehar Karan Singh has resigned w.e.f. 11 February 2009.

Notes None of the Directors are related to each other.

3 DETAILS OF STOCK OPTION TO DIRECTORS AS ON 31 MARCH 2009

Name of the Director	Total No. of Options *	Options vested till 31 March 2009	Options Exercised	Exercise Price per share (Rs.)	Options still unvested
ESOP 2005					
Mr. Vimal Kishore Kaushik	2,00,000	1,20,000	20,000	126	80,000
Mr. Luv Chhabra	1,35,000	81,000	40,500	126	54,000
Mr. Pawan Kumar Gupta	1,00,000	60,000	30,000	126	40,000
ESOP 2006					
Mr. Vimal Kishore Kaushik	75,000	22,500	5,000	154.46	52,500
Mr. Luv Chhabra	60,000	18,000	18,000	154.46	42,000
Mr. Pawan Kumar Gupta	40,000	12,000	4,000	154.46	28,000

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

i.e. do not own 2% or more of the block of voting shares;

- is not less than 21 years of age.

The Company does not have any pecuniary relationship with any non-executive or independent director except for payment of commission, sitting fee of Rs. 10,000 per meeting and reimbursement of travelling expenses for attending the Board meetings. No sitting fee is paid for attending the meetings of Committees of Directors.

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

Shares and Convertible Instruments Held by Non-Executive Directors

Table 4 details the shares of the Company held by the non-executive Directors as on 31 March 2009.

As on 31 March 2009, none of the non-executive Directors held any convertible instruments of the Company.

4

Name of the Director	No. of Shares Held (each of face value of Rs. 2/-)
Dr. Naresh Kumar Trehan	4,000
Mr. Rajan Jetley	480
Mr. Sanjay Gopal Bhatnagar	NIL
Mr. Scott R. Bayman	NIL
Mr. Phiroz Vandrevala	5,000
Mr. Niten Malhan	NIL

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 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;
- details of any joint venture or collaboration agreement;
- transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc;
- sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business;
- quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc;

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

Committees of the Board

Audit Committee

As on 31 March 2009, PLL's Audit Committee consisted of Dr. Naresh Kumar Trehan (Chairman of the Committee), Mr. Rajan Jetley, Mr. Sanjay Gopal Bhatnagar and Mr. Niten Malhan. All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting held on 28 July 2008 to answer shareholders' queries.

The Committee met five times during the course of the year: on 30 May 2008, 29 July 2008, 23 October 2008, 23 January 2009 and 30 March 2009. Table 5 gives attendance record.

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

The 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

5 ATTENDANCE RECORD OF AUDIT COMMITTEE MEMBERS FOR 2008-09

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Dr. Naresh Kumar Trehan	Chairman	Independent	5	5
Mr. Rajan Jetley	Member	Independent	5	3
Mr. Sanjay Gopal Bhatnagar	Member	Independent	5	4
Mr. Niten Malhan	Member	Non-Independent, Non-Executive	5	5

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 on 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 substantial defaults 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 as is mentioned in the terms of reference of the Audit Committee.

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;
- whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results;
- if applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/ prospectus/notice.

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

The Audit Committee is also apprised of 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

PLL's Remuneration Committee is responsible for recommending the fixation and periodic revision of remunerations of the Directors, subject to the overall ceiling fixed by the shareholders.

Payment of remuneration to the Managing Director and Executive Directors is governed by Remuneration Committee, Board and Shareholders' resolutions. The remuneration structure comprises of Salary, performance based incentive, perquisites and allowances and retiral benefits (superannuation and gratuity).

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

The Company's Remuneration Committee consists of Dr. Naresh Kumar Trehan, Mr. Niten Malhan, Mr. Rajan Jetley and Mr. Sanjay Gopal Bhatnagar. The Committee met five times during the year: on 30 May 2008, 29 July 2008, 23

October 2008, 23 January 2009 and 30 March 2009. Table 6 gives the attendance details.

Shareholders'/Investors' Grievances Committee

The Committee looks into all matters related with the transfer of securities. The terms of reference of the Committee are as follows.

- to approve the transfer/transmission of securities of the Company and oversee and review all matters connected with the transfer/ transmission of securities of the Company;
- to issue new certificates of securities of the Company on split up or consolidation and issue of duplicate certificates of securities of the Company against lost/torn/mutilated certificates etc;
- to issue new certificates of securities in case of change in denomination of securities of the Company;
- to decide on any matter relating to the securities of the Company whether in physical or dematerialised form;
- to formulate and implement the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations,1992 and review and monitor its compliance;
- to appoint and/or remove Compliance Officer(s) of the Company for complying with the Requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing Agreements entered into with Stock Exchanges;
- to appoint and/or remove the Registrars and Transfer Agent(s) of the Company and for that purpose to authorise any officer(s) of the Company to enter into Tripartite Agreement(s) with the Registrars and Transfer Agent(s) and Depository(s);
- to review the performance of the Registrars and Transfer agents and recommend measures for improvement in the quality of investor services;
- to look into the redressal of shareholders and investors complaints of any nature including but not limited to the following:
  - — transfer of securities
  - — non-receipt of Annual Report
  - — non-receipt of declared dividends
  - — change of address of the shareholders
  - — non-receipt of shares in physical or dematerialised form
  - — shareholders' complaints of any other nature forwarded to the Company by Stock Exchanges/SEBI
  - — correction/change of the bank mandate on refund orders
  - — other complaints of similar nature received from the shareholders.
- any other matter 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 comprises of Dr. Naresh Kumar Trehan, Mr. Atul Punj and Mr. Luv Chhabra. The Committee met four times during the year: on 30 May 2008, 29 July 2008, 23 October 2008 and 23 January 2009 as detailed in Table 7 below.

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 both Executive and Non-Executive Directors as well as senior management personnel. A copy of the code is available on Company's website www.punjlloyd.com

A declaration signed by Chairman is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year 2008-09.

Atul Punj

Chairman

6 ATTENDANCE RECORD OF REMUNERATION COMMITTEE MEMBERS FOR 2008-09

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Dr. Naresh Kumar Trehan	Independent	Member	5	5
Mr. Rajan Jetley	Independent	Member	5	3
Mr. Sanjay Gopal Bhatnagar	Independent	Member	5	4
Mr. Niten Malhan	Non-Independent, Non-Executive	Member	5	5

7 ATTENDANCE RECORD OF SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE MEMBERS FOR 2008-09

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Dr. Naresh Kumar Trehan	Independent	Member	4	4
Mr. Atul Punj	Promoter, Executive	Member	4	4
Mr. Luv Chhabra	Executive	Member	4	4

Subsidiary Companies

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

As on 31 March 2009, PLL had no material non-listed Indian subsidiary.

Management

Management Discussion and Analysis

This annual report has a detailed chapter 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

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

Code for Prevention of Insider-Trading Practices

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

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

CEO/CFO Certification

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

Shareholders

Appointment/Re-Appointment of Directors

Mr. Pawan Kumar Gupta and Mr. Rajan Jetley are liable to retire by rotation at the ensuing Annual General Meeting. Mr. Rajan Jetley has expressed his unwillingness to be reappointed.

During the year, Mr. Phiroz Vandrevala was appointed as Additional Director by the Board of Directors on 29 September 2008. His term of office is expiring at the ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member.

The Board of Directors, at its meeting held on 23 October 2008, had, subject to approval of shareholders in next Annual General Meeting, re-appointed Mr. Vimal Kishore Kaushik as the Managing Director of the Company with effect from 1 November 2008 for a period of five years or attaining the age of superannuation whichever is earlier, not liable to retire by rotation. Appropriate items are included in the Notice convening the Annual General Meeting.

Brief resumes of the Directors being appointed/re-appointed, are as under:

Mr. Pawan Kumar Gupta

Mr. Gupta holds a degree in mechanical engineering from the Thapar Institute of Engineering and Technology, Patiala and has over 31 years of experience. He joined Punj Lloyd as Deputy General Manager, Projects and now heads the South East Asia operations of the Company. Mr. Gupta holds directorships in PT. Punj Lloyd Indonesia, PT Sempec Indonesia, Punj Lloyd Pte Ltd., Sembawang Engineers and Constructors Pte Ltd, Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd, Punj Lloyd Engineers and Constructors Pte Ltd. and Hammersmith Pte Ltd. As at 31 March 2009, Mr. Gupta holds 16,000 shares in the Company.

Mr. Phiroz Vandrevala

As Executive Director, Head, Global Corporate Affairs, Mr. Phiroz Vandrevala is responsible for corporate affairs, administration, infrastructure development and corporate governance at Tata Consultancy Services. Mr. Vandrevala is also a member of the strategy group at TCS.

An active spokesperson for the Indian IT Industry on the important issues confronting the sector, Mr. Vandrevala is a former chairman of India's apex industry body for IT, NASSCOM. He is also the Chairman of 'Diligenta' a UK based subsidiary of TCS engaged in providing service to Life Insurance and Pension companies.

He continues to play a significant role in the policy-making process for industry and the software sector in his various capacities as a member of the executive council of NASSCOM and as a member of the National Council of the Confederation of Indian Industry – the apex industry body in the country.

In the banking and financial services sector, Mr. Vandrevala has been part of numerous expert committees constituted by the Reserve Bank of India to guide the central bank in its policy-making efforts. He is also a part of various large IT initiatives of the Government of India.

He is also a member of the Advisory Board of Bridge Capital Realty Pte Ltd., Member of the Board of Governors of Institute of Integrated Learning in Management (IILM) and Member of the Board of Governors of the IIIT-Delhi.

He is a certified Chartered Accountant. He worked at consumer goods giant ITC Ltd for three years before joining TCS in 1982. In 1989, he left the company to set up Tandem Corporation's operations in India before rejoining TCS in 1992.

He was Co-Chair of the Indo-British Partnership (IBP) from the Indian side for the year 2007-08 and is Vice Chair of the IBP for this year. He is also a Board member of UK India Business Council.

Mr. Vandrevala is a director in Tata Consultancy Services and Diligenta Ltd., UK. As at 31 March 2009, Mr. Vandrevala holds 5,000 shares in the Company.

Mr. Vimal Kishore Kaushik

Mr. Kaushik has been with Punj Lloyd group since its inception and has over 38 years of experience in project and construction management. He is an engineering graduate from Madhav Institute of Technology, Gwalior.

He started his career with Punj Lloyd group and has worked in most operations of the group in India and overseas.

Mr. Kaushik is a director in PLN Construction Ltd., Spectra Punj Lloyd Ltd., KAEFER Punj Lloyd Ltd., North Karnataka Expressway Ltd., Simon Carves India Ltd., Punj Lloyd Infrastructure Ltd., Pipavav Shipyard Ltd., Punj Lloyd Aviation Ltd., Thiruvananthpuram Road Development Company Ltd., PLE Hydraulics Pvt. Ltd., Sembawang Infrastructure (India) Pvt. Ltd., Accendo Infrastructure Ventures Pvt. Ltd., Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd., Simon Carves Ltd., Sembawang Engineers & Constructors Pte. Ltd, PT. Punj Lloyd Indonesia and PT. Sempec Indonesia. As at 31 March 2009, Mr. Kaushik holds 110 shares in the Company.

Communication to Shareholders

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

During the year, the quarterly results of the Company's performance have been published in leading newspapers such as 'Financial Express' in English and 'Jansatta' in Hindi.

The Company's quarterly results are generally published in the newspapers detailed above and also posted on its website. Hence, they are not separately sent to the shareholders. However, the Company furnishes the quarterly and half-yearly results on receipt of a request from any shareholder.

Investor Grievances 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

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

General Body Meetings

The date, time and venue of the last three Annual General Meetings are given below in Table 8.

During the year two resolutions were put through postal ballot. Both the resolutions were passed with requisite majority. Details of results of both the postal ballots are given in Table 9.

8 DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

Financial year	Date	Time	Venue	No. of Special Resolutions Passed
2005-06	22 September 2006	11.30 A.M.	FICCI Golden Jubilee Auditorium Federation House Tansen Marg New Delhi 110001	3
2006-07	27 July 2007	10.30 A.M.	Air Force Auditorium Subroto Park New Delhi 110010	6
2007-08	28 July 2008	10.30 A.M.	Air Force Auditorium Subroto Park New Delhi 110010	1

9 DETAILS OF THE POSTAL BALLOTS CONDUCTED DURING THE YEAR

Particulars	Alteration in the Other Objects Clause of the Memorandum of Association and commencement of business in new activities	Increase in borrowing limits of the Company from Rs. 2,500 Crores to Rs. 5,000 Crores
Scrutinizer	Mr. Ashok Kumar Verma, Practicing Chartered Accountant	Mr. Ashok Kumar Verma, Practicing Chartered Accountant
Number of valid Postal Ballot forms received	2,880	7,178
Total number of Valid Votes	13,70,31,647	15,12,84,899
Votes in favour of the resolution	13,70,28,068 (99.997 % of total valid votes and 45.155% of total paid up shares)	15,00,88,178 (99.209 % of total valid votes and 49.456% of total paid up shares)
Votes against the resolution	3,579 (0.003 % of total valid votes and 0.001% of total paid up shares)	11,96,721 (0.791 % of total valid votes and 0.394% of total paid up shares)
Number of invalid Postal Ballot forms received	40	244

Compliance

Mandatory Requirements

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

Non-Mandatory Requirements

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

Non Executive Chairman's Office

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

Remuneration Committee

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

Shareholders' 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 Note 6 in Annexure II to the Abridged Financial Statements and also Note 11 in Schedule 'M' to the complete set of Financial Statements. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

Whistle-Blower policy

PLL 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 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 Code of Conduct's Compliance Officer.

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

Auditor's Certificate on Corporate Governance

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Clause 49. The certificate is annexed to this report.

Additional Shareholder Information

Annual General Meeting

Date	28 July 2009
Time	12 Noon
Venue	FICCI Auditorium Federation House Tansen Marg New Delhi 110 001

Financial Calendar

1 April to 31 March.

For the year ended 31 March 2009, results were announced on:

First quarter	29 July 2008
Second quarter	23 October 2008
Third quarter	23 January 2009
Fourth quarter and annual	18 May 2009

For the year ending 31 March 2010, results will be announced by:

First quarter	Last week of July 2009
Second quarter	Last week of October 2009
Third quarter	Last week of January 2010
Fourth quarter and annual	Last week of May 2010

Book Closure

The books will be closed from Wednesday, 22 July 2009 to Tuesday, 28 July 2009 (both days inclusive) as annual closure for the Annual General Meeting.

Listing

Equity shares of PLL are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Stock Codes

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

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

Stock Data

Table 10 below gives the monthly high and low prices and volumes of PLL's shares at Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE) for the year 2008-09.

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

Month	BSE (In Rs. per share)			NSE (In Rs. Per share)		
	High	Low	Volume	High	Low	Volume
APR 2008	379.25	300.00	12,196,852	379.00	301.15	43,979,733
MAY 2008	384.50	306.75	9,546,397	384.80	306.00	28,206,255
JUN 2008	325.05	210.50	22,417,520	316.15	210.65	65,212,073
JUL 2008	285.00	183.20	37,975,700	280.40	183.25	98,999,228
AUG 2008	306.00	260.00	27,446,757	308.80	255.10	69,069,213
SEP 2008	316.80	260.20	38,382,300	323.85	236.50	92,883,919
OCT 2008	301.00	140.50	42,021,666	301.00	141.15	103,101,589
NOV 2008	215.85	129.25	40,675,674	215.40	129.50	114,365,197
DEC 2008	173.00	127.50	47,952,907	173.00	127.40	127,596,152
JAN 2009	166.90	88.10	65,365,360	166.70	88.00	171,765,268
FEB 2009	99.75	78.10	31,261,841	99.80	78.10	86,858,739
MAR 2009	94.40	66.65	33,994,986	94.40	66.05	98,785,908

Stock Performance

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

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

Share Transfer Agents and Share Transfer and Demat System

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

Karvy Computershare Pvt Ltd
Plot No. 17-24
Vithalrao Nagar
Madhapur
Hyderabad 500081
Tel.: +91-40-2342 0815-28
Fax: +91-40-2342 0814
E-mail: mailmanager@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, PLL 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 traded in the Depository. The Registrar and the Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

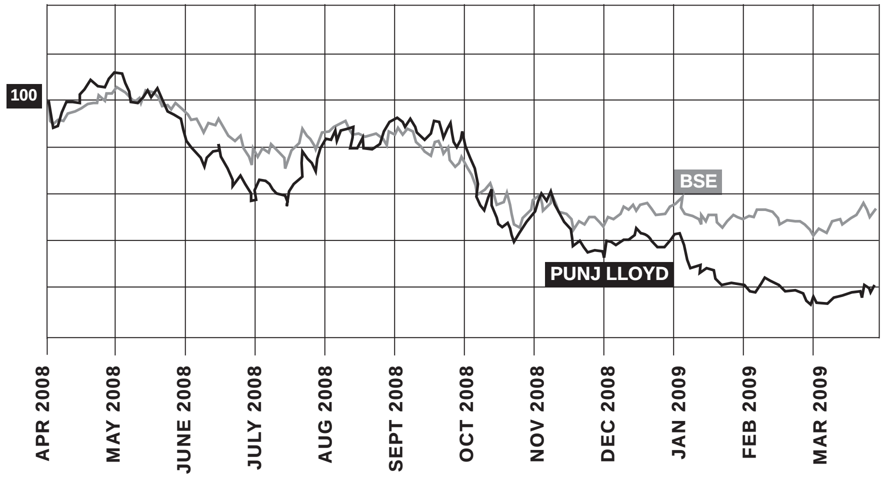
As on 31 March 2009 there were 30,34,73,484 shares of Rs. 2/- each in electronic form. This constitutes 99.997% of the total paid up capital of the Company.

There are no legal proceedings against PLL on any share transfer matter. Table 11 gives details about the nature of complaints and their status as on 31 March 2009.

The Company came out with a public issue in December 2005. Shares issued to some of the shareholders pursuant to the public issue could not be credited to the a demat accounts for lack of correct details. 2,735 equity shares issued to 49 shareholders are still lying in the Escrow Account maintained by the Registrar and Transfer Agent, Karvy Computershare Pvt. Ltd. The RTA has sent several reminders to these shareholders seeking correct details. Pending the receipt of correct particulars, the Company is in the process of crediting these shares to Demat Suspense Account.

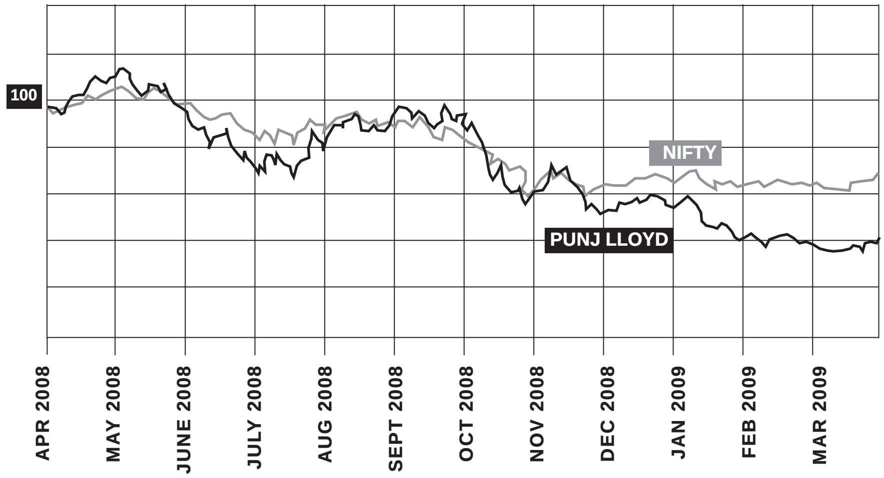
A

Share prices of Punj Lloyd Limited versus BSE Sensex for the year ended 31 March 2009



B

Share prices of Punj Lloyd Limited versus NSE Nifty for the year ended 31 March 2009



Shareholding Pattern

Tables 12 and 13 give the pattern of shareholding by ownership and share class respectively.

11	NUMBER AND NATURE OF COMPLAINTS FOR THE YEAR 2008-09				
Particulars	**Complaints**				
	Non-Receipt of Certificates	Change of address	Non-receipt of dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat credit, etc.	Total
Received during the year	2	36	83	30	151
Attended during the year	2	36	83	30	151
Pending as on 31 March 2009	-	-	-	-	-

12	PATTERN OF SHAREHOLDING BY OWNERSHIP AS ON 31 MARCH 2009		
	Category	**As on 31 March 2009**	
		Total No. of Shares	**Percentage**
A	**Promoters' Holding**		
1	Promoters		
	Indian Promoters	4,87,18,580	16.05
	Foreign Promoters	7,71,21,970	25.41
2	Persons Acting in Concert		
	Total	12,58,40,550	41.46
B	**Non-Promoters' Holding**		
3	Institutional Investors		
a.	Mutual Funds and UTI	3,07,96,959	10.15
b.	Banks, Financial Institutions, Insurance Companies	70,16,851	2.31
c.	FIIs	4,54,36,500	14.97
d.	Foreign Venture Capital Investors	96,75,851	3.19
	Total	9,29,26,161	30.62
4	Others		
a.	Private Corporate Bodies	2,37,85,918	7.84
b.	Indian Public	5,82,88,299	19.21
c.	NRIs/OCBs	25,73,043	0.85
d.	Directors & Relatives	25,635	0.00
e.	Trusts	42,449	0.01
	Total	8,47,15,344	27.91
	Grand Total	**30,34,82,055**	**100.00**

13	PATTERN OF SHAREHOLDING BY SHARE CLASS AS ON 31 MARCH 2009			
Shareholding Class	**No of Shareholders**	**% of Shareholders**	**No of Shares Held**	**Shareholding %**
upto 5,000	3,29,731	99.64	4,46,19,509	14.70
5,001 to 10,000	575	0.17	42,47,704	1.40
10,001 to 20,000	222	0.07	31,70,123	1.04
20,001 to 30,000	98	0.03	23,85,536	0.79
30,001 to 40,000	52	0.02	18,35,586	0.61
40,001 to 50,000	30	0.01	14,00,343	0.46
50,001 to 100,000	78	0.02	55,59,045	1.83
100,001 and above	134	0.04	24,02,64,209	79.17
Total	**3,30,920**	**100**	**30,34,82,055**	**100**

Details of Public Funding Obtained in the Last Three Years and Outstanding Warrants and their Implications on Equity

The Company had issued Foreign Currency Convertible Bonds due 2011 (FCCB) for an aggregate value of US$ 125 million. The Bonds are convertible at any time between 1 July 2006 and 24 March 2011, by holders into fully paid equity shares of Rs. 10/- each of the Company, representing one equity share at an initial conversion price of Rs. 1,362.94 per share with a fixed rate of exchange of Rs. 44.35 = US$ 1. The number of shares and price will be subject to appropriate adjustments due to split of one equity shares of Rs. 10/- each into five equity shares of Rs. 2/- each.

The proceeds of the FCCB issue were primarily used to finance ongoing capital expenditures, repayment of international debt, acquisitions outside India, investment in wholly owned subsidiaries/joint ventures abroad, investment in BOT projects etc.

FCCBs aggregating to US$ 49.7 mn are outstanding, which represents a potential increase of Rs. 1.62 crore and Rs. 218.80 crore respectively in the equity and share premium reserves of the Company.

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	Dinesh Thairani Company Secretary **Punj Lloyd Ltd.** Corporate Office 1, 78, Institutional Area, Sector 32, Gurgaon 122001 Tel. No. +91-124 2620493; Fax No. +91-124-2620111 E-mail: dthairani@punjlloyd.com
Registrars	Mr. K. S. Reddy Assistant General Manager **Karvy Computershare Pvt. Ltd.** Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500081 Tel.: +91-40-2342 0815-28 Fax: +91-40-2342 0814 E-mail: mailmanager@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 400 023 Tel.: +91-22-2272 3333; Fax: +91-22-2272 3199 E-mail: investor@cdslindia.com

Compliance Officer for Investor Redressal

Mr. Dinesh Thairani, Company Secretary, is the Compliance Officer for investor redressal matters of the Company.

Certification by Managing Director of the Company

In pursuance of clause 49 of the Listing Agreement, the Managing Director and Director-in-charge of Finance has furnished a certificate to the Board.

Auditors' Certificate

To

The Members of Punj Lloyd Limited

We have examined the compliance of conditions of corporate governance by Punj Lloyd Limited, for the year ended on 31 March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For S. R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : 24 June 2009

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO THE CENTRAL GOVERNMENT ORDER NO. 47/228/2009-CL-III DATED APRIL 20, 2009 UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

	PT Punj Lloyd Indonesia #		Spectra Punj Lloyd Limited	Punj Lloyd International Ltd. #		Punj Lloyd Industries Ltd (formerly known as Spectra Infrastructure Ltd.	Atna Investments Ltd.	Punj Lloyd Kazakhstan LLP #		Spectra Punjab Ltd.	PLN Construction Ltd.	Punj Lloyd Pte Ltd #	
	IN Mn IDR	IN INR	IN INR	IN USD	IN INR	IN INR	IN INR	IN KZT	IN INR	IN INR	IN INR	IN SGD	IN INR
Capital	36,614	170,900,125	50,000,000	100,000	4,451,750	115,002,000	39,922,100	1,107,977,200	362,798,000	-	20,000,000	102,334,601	2,997,138,899
Reserves	148,332	642,868,067	28,694,730	633,197	32,728,681	160,496	(35,292,950)	(187,249,109)	(49,750,456)	-	131,797,544	79,972,230	2,411,744,142
Total Asset	591,402	2,602,169,908	210,870,949	778,199	39,462,483	116,577,782	128,815,588	6,297,293,727	2,141,079,867	-	344,124,016	353,380,851	11,774,649,955
Total Liabilities	591,402	2,602,169,908	210,870,949	778,199	39,462,483	116,577,782	128,815,588	6,297,293,727	2,141,079,867	-	344,124,016	353,380,851	11,774,649,955
Investments	-	-	-	50,000	2,535,500	5,000,040	120,996,713	-	-	-	-	25,481,000	849,026,920
Turnover / Total Income	315,190	1,418,354,340	143,750,742	-	-	1,090,646	(11,771,636)	6,847,821,934	2,533,694,116	(406,992)	251,097,361	137,861,421	4,404,672,401
Profit before Taxation	(66,251)	(298,131,402)	(10,297,613)	(48,540)	(2,234,764)	(364,202)	(11,896,943)	135,773,866	50,236,330	(406,992)	24,623,513	34,446,364	1,100,561,330
Provision for Taxation	4,254	19,142,719	(2,932,100)	-	-	17,343	-	84,153,205	31,136,686	593,008	6,725,675	4,428,352	141,485,846
Profit after Taxation	(70,505)	(317,274,121)	(7,365,513)	(48,540)	(2,234,764)	(381,545)	(11,896,943)	51,620,661	19,099,645	(1,000,000)	17,897,838	30,018,012	959,075,483
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

	Simon Carves India Ltd.	Punj Lloyd Infrastructure Ltd.	Punj Lloyd Upstream Ltd.	Punj Lloyd Aviation Ltd.	Sembawang Infrastructure (India) Pvt. Ltd.	PL Engineering Pvt Ltd	Punj Lloyd Systems Pvt Ltd (formerly known as Indtech Construction Pvt Ltd)	PT Sempec Indonesia #		Punj Lloyd Oil & Gas (Malaysia) Sdn Bhd #		Sembawang Engineers & Constructors Pte. Ltd #	
	IN INR	IN INR	IN INR	IN INR	IN INR	IN INR	IN INR	IN USD	IN INR	IN MYR	IN INR	IN SGD	IN INR
Capital	50,500,000	500,000	626,940,000	539,987,100	95,750,000	5,600,000	8,242,800	6,684,758	338,984,078	750,000	10,395,000	236,000,000	7,863,520,000
Reserves	70,054,354	(43,267,515)	(13,896,222)	(88,007,519)	(94,169,754)	(5,705,486)	35,928,160	(2,113,038)	(107,152,157)	13,520,103	187,388,628	(84,453,808)	(2,814,000,883)
Total Asset	447,515,274	857,880,142	1,310,527,770	1,302,253,628	312,706,604	59,132	44,922,679	11,321,563	574,116,460	88,923,370	1,232,477,908	526,052,816	17,528,079,829
Total Liabilities	447,515,274	857,880,142	1,310,527,770	1,302,253,628	312,706,604	59,132	44,922,679	11,321,563	574,116,460	88,923,370	1,232,477,908	526,052,816	17,528,079,829
Investments	-	-	-	492,279,703	-	-	-	-	-	-	-	1,548,453	51,594,454
Turnover / Total Income	805,923,248	-	41,092,533	133,949,658	509,842,514	-	-	16,855,143	776,010,784	147,856,701	1,972,408,391	722,123,217	23,071,836,783
Profit before Taxation	71,890,223	(456,048)	(2,972,456)	(43,546,038)	(43,193,794)	(32,335)	-	(1,718,532)	(79,121,213)	18,802,495	250,825,283	(4,482,618)	(143,219,645)
Provision for Taxation	29,365,906	-	152,569	161,962	1,100,000	-	-	213,790	9,842,892	5,212,260	69,531,548	11,304,764	361,187,210
Profit after Taxation	42,524,317	(456,048)	(3,125,025)	(43,708,000)	(44,293,794)	(32,335)	-	(1,932,322)	(88,964,105)	13,590,235	181,293,735	(15,787,382)	(504,406,855)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

	Simon Carves Ltd. #		Sembawang Simon Carves De Mexico S.A. De C.V. (reported under Simon Carves Ltd.) #		Sembawang UAE Pte Ltd. (formerly known as Sembawang Construction Pte Ltd.) #		Sembawang Development Pte Ltd. #		PT Indo Precast Utama #		Construction Technology Pte Ltd #		Contech Trading Pte Ltd #	
	IN GBP '000	IN INR	IN SGD	IN INR	IN SGD	IN INR	IN SGD	IN INR	IN SGD	IN INR	IN SGD	IN INR	IN SGD	IN INR
Capital	380	27,519,600	-	-	10,000,000	333,200,000	1,000,000	33,320,000	926,025	30,855,153	16,000,000	533,120,000	5,000,000	166,600,000
Reserves	(107,531)	(7,787,395,020)	-		(3,540,010)	(117,953,133)	892,878	29,750,695	(3,170,229)	(105,632,030)	(15,832,148)	(527,527,171)	357,958	11,927,161
Total Asset	58,629	4,245,912,180	-	-	9,972,059	332,269,006	11,454,715	381,671,104	418,956	13,959,614	26,612,836	886,739,696	5,436,858	181,156,109
Total Liabilities	58,629	4,245,912,180	-	-	9,972,059	332,269,006	11,454,715	381,671,104	418,956	13,959,614	26,612,836	886,739,696	5,436,858	181,156,109
Investments	2,002	144,984,840	-	-	-	-	10,001	333,233	-	-	9,950,220	331,541,330	-	-
Turnover / Total Income	168,713	13,222,037,810	-	-	-	-	16,652	532,031	-	-	16,791,496	536,488,297	-	-
Profit before Taxation	(110,765)	(8,680,653,050)	-	-	(4,508,712)	(144,053,348)	845,725	27,020,914	-	-	(4,293,324)	(137,171,702)	319,555	10,209,782
Provision for Taxation	(1,859)	(145,689,830)	-	-	-	-	1,504	48,053	-	-	-	-	-	-
Profit after Taxation	(108,906)	(8,534,963,220)	-	-	(4,508,712)	(144,053,348)	844,221	26,972,861	-	-	(4,293,324)	(137,171,702)	319,555	10,209,782
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO THE CENTRAL GOVERNMENT ORDER NO. 47/228/2009-CL-III DATED APRIL 20, 2009 UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

	Construction Technology (B) Sdn. Bhd. #		Sembawang Infrastructure (Mauritius) Ltd #		SC Architects & Engineerrs Pte. Ltd. #		Sembawang (Malaysia) Sdn Bhd #		Jurubina Sembawang (M) Sdn Bhd #		Sembawang Engineers and Constructors Middle East FZE #	
	IN SGD	IN INR	IN USD	IN INR	IN SGD	IN INR	IN MYR	IN INR	IN RMB	IN INR	IN AED	IN INR
Capital	500,000	16,660,000	270,000	13,691,700	500,000	16,660,000	750,000	10,395,000	65,001	496,862	1,000,000	13,810,000
Reserves	(9,286,204)	(309,416,317)	554,308	28,108,959	(23,562)	(785,086)	(3,890,109)	(53,916,911)	(2,731,399)	(20,878,568)	(144,003,972)	(1,988,694,853)
Total Asset	58,061	1,934,593	827,808	41,978,144	486,366	16,205,715	9,629,116	133,459,548	2,668,364	20,396,734	28,327,018	391,196,119
Total Liabilities	58,061	1,934,593	827,808	41,978,144	486,366	16,205,715	9,629,116	133,459,548	2,668,364	20,396,734	28,327,018	391,196,119
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Turnover / Total Income	-	-	4,868	224,123	213,935	6,835,223	10,570,354	141,008,522	-	-	15,295,535	191,806,009
Profit before Taxation	-	-	(237,180)	(10,919,767)	(11,113)	(355,060)	9,771,865	130,356,679	-	-	(54,850,392)	(687,823,916)
Provision for Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Profit after Taxation	-	-	(237,180)	(10,919,767)	(11,113)	(355,060)	9,771,865	130,356,679	-	-	(54,850,392)	(687,823,916)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-

	Simon Carves (Singapore) Pte Ltd. #		Sembawang Precast System LLC #		Sembawang Bahrain SPC #		PT Indo Unggul Wasturaya #		Sembawang (Tianjin) Construction Engineering Co Ltd #	
	IN SGD	IN INR	IN AED	IN INR	IN BHD	IN INR	IN '000 IDR	IN INR	IN RMB	IN INR
Capital	500,000	16,660,000	22,800,000	314,868,000	250,000	34,701,500	1,109,855	4,883,362	24,872,593	190,123,862
Reserves	(2,890,816)	(96,321,989)	(135,884)	(1,876,558)	655,585	90,999,132	(2,342,069)	(10,305,104)	905,743	6,923,418
Total Asset	13,908,007	463,414,793	41,303,764	570,404,981	7,443,488	1,033,200,795	2,154,606	9,480,266	37,770,994	288,718,079
Total Liabilities	13,908,007	463,414,793	41,303,764	570,404,981	7,443,488	1,033,200,795	2,154,606	9,480,266	37,770,994	288,718,079
Investments	-	-	-	-	-	-	-	-	-	-
Turnover / Total Income	22,844,861	729,893,309	-	-	9,718,034	1,206,163,508	-	-	4,535,220	30,745,708
Profit before Taxation	(1,588,400)	(50,749,380)	(135,884)	(1,703,985)	473,039	58,711,709	-	-	52,449	355,569
Provision for Taxation	-	-	-	-	-	-	-	-	(82,244)	(557,558)
Profit after Taxation	(1,588,400)	(50,749,380)	(135,884)	(1,703,985)	473,039	58,711,709	-	-	134,693	913,127
Proposed Dividend	-	-	-	-	-	-	-	-	-	-

	Sembawang (Hebei) Building Material Co Ltd #		Sembawang JTCI (China) Pte Ltd #		PT Contech Bulan #		Technodyne International Ltd #		Punj Lloyd Engineers and Constructors Pte Ltd (formerly known as Abu Dhabi Engineers and Constructors Pte Ltd) #	
	IN RMB	IN INR	IN SGD	IN INR	IN '000 IDR	IN INR	IN GBP	IN INR	IN SGD	IN INR
Capital	69,720,000	532,933,405	1,000,000	33,320,000	1,000,000	4,400,000	100	7,242	2	67
Reserves	(140,678,855)	(1,075,336,507)	(148,657)	(4,953,251)	(1,574,353)	(6,927,153)	904,393	65,496,141	(400,520)	(13,345,326)
Total Asset	36,113,717	276,050,003	868,850	28,950,082	518	2,279	2,160,672	156,475,866	-	-
Total Liabilities	36,113,717	276,050,003	868,850	28,950,082	518	2,279	2,160,672	156,475,866	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Turnover / Total Income	-	-	-	-	-	-	2,296,736	179,995,200	-	-
Profit before Taxation	-	-	(110,236)	(3,522,040)	-	-	551,509	43,221,760	(400,520)	(12,796,614)
Provision for Taxation	-	-	-	-	-	-	153,932	12,063,651	-	-
Profit after Taxation	-	-	(110,236)	(3,522,040)	-	-	397,577	31,158,109	(400,520)	(12,796,614)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-

Note:

The exchange rates for balance sheet items are Indonesian Rupiah(IDR)/INR - 0.0044, United States Dollor(USD)/INR - 50.71, Kazakhstan Tenge(KZT)/INR - 0.34, Singapore Dollor(SGD)/INR - 33.32, Great Britain Pounds(GBP)/INR - 72.42, Malaysian Ringgit(MYR)/INR - 13.86, Chinese Yuan Renminbi(RMB)/INR - 7.64391, United Arab Emirates Dirham(AED)/INR - 13.81 and Bahraini Dinar(BHD)/INR - 138.806

The exchange rates for profit & loss items are Indonesian Rupiah(IDR)/INR - 0.0045, United States Dollor(USD)/INR - 46.04, Kazakhstan Tenge(KZT)/INR - 0.37, Singapore Dollor(SGD)/INR - 31.95, Great Britain Pounds(GBP)/INR - 78.37, Malaysian Ringgit(MYR)/INR - 13.34, Chinese Yuan Renminbi(RMB)/INR - 6.77932, United Arab Emirates Dirham(AED)/INR - 12.54 and Bahraini Dinar(BHD)/INR - 124.116

For and on behalf of the Board

Atul Punj
Chairman

Place : Gurgaon

Date : May 18, 2009

Auditor's Report on Abridged Financial Statements

To

The Members of Punj Lloyd Limited

1. We have examined the abridged Balance Sheet of Punj Lloyd Limited as at March 31, 2009 and the abridged Profit and Loss Account and Cash Flow Statement for the year ended on that date, together with the notes thereon (hereafter collectively referred to as "abridged financial statements").

2. We did not audit the financial statements of certain branches of the Company, whose financial statements (net of eliminations) reflect total assets of Rs. 29,189,349 thousand as at March 31, 2009, the total revenue of Rs. 32,250,963 thousand and cash flows amounting to Rs. 2,069,455 thousand for the year then ended. These financial statements and other financial information of branches not audited by us have been audited by other auditors whose reports have been furnished to us, and our report is based solely on the report of other auditors.

3. Without qualifying our opinion, we draw attention to Note 6 in Annexure II to the abridged financial statements and also Note 11 in Schedule 'M' to the complete set of financial statements regarding deductions made/ amounts withheld by some customers aggregating to Rs. 605,083 thousand (Previous year Rs. 461,224 thousand) on various accounts which are being carried as sundry debtors. The Company is also carrying accrued income of Rs. 95,455 thousand (Previous year Rs. 95,455 thousand) relating to these customers. The ultimate outcome of the above matters cannot presently be determined although the Company is of the view that such amounts are recoverable and hence no provision is required there against.

4. These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and Clause 32 of the Listing Agreement and are based on the accounts of the Company for the year ended March 31, 2009 prepared in accordance with Schedule VI to the Companies Act, 1956 and covered by our report dated May 18, 2009 to the members of the Company which report is attached.

For S.R. Batliboi & Co.
Chartered Accountants
Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

To

The Members of Punj Lloyd Limited

1. We have audited the attached Balance Sheet of Punj Lloyd Limited ('the Company') as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We did not audit the financial statements (net of eliminations) of certain branches of the Company, whose financial statements reflect total assets of Rs. 29,189,349 thousand as at March 31, 2009, total revenue of Rs. 32,250,963 thousand and cash flows amounting to Rs. 2,069,455 thousand for the year then ended. These financial statements and other financial information of branches not audited by us have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
5. Further to our comments in the Annexure referred to above, we report that:
   - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with;
   - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
   - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
   - v. On the basis of the written representations received from the directors, as at March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   - vi. Without qualifying our opinion, we draw attention to Note 11 in Schedule 'M' to the financial statements regarding deductions made/ amounts withheld by some customers aggregating to Rs. 605,083 thousand (Previous year Rs. 461,224 thousand) on various accounts which are being carried as sundry debtors. The Company is also carrying work in progress inventory of Rs. 95,455 thousand (Previous year Rs. 95,455 thousand) relating to these customers. The ultimate outcome of the above matters cannot presently be determined although the Company is of the view that such amounts are recoverable and hence no provision is required there against.
   - vii. In our opinion and on consideration of reports of other auditors on separate financial statements and on the other financial information and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
     - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
     - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
     - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants
Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

Annexure referred to in paragraph [3] of our report of even date
Re: Punj Lloyd Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) During the year, the Company has disposed off a substantial part of the plant and machinery of the ISP division of the Company. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the aforesaid plant and machinery has not affected the going concern status of the Company.

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

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

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

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (b, c and d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (f and g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(iv) As per the information and explanations given to us, certain fixed assets purchased are of specialized nature for which comparable prices are not available. Read with the above, 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) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

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

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

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

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

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

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

Name of the statute	Nature of dues	Amount in INR '000	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax on the material components of the works contract.	2,550	1998-99 and 2000-01	Sales Tax Appellate Tribunal, Hyderabad, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax on the material components of the works contract.	38,112	2001-02 to 2003-04	High Court, Hyderabad
Andhra Pradesh General Sales Tax Act, 1956	Penalty for use of G Form against material purchases.	18,688	2001-02 to 2004-05	Sales Tax Appellate Tribunal, Vizag, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for use of G Form against material purchases.	55,996	2002-03 to 2003-04	ADC, Vizag, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for suppression of Turnover.	3,248	2003-04 to 2004-05	Sales Tax Appellate Tribunal, Vizag, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1956	Penalty for suppression of Turnover.	2,872	2004-05	ADC, Vizag, Andhra Pradesh
Assam Entry Tax Act, 2001	Entry Tax on materials / equipment brought into the state.	4,786	2006-07	Guwahati High Court
Assam Value Added Tax Act, 2003	Sales tax demand for disallowance of deductions.	15,218	2006-07	Guwahati High Court
Central Sales tax Act, 1956	Penalty against Form C usage for purchase of machinery.	2,593	1998-99	Allahabad, High Court
Central Sales tax Act, 1956	Penalty against Form C usage for purchase of machinery.	3,293	1998-99	Jt Commissioner, Appeals, Mathura
Chhattisgarh Entry Tax Act, 1976	Entry Tax on materials / equipment brought into the state.	4,285	2005-06	Bilaspur High Court
Delhi Sales tax Act, 1975	Sales tax demand on internet services.	39,877	2000-01 to 2003-04	Jt Commissioner, Appeals, Delhi
Gujarat Sales Tax Act, 1969	Differential Sales Tax for non submission of statutory forms.	62,087	1998-99 to 1999-00	Sales Tax Appellate Tribunal, Ahmedabad, Gujarat.
Haryana Local Area Development Tax Act 2000	Entry Tax demand.	3,995	2003-04	Supreme Court, New Delhi
Kerala General Sales Tax Act, 1963	Differential Sales Tax for dis-allowance of deduction on purchases u/s 3 of the CST Act, 1956.	3,645	1998-99 & 1999-00	Dy. Commissioner, Sales Tax (Appeals), Kochi, Kerala
Maharastra VAT Act, 2002	VAT on Transportation, Travelling Charges & Penalty.	5,861	2005-06	Jt Commissioner, Appeals, Nasik
MP Entry Tax Act, 1976	Entry Tax Demand.	588	2003-04	Dy. Commissioner Comm Tax (Appeals) Gwalior, MP
MP Commercial Tax Act	Sales tax on the material components of the works contract.	470	2003-04	Tribunal, MP
The Finance Act, 2004 and the Service Tax Rules	Penalty for late deposit of Service Tax for UTPL Project.	108,068	2005-06 to 2006-07	CESTAT, Delhi
UP Trade Tax Act, 1948	Entry Tax Demand.	730	1999-00 to 2000-01 and 2004-05	Jt Commissioner, Appeals, Mathura

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

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and debenture holders. The Company has no outstanding dues in respect of a financial institution.

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

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

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

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

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

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

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

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 1,500 debentures of Rs. 1,000,000 each. The Company has created security or charge in respect of debentures issued.

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

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

For S.R. Batliboi & Co.
Chartered Accountants
Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

Abridged Balance Sheet As at March 31, 2009

(Amount In INR '000)

Particulars	As at March 31, 2009		As at March 31, 2008	
A Sources of Funds				
I Shareholders Funds				
1 Equity Share Capital		606,964		606,892
2 Advance received against issue of share Warrants		-		254,000
3 Reserves and Surplus				
Capital Reserve		256,138		2,138
Share Premium Reserve		18,493,584		18,859,007
Asset Revaluation Reserve		50,044		53,811
General Reserve		581,818		361,108
Foreign Project Utilised Reserve		7,500		44,000
Foreign Currency Monetary Items Translation Difference Account		(462,946)		-
Foreign Currency Translation Reserve		(303,215)		(21,052)
Debenture Redemption Reserve		375,000		-
Profit and Loss Account Balance		6,484,711		4,239,804
II Loan Funds				
Secured Loans		22,198,817		11,148,444
Non Convertible Debenture		1,500,000		-
Rs. 150,000 thousand (Previous Year: Nil) , 12% Secured redeemable Non Convertible Debenture redeemable in 10 equal half yearly installments from the date of allotment viz, December 22, 2008.				
Unsecured Loans		5,679,722		2,528,040
III Deferred Tax Liabilities		1,180,208		763,548
Total		**56,648,346**		**38,839,740**
B Application of Funds				
I Fixed Assets				
Net Block		10,722,771		9,894,344
Capital work-in-progress including Capital Advances		1,236,543		928,476
II Investments				
1 Investment in Subsidiary Companies				
Unquoted		4,707,684		2,087,789
2 Others				
Quoted		963		963
(Market Value Rs. 2,150 thousand (Previous year Rs.2,218 thousand))				
Unquoted		5,224,818		5,188,803
III Deferred Tax Assets		-		1,085
IV Current Assets, Loans and Advances				
Inventories	29,502,874		15,051,481	
Sundry Debtors	15,235,620		9,639,672	
Cash and Bank Balances	3,589,257		2,144,231	
Other Current Assets	924,054		812,473	
Loans and Advances				
To Subsidiary Companies	6,210,979		2,779,252	
To Others	4,762,046		4,673,056	
	60,224,830		35,100,165	
V Less :Current Liabilities and Provisions				
Current Liabilities	24,006,211		13,635,104	
Provisions	1,463,052		726,781	
	25,469,263		14,361,885	
Net Current Assets (IV - V)		34,755,567		20,738,280
Total		**56,648,346**		**38,839,740**

Annexure I & II form an integral part of the Abridged Finacial Statements
As per our Report on the abridged financial statements of even date

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik
Managing Director

Atul Punj
Chairman

Dinesh Thairani
Company Secretary

Raju Kaul
President

Ravi Keswani
President

Abridged Profit and Loss Account for the year ended March 31,2009

(Amount In INR '000)

Particulars		Year ended March 31, 2009	Year ended March 31, 2008
I.	**Income**		
	Contract Revenue (Including export benefits Rs. 359,583 thousand (Previous year Rs. 651,953 thousand))	67,345,638	44,211,652
	Income from Hire Charges	1,471,505	127,728
	Management Fees	-	178,802
	Sales - Export	478	5,581
	Sales - Others	115	8,242
	Internet Services (Net of discounts Rs. 64 thousand (Previous year Rs. 717,753 thousand).	61,762	353,678
	Dividend on Long Term Investment	532	341
	Interest	317,667	224,940
	Other Income	358,474	306,599
	Total	**69,556,171**	**45,417,563**
II	**Expenditure**		
	Project Material Consumed and Cost of Goods Sold	23,817,614	16,253,630
	Contractor Charges	15,268,979	9,963,084
	Other Operating Expenses	8,632,486	5,080,684
	Salaries, Wages and other Employee Benefits	5,701,882	3,475,743
	Managerial Remuneration	44,052	109,513
	Interest	1,942,796	1,132,814
	Depreciation	1,194,805	1,133,872
	Auditor's Remuneration (including to Branch Auditors)	23,175	18,945
	Bad debts/ Advances written off/ Provisions for Doubtful Receivables	176,126	79,875
	Other Expenses	7,806,494	4,759,902
	Total	**64,608,409**	**42,008,062**
III	**Profit Before Tax**	**4,947,762**	**3,409,501**
IV	**Provision for**		
	Current Tax	1,293,000	1,032,803
	Deferred Tax	418,000	156,511
	Fringe Benefit Tax (Net of write back of Rs. Nil (Previous year Rs. 19,750 thousand))	25,785	5,761
V	**Profit After Tax**	**3,210,977**	**2,214,426**
	Balance brought forward from Previous Year	4,239,804	2,366,384
	Transfer from Foreign Exchange Translation Reserve	(21,052)	-
	Transfer from Foreign Project Utilised Reserve	36,500	26,000
	Profit available for Appropriation	**7,466,229**	**4,606,810**
VI	**Appropriation**		
	Transfer to General Reserve	500,000	225,000
	Transfer to Debenture Redemption Reserve	375,000	-
	Proposed Dividend for Equity Shares	91,045	121,378
	Tax on Proposed Dividend	15,473	20,628
VII	**Transfer to Reserves/Surplus**	**6,484,711**	**4,239,804**

Annexure I & II form an integral part of the Abridged Finacial Statements
As per our Report on the abridged financial statements of even date

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik
Managing Director

Atul Punj
Chairman

Dinesh Thairani
Company Secretary

Raju Kaul
President

Ravi Keswani
President

Abridged Cash Flow Statement For the Year Ended March 31, 2009

(Amount In INR '000)

		Year ended March 31, 2009	Year ended March 31, 2008
A	**Cash Flows used in operating activities**		
	Net Profit before Taxation	4,947,762	3,409,501
	Adjustments for -		
	Depreciation/Amortization	1,194,805	1,133,872
	Amortization of Foreign Currency Monetary Items Translation Difference	328,338	-
	Loss / (Profit) on Sale / Discard of Fixed Assets (Net)	(367,887)	23,684
	Loss on Sale of Non Trade Long Term Investments	15,645	-
	Loss on Disposal of ISP Business	169,463	-
	Interest Income	(317,668)	(224,940)
	Dividend on Long Term Investments	(532)	(341)
	Unrealised Foreign Exchange Fluctuation (Net)	127,265	(7,105)
	Interest Expense	1,942,797	1,132,814
	Bad Debts/ Advances written off	176,126	76,382
	Unspent Liabilities and Provisions written back	(13,066)	(46,365)
	Provision for Doubtful Receivable	-	3,493
	Operating Profit before working capital changes	**8,203,048**	**5,500,995**
	Movements in Working Capital:		
	(Increase)/Decrease in Inventories	(14,479,689)	(3,404,569)
	(Increase) in Sundry Debtors	(5,702,018)	(3,975,632)
	(Increase) in Other Current Assets	(123,570)	(318,433)
	(Increase)/Decrease in Margin Money Deposits	(19,117)	7,934
	(Increase) in Loans and Advances	(3,122,720)	(1,476,225)
	Increase in Current Liabilities and Provisions	9,875,172	1,814,975
	Cash used in Operations	(5,368,894)	(1,850,955)
	Direct Taxes paid [Net of Refunds (Including Fringe Benefit Tax Rs.25,785 thousand (Previous Year Rs. 5,761 thousand)]	(1,088,068)	(476,219)
	Net Cash used in operating activities	**(6,456,962)**	**(2,327,174)**
B	**Cash Flows used in investing activities**		
	Purchase of Fixed Assets (including Capital Work in progress)	(3,414,576)	(3,504,133)
	Purchase of Investments in Subsidiaries	(2,721,210)	(4,099,582)
	Proceeds from Sale of Investments	1,416	-
	Proceeds from Sale of Fixed Assets	1,121,452	71,140
	Dividend Received	532	341
	Interest Received	329,659	237,537
	Net Cash used in investing activities	**(4,682,727)**	**(7,294,697)**
C	**Cash Flows from financing activities**		
	Inflow in Share Capital	72	338,371
	Share Issue Expenses	-	(106,475)
	Increase in Premium on Issue of Share Capital	5,022	11,066,308
	Increase in Short-Term Working Capital Loans	9,301,960	1,873,204
	Repayment of Long-Term Borrowings	(1,965,863)	(7,929,556)
	Proceeds from Long-Term Borrowings	7,877,521	4,379,446
	Interest Paid	(1,894,502)	(1,125,374)
	Dividend Paid	(121,372)	(78,378)
	Tax on Dividend Paid	(20,628)	(13,320)
	Net Cash from Financing Activities	**13,182,210**	**8,404,226**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**2,042,521**	**(1,217,645)**
	Exchange Fluctuation Translation Difference	(563,134)	(9,196)
	Total	**1,479,387**	**(1,226,841)**
	Cash and Cash Equivalents at the beginning of the year	2,113,926	3,340,767
	Cash out Flow due to Disposal of Internet Division	53,478	-
	Cash and Cash Equivalents at the end of the year	**3,539,835**	**2,113,926**
	Components of Cash and Cash Equivalents		
	Cash on hand	99,559	47,965
	Balance with Scheduled Banks		
	On Current Accounts	544,879	648,423
	On Cash Credit Accounts	98,771	49,259
	On EEFC Accounts	25,082	400,279
	On Fixed Deposits	83,286	99,397
	Less : Margin Money Deposits	(37,360)	(30,305)
	Balances with non scheduled banks		
	On Current Accounts	633,226	669,141
	On Fixed Deposits	2,104,454	229,767
	Less : Margin Money Deposits	(12,062)	-
		3,539,835	**2,113,926**

Notes:

1 The Cash Flow Statement has been prepared under Indirect Method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report on the abridged financials of even date

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik — *Managing Director*

Atul Punj — *Chairman*

Dinesh Thairani — *Company Secretary*

Raju Kaul — *President*

Ravi Keswani — *President*

Salient features of additional information on the profit and loss account for the year ended March 31, 2009

Sales

Class of Goods	March 31, 2009 Units Quantity	March 31, 2009 Amount In INR '000	March 31, 2008 Units Quantity	March 31, 2008 Amount In INR '000
Cable Modem	1	4	15	58
ADSL Router	4	14	44	177
Transceivers	10	83	222	1,894
Radios	-	-	19	761
Other	5	14	64	5,351

Note:

Sales of goods in Project Division comprise of large number of items of different nature and specifications and hence it is not practicable to furnish information in respect thereof. The cost of such sales has been included under materials consumed.

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

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik
Managing Director

Atul Punj
Chairman

Dinesh Thairani
Company Secretary

Raju Kaul
President

Ravi Keswani
President

1. **Basis of preparation**

These abridged financial statements have been prepared in accordance with the requirements of Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and clause 32 of the Listing Agreement. These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended March 31, 2009.

2. **[2c] Change in accounting policies**

Exchange differences on long term foreign currency monetary items

Upto December 31, 2008, the Company was charging off exchange differences arising on foreign currency monetary assets and liabilities to profit and loss account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences, in respect of accounting periods commencing on or after December 07, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result, such exchange differences in so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset, and in other cases, have been accumulated in Foreign Currency Monetary Item Translation Difference Account and would be amortized over the balance period of such long term asset / liability but not beyond, accounting period ending on or before March 31, 2011.

In current year, such exchange differences, pertaining to accounting periods commencing on April 01, 2007 and ending on March 31, 2008 are transferred from General Reserve, and to the extent they related to acquisition of depreciable capital assets are adjusted with the cost of such assets Rs. 37,430 thousand (deducted from the cost of fixed asset) and in other cases, are transferred to the Foreign Currency Monetary Item Translation Difference Account Rs. 241,860 thousand.

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the Profit and Loss Account after tax for the current year would have been higher by Rs. 462,946 thousand, the net block of fixed assets would have been lower by Rs. 81,656 thousand and general reserve would have been higher by Rs. 241,860 thousand.

3. **[6] Capital Commitments** **(Amount In INR '000)**

	2008-09	2007-08
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,218,210	3,251,527

4. **[7] Contingent liabilities not provided for :** **(Amount In INR '000)**

			2008-09	2007-08
a)	i)	Bank Guarantees given by the Company	4,743,929	623,295
	ii)	Bank Guarantees given on behalf of subsidiaries and joint ventures	234,456	55,456
b)		Liquidated damages deducted by customers not accepted by the Company and pending final settlement.(Also refer note 6 (a) below)*	508,835	501,725
c)		Corporate Guarantees given on behalf of subsidiaries, joint ventures and associates	60,768,392	32,817,356
			66,255,612	**33,997,832**

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

d) Estimated future investments in joint venture & other companies in terms of respective shareholder agreements amounting in aggregate to Rs. 289,999 thousand (Previous year Rs. 289,999 thousand).

e) (i) Sales tax demand of Rs. 52,173 thousand (Previous year Rs. 37,432 thousand) on the material components of the works contracts pending with Sales Tax Authorities and High Court. *

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

(iii) Sales tax demand of Rs. 4,201 thousand (Previous year Rs. 4,201 thousand) for disallowance of deduction on purchases.*

(iv) Sales Tax liability of Rs. 84,946 thousand (Previous year Rs. 38,413 thousand) for purchases against sales tax forms not accepted by department.*

(v) Entry Tax liability of Rs. 32,806 thousand (Previous year Rs. 18,856 thousand) against entry of goods into the local area not accepted by department.*

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

(vii) Sales Tax Liability of Rs. 36,958 thousand (Previous year Rs. 20,278 thousand) against disallowance of deductions.*

(viii) Penalty for late deposit of Service Tax of Rs. 108,068 thousand (previous year Rs. Nil).*

(ix) Sales tax demand in respect of Internet Service Division regarding taxability of internet services Rs. 21,178 thousand (Previous year Rs. 21,178 thousand). The same is contested by the company in view of similar matter decided by the Hon'ble Supreme Court of India in the case of Bharat Sanchar Nigam Limited & another Vs Union of India & others wherein it was held that internet services are not taxable as goods. *

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

5. Important Performance Ratios

Sl. No.	Ratio	2008-09	2007-08
1.	Income / Total Assets Ratio *	0.85 : 1.00	0.85 : 1.00
2.	Profit before Interest and Tax / Capital Employed ** (%)	12.43	11.95
3.	Profit after Tax / Income (%)	4.62	4.88
4.	Return on Net Worth (%) ***	12.33	9.10

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

** Capital Employed = Equity Share Capital + Advance against issue of Share Warrants + Reserves & Surplus + Secured Loan + Unsecured Loan – Revaluation Reserve

*** Net Worth = Equity Share Capital + Advance against issue of Share Warrants + Reserves & Surplus – Revaluation Reserve

6. [11] The following note has been referred to by the Auditors in their Auditor's Report on the complete set of financial statements dated May 18, 2009:

(a) The Company had executed a pipeline project at Dahej- Vijaypur for Gas Authority of India Limited (GAIL) in an earlier year. GAIL had withheld Rs. 433,467 thousand (Previous year Rs. 416,343 thousand) as liquidated damages, the customer had also not certified the final bill amounting to Rs. 31,455 thousand (Previous year Rs. 31,455 thousand) which is being carried forward under accrued income and Rs. 40,441 thousand (Previous year Rs. 40,441 thousand) towards other deductions, which the Company is disputing. Also, the Company has filed some other claims with GAIL amounting to Rs. 999,004 thousand (Previous year Rs. 999,004 thousand). These claims have not been accounted for in the books. The Company had gone into arbitration against GAIL for recovery of amount withheld as liquidated damages & other deductions and claims of the Company. Pending outcome of arbitration, amount withheld for liquidated damages & other deductions are being carried forward under sundry debtors. The Company has been legally advised that there is no justification in imposition of liquidated damages and other deductions by GAIL and hence the above amount is considered good of recovery.

(b) The Company had executed a pipeline project for Petronet MHB Limited in an earlier year. The customer had withheld Rs.4,440 thousand (Previous year Rs 4,440 thousand) from the running bills, which are being carried forward under sundry debtors. The customer had also not certified the final bill amounting to Rs.64,000 thousand (Previous year Rs.64,000 thousand) which is being carried forward under accrued income. The Company had raised claims for Rs.517,387 thousand (Previous year Rs.517,387 thousand), which are not accounted for in the books. For recovery of the said amounts, which are being disputed by the customer, the Company has initiated Arbitration proceedings. The outstanding amounts are considered good of recovery.

(c) The Company had executed a pipeline project at Pune – Solapur for Hindustan Petroleum Company Limited (HPCL) in an earlier years. HPCL has withheld Rs 32,874 thousand as reduction in the contract price and Rs. 12,707 thousand towards other deductions, which the Company is disputing. Also the company has filed certain claims for Rs 31,437 thousand for additional work. These claims have not been accounted for in the books. The company has gone into arbitration against HPCL for recovery of amount withheld as reduction in contract price & other deductions and claims of the Company. Pending outcome of arbitration, amount withheld for reduction in contract price & other deductions are being carried forward under sundry debtors. The company has been legally advised that there is no justification in reduction of contract price & other deductions by HPCL and hence the above amount is considered good of recovery.

(d) The Company had executed a pipeline project at Mundra - Delhi for Hindustan Petroleum Company Limited (HPCL) in an earlier years. HPCL has withheld Rs 36,139 thousand as reimbursement of service tax, which the Company is disputing. The company has gone into arbitration against HPCL for recovery of amount withheld as reimbursement of service tax and the award has been pronounced in favour of the Company in earlier year. HPCL has challenged the arbitration award and filed a petition against this award in Bombay High Court. The Company has been legally advised that there is no justification in non reimbursement of service tax by HPCL and hence the above amount is considered good of recovery.

(e) The Company had executed a Highway / Carriageway project at Jaipur bypass for National Highway Authority of India (NHAI) in an earlier year. NHAI has withheld Rs 45,015 thousand towards additional work as agreed with NHAI, which the Company is disputing. The company had gone into arbitration against NHAI for recovery of amount for additional work and the award has been pronounced in favour of the Company for Rs. 4,509 thousand in an earlier year, which has not been accepted by the Company. The Company has challenged the arbitration award and filed a petition against this award in Delhi High Court. The Company has been legally advised that there is no justification in non payment of additional work as agrred by NHAI and hence the above amount is considered good of recovery.

7. **[16]** The Micro, Small and Medium Enterprise 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, Small and Medium Enterprise Development (MSMED) Act, 2006 is as follows:

(Amount In INR '000)

S.No.	Particulars	2008-09	2007-08
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

8. **[20]** The following are the details of loans given to subsidiaries and associates and parties in which directors are interested in terms of Securities & Exchange Board of India's circular dated January 10, 2003:

(Amount In INR '000)

	Outstanding amount as at		Maximum amount outstanding during the year	
Name of the Entities	March 31, 2009	March 31, 2008	2008-09	2007-08
Punj Lloyd Kazakhstan LLP	359,864	265,726	359,864	307,998
Punj Lloyd Pte Limited	3,296,366	881,826	4,168,090	881,826
Simon Carves Limited (UK)	1,155,155	140,070	1,155,155	140,070
Punj Lloyd Aviation Limited	150,688	151,254	248,654	151,254
Punj Lloyd Infrastructure Limited	899,938	892,072	899,938	892,072
Spectra Net Limited	-	7,471	7,471	7,471
Spectra Punjab Limited	-	1202	1202	1202

All the above loans and advances are repayable on demand

9. **[22]** The Company has exercised the option as per the Companies Accounting Standard Rules, 2009. As per the option exchange differences related to long term foreign currency monetary items so far as they relate to the acquisition of a depreciable capital assets are capitalized and depreciated the same over the useful life of the assets and in other cases, have been transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities but not beyond accounting period ending on or before 31st March 2011. The unamortized balance in this account is Rs. 462,946 thousand.

10. **[23]** The Company has reviewed its branch operations in Middle East and North Africa and based on its review and also advice given by independent consultants, have decided to give these branch operations more autonomy and independence. Accordingly, the management announced and implemented certain policies and took certain steps affecting the functioning of the overseas branches which were completed by October, 2008. In view of the above changes, the management is of the view that with effect from October 01, 2008, the operations of the branches should be considered as non-integral instead of integral as considered hitherto. As a result, exchange differences arising on translation of financial statements of the overseas branches for the six months period ended March 31, 2009 have been transferred to foreign currency translation reserve account instead of taking the same to profit and loss account, resulting in profit for the year being higher by Rs. 303,215 thousand.

11. **[24]** Loans to Subsidiaries include Rs. 1,193,057 thousand (including interest theron) on account of loan given by the Company to its step-down subsidiary, Simon Carves Limited, UK ('Simon') and also encashment of bank guarantee given by the Company to a customer of such step down subsidiary. As per the audited financial statements of Simon as at March 31, 2009, it has incurred substantial losses during the year, resulting in its accumulated losses far exceeding its net worth. The Company is hopeful that in view of the restructuring undertaken by Simon and its future profitability projections, Simon would be able to repay the above amount.
In any case, Punj Lloyd Pte Ltd, Singapore (PLPL), a subsidiary of the Company and the immediate holding Company of Simon, has guaranteed the payment of above outstanding to the Company in case Simon is unable to pay the same.

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

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik
Managing Director

Atul Punj
Chairman

Dinesh Thairani
Company Secretary

Raju Kaul
President

Ravi Keswani
President

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

I Registration details :

Registration No. :	3	3	3	1	4		**State Code :**	5	5
Balance sheet Date :	3	1	0	3	0	9			

II Capital raised during the year (Rupees in thousand)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	72

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

	Total Liabilities	Total Assets
	82,117,609	82,117,609
Sources of Funds :	Paid-up Capital	Total Reserves & Surplus
	606,964	25,482,635
	Secured Loans	Unsecured Loans
	23,698,817	5,679,722
	Deferred Tax Liability	
	1,180,208	
Application of Funds :	Net Fixed Assets	Capital Work in Progress
	10,722,771	1,236,543
	Investments	Deferred Tax Assets
	9,933,465	NIL
	Misc Expenditure	Net Current Assets
	NIL	60,224,830

IV Performance of Company (Rupees in thousand)

Turnover	Total Expenditure
69,556,171	64,608,409
Profit/(Loss) before Tax and Extraordinary items	Profit/(Loss) after Tax and Extraordinary items
4,947,762	3,210,977
Basic Earning Pre Share (Rs.)	Dividend Rate (%)
10.58	15

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

Item Code No. — I.T.C. Code

Product Description — Construction, project related activities and engineering services.

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

Dinesh Thairani	**Raju Kaul**	**Ravi Keswani**	**V.K. Kaushik**	**Atul Punj**
Company Secretary	*President*	*President*	*Managing Director*	*Chairman*

To the Board of Directors of Punj Lloyd Limited on the Consolidated Financial Statements of Punj Lloyd Limited, its Subsidiaries, Joint Ventures and Associates

1. We have audited the attached consolidated balance sheet of Punj Lloyd Limited Group, as at March 31, 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Punj Lloyd's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We did not audit the financial statements of certain branches and subsidiaries, whose financial statements (net of eliminations) reflect total assets of Rs. 55,894,337 thousand as at March 31, 2009, total revenue of Rs. 82,233,089 thousand and cash flows amounting to Rs. 1,333,118 thousand for the year then ended. We also did not audit the financial statements of certain joint ventures, whose financial statements reflect, to the extent of the proportionate share of the Punj Lloyd Group, total assets of Rs. 2,728,468 thousand as at March 31, 2009, total revenues of Rs. 905,639 thousand and cash flows amounting to Rs. (3,042 thousand) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Punj Lloyd's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures, notified pursuant to the Companies (Accounting Standards) Rules, 2006.

5. Without qualifying our opinion, we draw attention to Note 9 in Schedule 'O' to the financial statements regarding deductions made/ amounts withheld by some customers aggregating to Rs. 605,083 thousand (Previous year Rs. 461,224 thousand) on various accounts which are being carried as sundry debtors. The Company is also carrying Work-in-Progress inventory of Rs. 95,455 thousand (Previous year Rs. 95,455 thousand) relating to these customers. The ultimate outcome of the above matters cannot presently be determined although the Company is of the view that such amounts are recoverable and hence no provision is required there against.

6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated balance sheet, of the state of affairs of the Punj Lloyd Group as at March 31, 2009;

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

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

For S.R. Batliboi & Co.
Chartered Accountants
Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

Consolidated Balance Sheet As At March 31, 2009

(Amount In INR '000)

	Schedules	As at March 31, 2009		As at March 31, 2008	
Sources of Funds					
Shareholders Funds					
Share Capital	A	606,964		606,892	
Advance Received against Issue of Share Warrants (also refer note 20 in Schedule 'O')		-		254,000	
Reserves and Surplus	B	24,238,064		26,571,849	
			24,845,028		27,432,741
Minority Interest			419,837		222,081
Loan Funds	C				
Secured Loans		29,888,717		13,507,337	
Unsecured Loans		5,703,439		2,564,385	
			35,592,156		16,071,722
Deferred Tax Liabilities			17,41,629		9,41,274
(also refer note 24 in schedule 'O')					
Total			**62,598,650**		**44,667,819**
Application of Funds					
Fixed Assets	D				
Gross Block		26,527,486		20,834,161	
Less : Accumulated Depreciation / Amortisation		7,774,474		6,726,073	
Net Block		18,753,012		14,108,088	
Capital Work in progress including Capital Advances		2,900,394		2,061,368	
Preoperative Expenditure (pending allocation)	E	74,068	21,727,474	63,615	16,233,071
Investments	F		6,609,267		5,457,833
Deferred Tax Assets			259,525		193,101
(also refer note 24 in Schedule 'O')					
Current Assets, Loans and Advances	G				
Inventories		36,685,853		20,591,874	
Sundry Debtors		26,686,388		20,901,334	
Cash and Bank Balances		8,122,029		6,898,102	
Other Current Assets		925,609		813,589	
Loans and Advances		10,534,919		6,615,195	
I		82,954,798		55,820,094	
Less: Current Liabilities and Provisions	H				
Current Liabilities		47,099,049		31,478,759	
Provisions		1,853,365		1,557,680	
II		48,952,414		33,036,439	
Net Current Assets (I-II)			34,002,384		22,783,655
Miscellaneous Expenditure	I		-		159
(to the extent not written off or adjusted)					
Total			**62,598,650**		**44,667,819**

Significant Accounting Policies & Notes to Consolidated Accounts — O

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

As per our Report of Even Date

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik
Managing Director

Atul Punj
Chairman

Dinesh Thairani
Company Secretary

Raju Kaul
President

Ravi Keswani
President

Consolidated Profit and Loss Account For the Year Ended March 31, 2009

(Amount In INR '000)

	Schedules	Year ended March 31, 2009		Year ended March 31, 2008	
Income					
Sales & Contracts Revenue	J		119,120,339		77,529,249
Other Income	K		898,978		810,706
Profit on Disposal of Interest in Associate			-		371,200
			120,019,317		**78,711,155**
Expenditure					
Project Materials Consumed and Cost of Goods Sold	L		37,505,378		28,284,609
Operating and Administrative Expenses	M		77,211,027		42,323,027
Financial Charges	N		3,518,792		1,806,392
Depreciation / Amortisation		1,773,659		1,465,280	
Less : Transfer from Revaluation Reserve		2,893		2,987	
			1,770,766		1,462,293
			120,005,963		**73,876,321**
Profit before Tax			**13,354**		**4,834,834**
Provision for Tax					
Current Tax		1,499,305		960,596	
Deferred Tax		728,564		265,835	
Fringe Benefit Tax		32,414		8,460	
Total Tax Expense			2,260,283		1,234,891
Profit / (Loss) after Tax			**(2,246,929)**		**3,599,943**
Add: Share In Profits/ (Losses) of Associates (net)			(68,137)		(17,038)
Profit / (Loss) before Minority's Share			**(2,315,066)**		**3,582,905**
Add: Share of Loss transferred to Minority			62,170		1,267
Profit / (Loss) for the Year			**(2,252,896)**		**3,584,172**
Balance brought forward from Previous Year		7,498,528		4,255,362	
Transfer from Foreign Exchange Translation Reserve		(21,052)		-	
Transfer from Foreign Project Utilised Reserve		36,500		26,000	
			7,513,976		4,281,362
Profit available for Appropriation			**5,261,080**		**7,865,534**
Appropriations					
Transfer to General Reserve		500,000		225,000	
Transfer to Debenture Redemption Reserve		375,000		-	
Proposed Dividend for Equity Shares		91,045		121,378	
Tax on Proposed Dividend		15,473		20,628	
			981,518		367,006
Transfer to Reserve and Surplus			**4,279,562**		**7,498,528**
Earning Per Share (nominal value per share Rs. 2 each) (refer note 14 of schedule 'O')					
Basic (in rupees)			(7.42)		12.65
Diluted (in rupees)			(7.42)		11.95
Significant Accounting Policies & Notes to Consolidated Accounts	O				

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

As per our Report of Even Date

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik *Managing Director*

Atul Punj *Chairman*

Dinesh Thairani *Company Secretary*

Raju Kaul *President*

Ravi Keswani *President*

Consolidated Cash Flow Statement For the Year Ended March 31, 2009 (Amount In INR '000)

		Year ended March 31, 2009	Year ended March 31, 2008
A	**Cash Flows used in Operating Activities**		
	Net Profit before Taxation	13,356	4,834,834
	Adjustments for -		
	Depreciation/Amortization	1,770,765	1,462,386
	Loss / (Profit) on Sale / Discard of Fixed Assets (Net)	(402,479)	30,163
	Loss / (Profit) on Sale of Non Trade Long Term Investments (Net)	95,320	(363,901)
	Loss / (Profit) on Liquidation of Subsidiaries & ISP Business (Net)	118,810	-
	Interest Income	(98,322)	(276,689)
	Dividend on Long Term Investments	(2)	(345)
	Unrealised Foreign Exchange Fluctuation (Net)	503,313	277,499
	Interest Expenses	2,207,606	1,292,129
	Amortisation of Foreign Currency Monetary Items Translation Differences	(346,902)	-
	Bad Debts/ Advances Written Off	-	76,481
	Unspent Liabilities and Provisions Written Back	(189,719)	(132,684)
	Provision for Doubtful Receivable	80,181	52,882
	Operating Profit before Working Capital Changes	**3,751,927**	**7,252,755**
	Movements in Working Capital:		
	(Increase) in Inventories	(16,093,979)	(3,729,198)
	(Increase) in Sundry Debtors	(5,692,411)	(8,720,340)
	(Increase) / Decrease in Other Current Assets	337,988	(314,941)
	(Increase) in Margin Money Deposits	(578,904)	(479,708)
	(Increase) in Loans and Advances	(3,389,536)	(2,420,500)
	Increase in Current Liabilities and Provisions	15,198,031	4,052,425
	Cash Used in Operations	**(6,466,884)**	**(4,359,507)**
	Direct Taxes Paid	(1,227,020)	(823,518)
	Net Cash Used in Operating Activities	**(7,693,903)**	**(5,183,025)**
B	**Cash Flows Used in Investing Activities**		
	Purchase of Fixed Assets (Including Capital Work in Progress)	(7,945,806)	(4,995,765)
	Purchase of Investments	(1,499,010)	(3,832,746)
	Cash Outflow on Acquisition of Subsidiaries	(150,814)	-
	Proceeds from Sale of Investments	203,155	404,186
	Proceeds from Sale of Fixed Assets	1,581,986	787,558
	Outflow for Misc. Expenses	-	(1)
	Dividend Received	2	345
	Interest Received	109,873	288,615
	Net Cash Used in Investing Activities	**(7,700,614)**	**(7,347,808)**
C	**Cash Flows from Financing Activities**		
	Inflow in Share Capital	72	338,371
	Share Issue Expenses	-	(106,475)
	Increase in Premium on Issue of Share Capital	6,972	11,068,258
	Increase in Short-Term Working Capital Loans	9,372,124	2,124,550
	Repayment of Long-Term Borrowings	(1,965,863)	(7,424,358)
	Proceeds from Long-Term Borrowings	12,114,172	4,379,446
	Interest Paid	(2,152,226)	(1,270,907)
	Dividend Paid	(121,372)	(78,378)
	Tax on Dividend Paid	(20,628)	(13,320)
	Net Cash from Financing Activities	**17,233,251**	**9,017,187**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**1,838,734**	**(3,513,646)**
	Exchange Fluctuation Translation Difference	(1,152,203)	(94,755)
	Total	**686,531**	**(3,608,401)**
	Cash and Cash Equivalents at the Beginning of the Year	6,347,013	9,955,414
	Cash Outflow due to Disposal of a Branch and a Subsidiary	(66,270)	-
	Cash Inflow due to Acquisition of Subsidiaries	24,762	-
	Cash and Cash Equivalents at the End of the Year	6,992,036	6,347,013
	Components of Cash and Cash Equivalents		
	Cash on Hand (Including Cheque on Hand Rs. Nil)	109,388	77,115
	Balance with Banks		
	On Current Accounts	3,359,582	2,506,307
	On Cash Credit Accounts	98,771	52,264
	On EEFC Accounts	25,082	400,279
	On Fixed Deposits	4,529,206	3,862,137
	Less : Margin Money Deposits	(1,129,993)	(551,089)
	Total	6,992,036	6,347,013

Notes:

1 The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co.
Chartered Accountants

Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik
Managing Director

Atul Punj
Chairman

Dinesh Thairani
Company Secretary

Raju Kaul
President

Ravi Keswani
President

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule A : Share Capital	As at March 31, 2009		As at March 31, 2008	
Authorised				
350,000,000 (Previous Year 350,000,000) Equity Shares of Rs. 2 each	700,000		700,000	
10,000,000 (Previous Year 10,000,000) Preference Shares of Rs. 10 each	100,000		100,000	
		800,000		**800,000**
Issued, Subscribed and Paid Up				
303,482,055 (Previous Year 303,446,081) fully paid up Equity Shares of Rs. 2 each		606,964		606,892
of the above				
i) 136,700 Equity Shares of Rs. 10 each were allotted as fully paid up pursuant to a contract for consideration other than cash				
ii) 28,615,239 Equity Shares of Rs.10 each were alloted as fully paid up Bonus Shares by capitalisation of profits				
iii) During the earlier years, the Company had converted 917,928 zero percent Convertible Preference Shares of Rs 10 each into 3,098,296 Equity Shares of Rs 10 each.				
iv) The company has sub- divided nominal value of its Equity Shares from Rs. 10 each to Rs. 2 each on March 6, 2007, consequently, the number of authorised, issued, subscribed and paid up equity shares have increased accordingly during the year ending March 31, 2007.				
(also refer note 15 and 16 in Schedule 'O')				
Total		**606,964**		**606,892**

Schedule B : Reserves and Surplus	As at March 31, 2009		As at March 31, 2008	
Capital Reserve				
Balance as per last account	10,326		10,326	
Add: Forfeiture of Advance against Share Warrants (also refer note 20 in Schedule 'O')	254,000		-	
		264,326		10,326
Securities Premium Account				
Balance as per last account	18,860,957		7,899,174	
Additions during the year	5,022		11,068,258	
(also refer note 15 & 16 in Schedule 'O')	18,865,979		18,967,432	
Less : Utilisation during the year				
QIP Issue Expenses	-		106,475	
Premium on Redemption of Foreign Currency Convertaible Bonds	370,445		-	
		18,495,534		18,860,957
Asset Revaluation Reserve				
Balance as per last account	53,811		57,722	
Less: Adjustment on account of Depreciation on Revalued Amount of Assets	2,893		2,987	
Less: Adjustment on account of Sale / Disposal of Revalued Assets	874		924	
		50,044		53,811
General Reserve				
Balance as per last account	368,548		143,548	
Add :Transfer from Profit and Loss Account	500,000		225,000	
	868,548		368,548	
Less: Exchange Differences of earlier years transferred to the Foreign Currency Monetary Items Translation Difference Account	(243,622)		-	
Less : Exchange Differences of earlier years capitalised to Fixed Assets	(37,430)		-	
		587,496		368,548
Foreign Project Utilized Reserve				
Balance as per last account	44,000		70,000	
Less : Transfer to Profit and Loss Account	36,500		26,000	
		7,500		44,000
Foreign Currency Monetary Items Translation Difference Account				
Foreign Currency Monetary Items Translation Differences related to earlier years	243,622		-	

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule B : Reserves and Surplus (Continued)	As at March 31, 2009		As at March 31, 2008	
Foreign Currency Monetary Items Translation Differences related to current year	(1,085,690)		-	
Less : Amortisation during the year	346,902		-	
		(495,166)		-
Debenture Redemption Reserve				
Transfer from Profit & Loss Account		375,000		-
Foreign Currency Translation Reserve				
Balance as per last account	(264,321)		(169,566)	
Add : Exchange Differences during the year on Net Investment in Non-Integral Operations / Entities	917,037		(94,755)	
Add : Transfer to Profit & Loss Account	21,052		-	
		673,768		(264,321)
Profit and Loss Account Balance		4,279,562		7,498,528
Total		**24,238,064**		**26,571,849**

Schedule C : Loan Funds	As at March 31, 2009	As at March 31, 2008
SECURED LOANS:		
A) Short Term Working Capital Loans		
From Banks	17,261,092	7,852,790
Out of the above,		
i) Rs. 4,115,221 thousand is secured by way of first charge on paripassu basis on current assets (excluding receivables) and second charge on paripassu basis on movable fixed assets of the project division of the Company.		
ii) Rs. 9,419,748 thousand is secured by way of exclusive charge on the receivables of the specific projects financed by the respective banks, first paripassu charge on the current assets of the project division (excluding receivables) and second charge on the movable fixed assets of the project division of the Company		
iii) Rs. 812,299 thousand is secured by way of first charge on paripassu basis on current assets (excluding receivables), paripassu charge with other consortium members on the receivables of the project division and second charge on first paripassu basis on movable fixed assets of the project division of the Company.		
iv) Rs. 1,000,000 thousand is secured by paripassu first charge on the receivables of the project division of the Company.		
v) Rs. 155,337 thousand in respect of a foreign subsidiary is secured by lien over the subsidiary's trade receivables (existing and project specific) and some part of building, land, inventory,machinery and motor vehicles. The loan is further secured by corporate guarantee of the parent company and pledge of certain trade receivables, inventories and fixed assets of the subsidiary.		
vi) Rs. 514,760 thousand in respect of a foreign subsidiary is secured by hypothecation of equipment and machinery. The loan is further secured by corporate guarantee of the parent company.		
vii) Rs.50,329 thousand in respect of an Indian subsidiary is secured by hypothecation by way of charge on inventories both on hand and in transit, book debts, other receivables (both present and future) and charge on all the fixed assets except those acquired under hire purchase agreements. The loan is further secured by corporate guarantee of the parent company.		
viii) Rs.57,115 thousand in respect of a Indian subsidiary is secured by first charge on current assets of the company, and further secured by corporate guarantee of the parent company		

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule C : Loan Funds (Continued)	As at March 31, 2009	As a March 31, 2008
ix) Rs.178,620 thousand in respect of a Indian subsidiary is secured by first and exclusive charge by way of hypothecation on vehicles financed through the loan.		
x) Rs. 273,236 thousand in respect of a foreign subsidiary is secured by pari-passu charge over the current assets of that subsidiary.		
xi) Rs. 276,823 thousand in respect of a foreign subsidiary is secured by first charge over contract proceeds, insurances and escrow account. The loan is further secured by corporate guarantee of the parent company.		
xii) Rs.69,974 thousand in respect of a joint venture is secured by hypothecation by way of charge on inventories both on hand and in transit, book debts and other receivables (both present and future) of the joint venture. The loan is further secured by corporate guarantee of the foreign joint venture partner.		
xiii) Rs. 337,630 thousand in respect of a joint venture is secured by -		
- tangible and movable properties (including plant and machinery) both present and future.		
- annuity revenues and receivables (excluding bonus for early completion).		
- All project agreements, all guarantees, performance guarantees or bonds, letters of credit, applicable permits, plant rights, titles, approvals, permits, clearances and interest under the project agreement.		
- intangible assets including but not limited to goodwill.		
- all bank accounts including Trust and Retention Account and all monies from time to time deposited therein and all permitted Investments or other securities representing all amounts credited to the Trust and Retention Account.		
B) Term Loans		
I. From Banks	8,896,579	3,929,016
Out of the above,		
i) Rs. 2,349,342 thousand is secured by way of exclusive charge on the equipment purchased out of the proceeds of loan.		
ii) Rs. 773,557 thousand is secured by way of first paripassu charge on movable fixed assets of the project division of the Company.		
iii) Rs. 308,306 thousand is secured by way of first paripassu charge on movable fixed assets of the project division of the Company and further secured by investment made by the Company in its 100% subsidiaries - Punj Lloyd Kazakhstan-LLP and PT. Punj Lloyd Indonesia.		
iv) Rs. 2,371,581 thousand is secured by way of paripassu first charge on the movable fixed assets of the project division of the Company and paripassu second charge on current assets of the project division of the Company (excluding receivables of the Company).		
v) Rs. 2,020,235 thousand in respect of an Indian subsidiary is secured by way of hypothecation of plant and machinery of the subsidiary.		
vi) Rs. 12,733 thousand in respect of a foreign subsidiary is secured by lien over the subsidiary's trade receivables and some part of building, land, inventory,machinery and motor vehicles. The loan is further secured by corporate guarantee of the parent company.		
vii) Rs. 1,060,826 thousand in respect of a foreign subsidiary is secured by investment made by the Company in its 100% subsidiary - Simon Carves UK. The loan is further secured by corporate guarantee of the parent company.		
II. From Others	1,441,179	1,571,327
i) Rs. 453,952 thousand is secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.		
ii) Rs. 500,000 thousand is secured by way of second paripassu charge on the movable fixed assets of the project division of the Company.		
iii) Rs.487,227 thousand in respect of a Indian subsidiary is secured by lien over the subsidiary's aircraft acquired. The loan is further secured by corporate guarantee of the parent company.		

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule C : Loan Funds (Continued)	As at March 31, 2009	As at March 31, 2008
III. Hire Purchase Loans		
From Others	104,963	154,204
Secured by exclusive charge by way of hypothecation on certain specific equipments		
IV. Non Convertible Debentures	1,500,000	-
Rs. 1,500,000 thousand, 12% Secured redeemable Non Convertible Debenture redeemable in 10 equal half yearly installments from the date of allotment viz. December 22, 2008 and is secured by first pari passu charge on movable fixed assets of the project division of the Company and further secured by exclusive charge on the Juhu Property at Mumbai		
V. External Commercial Borrowings		
From Bank	546,003	-
Secured by exclusive charge on the equipment of the Company financed through the loan.		
VI. Buyers' Line of Credit	138,901	-
Secured by charge on the equipment financed through the loan		
Total	**29,888,717**	**13,507,337**
UNSECURED LOANS:		
i) Short term Working Capital Loans from Banks	2,768	38,946
ii) Term Loans from Banks	1,000,000	500,000
iii) Intercorporate Deposits	21,345	36,445
iv) Zero Coupon Foreign Currency Convertible Bonds (also refer note 16 in Schedule 'O')	2,520,287	1,988,994
v) Buyers' Line Of Credit From Banks	1,306,667	-
vi) Commercial Papers from Banks and Others	850,000	-
vii) Other Loans	2,372	-
Total	**5,703,439**	**2,564,385**

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule D : Fixed Assets

Particulars	Gross Block: As at April 1, 2008	Gross Block: Additions due to acquisition of a subsidiary	Gross Block: Other additions	Gross Block: Deletions/ Adjustments	Gross Block: Disposal of Division	Gross Block: Forex translation adjustments	Gross Block: As at March 31, 2009	Depreciation / Amortisation: As at April 01, 2008	Depreciation / Amortisation: Additions due to acquisition of a subsidiary	Depreciation / Amortisation: For the year	Depreciation / Amortisation: Deletions/ Adjustments	Depreciation / Amortisation: Disposal of Division	Depreciation / Amortisation: Forex translation adjustments	Depreciation / Amortisation: As at March 31, 2009	Net Block: As at March 31, 2009	Net Block: As at March 31, 2008
TANGIBLES																
Land	171,684	-	157,500	-	53,335	445	276,294	-	-	-	-	-	-	-	276,294	171,684
Buildings	670,895	-	113,192	-	18,067	1,939	767,959	93,415	-	18,614	(7)	2,467	18	109,587	658,372	577,480
Leasehold Improvements	1,053,620	-	2,323	571,305	-	74,318	558,956	491,083	-	38,539	196,045	-	21,251	354,828	204,128	562,537
Plant & Machinery	14,344,322	-	6,171,337	830,369	460,674	448,325	19,672,941	5,146,466	-	1,343,150	350,653	297,765	248,770	6,089,968	3,582,973	9,197,856
Furniture, Fixtures and Office Equipments	932,694	-	212,680	99,383	80,331	(40,469)	925,191	382,931	-	122,547	83,096	48,403	(1,465)	372,514	552,677	549,763
Tools	105,263	-	10,964	-	-	-	116,227	24,399	-	5,330	-	-	-	29,729	86,498	80,864
Project Road	541,672	-	2,090	-	-	-	543,762	9,174	-	38,532	1	-	-	47,705	496,057	532,498
Vehicles	1,086,198	1,650	258,779	59,899	10,974	100,793	1,376,547	293,592	676	161,757	31,866	3,890	19,766	440,035	936,512	792,606
A) Sub Total	**18,906,348**	**1,650**	**6,928,865**	**1,560,956**	**623,381**	**585,351**	**24,237,877**	**6,441,060**	**676**	**1,728,469**	**661,654**	**352,525**	**288,340**	**7,444,366**	**16,793,511**	**12,465,288**
INTANGIBLES																
Software	360,727	-	56,938	9,325	26,040	21,476	403,776	281,513	-	45,190	4,387	20,752	28,544	330,108	73,668	79,214
Goodwill	1,563,586	8,884	99,993	-		213,370	1,885,833	-	-	-	-	-	-	-	1,885,833	1,563,586
Technical Know-how	3,500	-	-	-	3,500	-	-	3,500	-	-	-	3,500	-	-	-	-
B) Sub Total	**1,927,813**	**8,884**	**156,931**	**9,325**	**29,540**	**234,846**	**2,289,609**	**285,013**	**-**	**45,190**	**4,387**	**24,252**	**28,544**	**330,108**	**1,959,501**	**1,642,800**
Total Assets (A+B)	**20,834,161**	**10,534**	**7,085,796**	**1,570,281**	**652,921**	**820,197**	**26,527,486**	**6,726,073**	**676**	**1,773,659**	**666,041**	**376,777**	**316,884**	**7,774,474**	**18,753,012**	**14,108,088**
Capital Work in Progress															2,900,394	2,061,368
Grand Total	**20,834,161**	**10,534**	**7,085,796**	**1,570,281**	**652,921**	**820,197**	**26,527,486**	**6,726,073**	**676**	**1,773,659**	**666,041**	**376,777**	**316,884**	**7,774,474**	**21,653,406**	**16,169,456**
Previous Year	18,962,173	-	3,728,697	1,737,164	-	(119,545)	20,834,161	6,197,975	-	1,465,280	918,520	-	(18,662)	6,726,073	16,169,456	

Notes:

a) Gross block of Plant and Machinery includes Rs.253,244 thousand (previous year Rs. 254,908 thousand) on account of revaluation of assets carried out in earlier years. Consequent to the said revaluation, there is an additional charge of depreciation of Rs.2,893 thousand (previous year Rs.2,987 thousand) and equivalent amount has been withdrawn from revaluation reserve and credited to Profit and Loss Account and additional loss of Rs. 874 thousand (previous year Rs. 924 thousand) on account of discard of assets, the equivalent amount has been withdrawn from revaluation reserve and credited to Profit and Loss Account.

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

c) In compliance with the notification dated March 31, 2009 issued by Ministry of Corporate Affairs the Company has exercised the option available under newly inserted paragraph 46 to the Accounting Standard (AS) -11 "The effect of changes in foreign exchange rates". Accordingly the foreign exchange loss of Rs. 81,656 thousand for the year has been adjusted to fixed assets.

d) Capital work in progress includes capital advances Rs. 1,229,074 thousand (previous year Rs. 895,093 thousand).

e) Land includes leasehold land Rs. 1,367 thousand (previous year Rs.69,374 thousand).

f) Furniture, fixture and office equipments includes leasehold equipments of the cost of Rs.69,153 thousand (previous year Rs 70,862 thousand) are given on lease, accumulated depreciation thereon is Rs. 32,024 thousand (previous year Rs.21,091 thousand). Depreciation thereon for the year includes Rs 10,932 thousand (previous year Rs 11,643 thousand)

g) Plant and Machinery includes assets of Rs. Nil (previous year Rs. 32,153 thousand) given on lease, accumulated depreciation there on is Rs. Nil thousand (previous year Rs. 23,618 thousand). Depreciation for the year includes Rs.536 thousand (previous year Rs. 3,215 thousand).

h) Fixed Assets of the cost of Rs. 1,688,248 thousand (previous year Rs. 932,808 thousand) are acquired on hire purchase basis. Accumulated Depreciation there on is Rs. 1,372,717 thousand (previous year Rs. 652,216 thousand).

i) Adjustments in leasehold improvements include reclassification of building lease of gross block of Rs. 537,352 thousand in one of the overseas subsidiary of the Company. Accumulated Depreciation there on is Rs. 204,451 thousand.

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule E : Preoperative Expenditure (Pending Allocation)	As at March 31, 2009		As at March 31, 2008	
Opening Balance		63,615		147,928
Add: Expenditure incurred during the year				
Repair & Maintenance- Others	4,546		1,033	
Workmen and Staff Welfare	2,824		-	
Rates & Taxes	44		7	
Travelling and Conveyance	131		-	
Insurance	111		23	
Consultancy / Professional Charges	532		-	
Other Expenses	5,440		35,199	
Interest on Term Loans	37,097		35,837	
Bank / Financial Charges	46		11	
Less:				
Interest Income	(681)	50,090	(191)	71,919
		113,705		219,847
Less: Transferred to Fixed Assets		-		147,212
Less: Transferred to Profit and Loss Account		39,637		9,020
Balance Carried Forward		**74,068**		**63,615**

Schedule F : Investments	As at March 31, 2009	As at March 31, 2008
Long Term		
Quoted (Non Trade)		
JCT Electronics Ltd.		
600 (previous year 600) Equity Shares of Rs. 10 each, fully paid up	13	13
Continental Construction Ltd.		
3,000 (previous year 3,000) Equity Shares of Rs. 10 each, fully paid up	34	34
Max India Ltd.		
2,500 (previous year 2,500) Equity Shares of Rs. 2 each, fully paid up	9	9
Kirloskar Pneumatics Co Ltd.		
1,000 (Previous Year 1,000) Equity Shares of Rs. 10 each, fully paid up	20	20
Daewoo Motors India Ltd.		
Nil (previous year 11,000) Equity Shares of Rs. 10 each, fully paid up	-	367
Hindustan Oil Exploration Co Ltd.		
6,133 (previous year 6,133) Equity Shares of Rs. 10 each, fully paid up	307	307
Panasonic Energy India Company Ltd.		
(Formerly Panasonic Batteries India Co Ltd)		
1,300 (previous year 1,300) Equity Share of Rs.10 each fully paid up	45	45
Great Offshore Ltd.		
220,000 (previous year Nil) Equity Shares of Rs. 10 each fully paid up	120,286	-
Berger Paints Ltd.		
61,600 (previous year 61,600) Equity Shares of Rs. 2 each, fully paid up	963	963
(Including 23,100 Equity Shares of Rs. 2 each received by way of Bonus Shares)		
Triton Corporation Ltd.		
(Formerly Stencil Apparel Brands Ltd.)		
6,000 (previous year 6,000) Equity Shares of Rs. 10 each, fully paid up	60	60
Unquoted (Trade)		
Rajahmundry Expressway Ltd.		
3,697,500 (previous year 3,697,500) Equity Shares of Rs. 10 each fully paid up	40,689	40,689
(Of the above,1,812,500 (previous year 1,812,500) shares are pledged with a bank)		

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule F : Investments (Continued)	As at March 31, 2009		As at March 31, 2008	
Andhra Expressway Ltd.				
3,697,500 (Previous year 3,697,500) Equity Shares of Rs. 10 each fully paid up		42,820		42,820
(Of the above,1,812,500 (Previous year 1,812,500) shares are pledged with a bank)				
North Karnataka Expressway Ltd.				
7,572,400 (Previous year 7,572,400) Equity Shares of Rs.10 each fully paid up.		75,724		75,724
Unquoted (Non- Trade)				
RFB Latex Ltd.				
200,000 (Previous year 200,000) Equity Shares of Rs.10 each fully paid up		5,200		5,200
PL Engineering Pvt. Ltd.				
560,000 (Previous year Nil) Equity Shares of Rs. 10 each fully paid up		5,600		-
Bridge Capital Reality				
Nil (Previous year 267) Equity Shares of SGD 6000 each fully paid up	44,114		44,114	
Add : Foreign currency translation differences	506		506	
Less: Disposed off during the year	(44,620)	-	-	44,620
Thai Industrial Estate Corporation Ltd.				
430,000 (Previous year 430,000) Equity Shares of THB 100 each fully paid up	46,132		40,262	
Add : Foreign currency translation differences	17	46,148	14	40,276
Arooshi Enterprises Pvt. Ltd.				
598,500 (Previous year 598,500) Equity Shares of Rs. 10 each fully paid up		5,985		5,985
Vireol PLC				
115,570 (Previous year Nil) Equity Shares of GBP 1 each fully paid up		1,556		-
Samena Capital				
3,500,000 (Previous year Nil) Equity Shares of USD 1 each USD 0.50 paid up per share		79,302		-
Samena Capital Situations Fund				
10,000,000 (Previous year Nil) Equity Shares of USD 1 each USD 0.25 paid up per share		113,288		-
Global Health Pvt. Ltd.				
8,000,000 (Previous year 8,000,000) Equity Shares of Rs. 10 each, fully paid up		1,380,000		1,380,000
Investments In Associates				
Unquoted (Trade)				
City Vision Pvt. Ltd.				
Nil (Previous year 41,160) Equity Shares of Rs. 10 each fully paid up	823		823	
Less: Share in opening accumulated losses	(823)		(823)	
Less: Transferred on disposal of ISP business	-	-	-	-
Shitul Engineering Pvt. Ltd.				
Nil (Previous year 7,850) Equity Shares of Rs. 100 each fully paid up	785		785	
Less: Share in opening accumulated losses	(178)		(154)	
Less: Share in losses for the current year	-		(24)	
Less: Transferred on disposal of ISP business	(607)	-	-	607
Satellite Vision Pvt. Ltd.				
Nil (Previous year 150,000) Equity Shares of Rs.10 each fully paid up		-		3,750
Gaitry Cable Network Pvt. Ltd.				
Nil (Previous year 4,900) Equity Shares of Rs. 10 each fully paid up		-		49
Sunstar Network & Technologies Ltd.				
Nil (Previous year 10,159) Equity Shares of Rs. 10 each fully paid up	2,530		2,530	
Less: Share in opening accumulated losses	(2,530)		(2,530)	
Less: Transferred on disposal of ISP business	-	-	-	-

SCHEDULE F : INVESTMENTS (Continued)	As at March 31, 2009		As at March 31, 2008	
Dotcom Holdings Pvt. Ltd.				
Nil (Previous year 4,900) Equity Shares of Rs. 10 each fully paid up	49		49	
Less: Share in opening accumulated losses	(44)		(41)	
Less: Share in losses for the current year	-		(3)	
Less: Transferred on disposal of ISP business	(5)	-	-	5
Reliance Contractors Pvt. Ltd.				
15,000 (Previous year 15,000) Equity Shares of SGD 1 each fully paid up	77,772		67,876	
Less: Share in opening accumulated losses	(66,265)		(66,265)	
Add: Share in profits/ (losses) for the current year	(12,996)		-	
Add : Foreign currency translation differences	6,935		(1,611)	
Add: Adjustments to prior year's goodwill	-	5,446	4,753	4,753
Ventura Developments (Myanmar) Pte Ltd.				
35,000 (Previous year 35,000) Equity Shares of SGD 1 each fully paid up	1,166		1,018	
Less: Share in opening accumulated losses	(994)		(994)	
Add : Foreign currency translation differences	(172)	-	(24)	-
Ventura Developments (Surabayaa) Pte Ltd.				
Nil (Previous year 1,400,000) Equity Shares of SGD 1 each fully paid up	39,746		39,746	
Less: Share in opening accumulated losses	-		(39,746)	
Less: Disposed off during the year	(39,746)	-	-	-
Realand Pte Ltd.				
798,000 (Previous year 798,000) Equity Shares of SGD 1 each fully paid up	26,592		23,455	
Less: Share in opening accumulated losses	(23,512)		(15,544)	
Less: Distribution of dividend	-		(7,968)	
Add: Foreign currency translation differences	(3,080)	-	57	-
Reco Sin Han Pte Ltd.				
10,000 (Previous year 10,000) Equity Shares of SGD 1 each fully paid up	333		294	
Add: Share in opening accumulated profits	14,784		14,784	
Add: Foreign currency translation differences	(15,117)	-	(15,078)	-
Olive Group B.V.				
17,112,005 (Previous year Nil) convertible ordinary shares of Eurocent 1 each fully paid up. Including goodwill of Rs.432,943 thousand	656,437		-	
Add: Share in profits/ (losses) for the current year	60,508		-	
Add: Foreign currency translation differences	2,595	719,540	-	-
Ethanol Ventures Grimsby Ltd.				
21 (Previous year Nil) Equity Shares of GBP 1 each fully paid up	141,443		-	
Add: Share in profits/ (losses) for the current year	(135,163)	6,280	-	-
Airworks India Engineering Pvt. Ltd.				
175,161 (Previous year 148,400) Equity Shares of Rs. 100 each fully paid up (Including goodwill on acquisition of stake of associate Rs.94,634 thousand)	529,988		339,984	
Add : Share in opening accumulated losses	(17,010)		-	
Add: Share in profits/ (losses) for the current year	(20,697)	492,281	(17,010)	322,974
Pipavav Shipyard Ltd.				
129,361,538 (Previous year 129,361,538) equity shares of Rs. 10 each fully paid up (Including goodwill on acquisition of stake of associate Rs. 1,758,420 thousand)	3,492,762		3,492,762	
Add: Share in profits/ (losses) for the current year	40,211	3,532,973	-	3,492,762
Sub Total		6,674,569		5,462,032
Less: Diminution in the Value of Investments		(65,302)		(4,199)
Total		**6,609,267**		**5,457,833**
a) Aggregate Cost of Quoted Investments		121,736		2,142
b) Aggregate Cost of Unquoted Investments		6,552,833		5,459,890
c) Aggregate market value of Quoted Investments		58,110		4,124
d) Also refer note 12 in Schedule 'O'				

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule G : Current Assets, Loans and Advances	As at March 31, 2009		As at March 31, 2008	
A) Current Assets				
i) Inventories:				
Raw Materials	188		10,892	
Project Materials	1,839,088		1,662,232	
Scrap	15,924		-	
Stock In Trade (Equipments)	-		5,631	
Work in progress - Projects	34,830,653		18,913,119	
		36,685,853		20,591,874
ii) Sundry Debtors (unsecured)				
Debts Outstanding for a Period Exceeding Six Months				
Considered Good	4,736,427		3,002,404	
Considered Doubtful	148,286		68,105	
Other Debts				
Considered Good	21,949,961		17,898,930	
	26,834,674		20,969,439	
Less : Provision for Doubtful Debts	148,286		68,105	
		26,686,388		20,901,334
iii) Cash & Bank Balances				
a) Cash on Hand	109,388		77,115	
b) Balances with Banks				
On Current Accounts	3,359,582		2,506,307	
On EEFC Accounts	25,082		400,279	
On Fixed Deposits	4,529,206		3,862,137	
On Cash Credit Accounts	98,771		52,264	
		8,122,029		6,898,102
iv) Other Current Assets				
unsecured, considered good				
a) Interest Receivable	19,156		30,707	
b) Insurance Claims Receivable	-		69,563	
c) Export Benefit Receivable	576,778		709,094	
d) Receivable Against Sale of Investments (also refer note 11 of Schedule 'O')	4,225		4,225	
e) Assets held for sale	325,450		-	
		925,609		813,589
B) Loans and Advances: (unsecured, considered good)				
a) Loans to Employees	35,154		4,017	
b) Inter-corporate Deposits	8,500		8,500	
c) Advances Recoverable in Cash or in kind or for Value to be received	7,678,350		4,674,093	
d) Advances for Proposed Investments	2,501		501	
e) Deposits	182,014		147,873	
f) Balances with Customs / Excise Department	583,040		319,897	
g) Advance Income Tax / Tax Recoverable (net of provisions)	1,307,401		765,662	
h) Advance Fringe Benefit Tax (net of provisions)	-		21,962	
i) Vat/Sales Tax Recoverable	737,959		672,690	
		10,534,919		6,615,195
Total		**82,954,798**		**55,820,094**

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule H : Current Liabilities and Provisions	As at March 31, 2009		As at March 31, 2008	
A) Current Liabilities				
Acceptances	255,181		137,634	
Sundry Creditors	28,836,041		19,283,654	
Advance Billings	792,271		1,506,605	
Unearned Income	-		29,483	
Book Overdraft	1,800,557		5,338	
Security Deposits	172,024		114,891	
Advances from Clients	14,338,106		9,185,554	
Interest accrued but not due on Loans	93,722		38,342	
Advance against Share Capital from JV Partner	20,151		20,151	
Finance Lease Obligation	62,654		476,122	
Others	728,342		680,985	
		47,099,049		31,478,759
B) Provisions				
For Tax (net of taxes paid)	1,366,408		623,226	
For Fringe Benefit Tax (net of taxes paid)	87,803		20	
For Gratuity and Compensated Absences	292,643		792,427	
Proposed Dividend (including tax on Dividend)	106,511		142,007	
		1,853,365		1,557,680
Total		**48,952,414**		**33,036,439**

Schedule I : Miscellaneous Expenditure (to the extent not written off or Adjusted)	As at March 31, 2009		As at March 31, 2008	
Preliminary Expenditure				
Balance as per last year	159		251	
Add: Addition during the year	-		1	
Less: Adjustment on disposal of Subsidiary	(159)		-	
Less: Written off during the year	-		93	
Total		-		**159**

Schedule J : Sales & Contracts Revenue	Year ended March 31, 2009		Year ended March 31, 2008	
Contracts Revenue (Including export benefits of Rs. 359,583 thousand)		117,596,636		76,762,505
Annuity Income (in respect of city road improvements)		57,134		14,102
Income from Hire Charges		1,368,656		76,438
Management Services		-		4,189
Sales (net of discounts)				
- Exports	9,822		3,028	-
- Others	26,329	36,151	315,309	318,337
Internet Services (Net of discounts Rs. 64 thousand)				
		61,762		353,678
Total		**119,120,339**		**77,529,249**

Schedule K : Other Income	Year ended March 31, 2009	Year ended March 31, 2008
Rent	4,236	20,852
Interest on Fixed Deposits	98,322	276,689
Dividend on Non Trade Long Term Investments	2	345
Insurance Claims	78,709	7,961
Profit on Sale of Non Trade Long Term Investments / Disposal of ISP Business (net) (including loss on disposal of ISP business of Rs. 169,463 thousand)	153,757	7,909
Profit on Sale of Fixed Assets (net) *	34,592	-
Unspent Liabilities & Provisions Written Back	177,076	132,684
Bad Debts Recovered	12,643	12,599
Foreign Exchange Fluctuation (net)	-	97,146
Miscellaneous Income	339,641	254,521
Total	**898,978**	**810,706**

* The amount is net of adjustment of Rs. 874 thousand on account of revalued assets.

Schedules to the Accounts For the Year Ended March 31, 2009 (Amount In INR '000)

Schedule L : Materials Consumed and Cost of Goods Sold	Year ended March 31, 2009		Year ended March 31, 2008	
Project Material Consumed		37,457,700		28,196,589
Cost of Goods Sold - Equipments				
Opening Stock	5,631		3,249	
Add: Purchases	425		6,601	
	6,056		9,850	
Less: Closing Stock / Transferred on Account of Disposal of ISP Business	6,006		5,631	
		50		4,219
Amortisation / Depletion in the Value of Inventory		47,628		83,801
Total		**37,505,378**		**28,284,609**

Schedule M : Operating and Administrative Expenses	Year ended March 31, 2009		Year ended March 31, 2008	
Operating				
Contractor Charges	42,365,152		21,338,839	
Site/Connectivity Expenses	3,398,848		1,267,427	
Encashment of Bank Guarantee / Performance Bond by a Customer	2,690,931		-	
Power and Fuel	1,608,363		1,626,117	
Repair and Maintenance				
-Buildings	18,983		14,424	
-Plant and Machinery	294,511		98,638	
-Others	68,400		87,731	
Freight & Cartage	1,125,614		902,694	
Hire Charges	4,864,808		2,318,658	
		56,435,610		27,654,528
Personnel				
Salaries, Wages and Bonus	11,804,173		8,197,237	
Contribution to Provident & Other Funds	162,522		269,356	
Gratuity	207,733		30,627	
Workmen and Staff Welfare	747,713		426,747	
		12,922,141		8,923,967
Administration and Establishment				
Bad Debts/Advances Written Off	173,294		156,772	
Less: Provision made in previous year, now reversed	-		(80,292)	
	173,294		76,480	
Rent	663,896		336,471	
Insurance	582,603		386,745	
Directors Sitting Fees	140		140	
Travelling and Conveyance	1,163,600		738,695	
Rates & Taxes	521,551		581,280	
Consultancy/Professional Charges	2,276,620		1,131,184	
Commission on Internet Services	1,018		6,445	
Diminution in the Value of Long Term Quoted Investments (Non trade)	65,268		-	
Provision for Doubtful Debtors	80,181		52,882	
Loss on Sale of Current Investments	-		610	
Loss on Sale of Fixed Assets (net)	-		30,163	
Donations (also refer note 13 (a) of Schedule 'O')	16,519		49,270	
Others	2,308,586		2,354,167	
		7,853,276		5,744,532
Total		**77,211,027**		**42,323,027**

Schedule N : Financial Charges	Year ended March 31, 2009		Year ended March 31, 2008	
Interest on:				
Term Loans	856,594		618,442	
Debentures	49,318		-	
Working Capital Loans	983,695		398,088	
Others	317,999		275,599	
		2,207,606		1,292,129
Foreign Exchange Fluctuation (net)		448,363		-
Bank/Financial Charges		862,823		514,263
Total		**3,518,792**		**1,806,392**

Significant Accounting Policies and Notes to Consolidated Accounts

1. Nature of operations

Punj Lloyd Limited (hereinafter referred to as the “Company”) is a Company registered under Indian Companies Act 1956. The Company along with its subsidiaries, joint ventures and its associates (these group entities and the Company hereinafter collectively referred to as the ‘Punj Lloyd group’ or ‘the Group’) is primarily engaged in the business of engineering & construction in the oil & gas sector and infrastructure sector.

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

2. Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis except in case of certain fixed assets for which revaluation has been carried out. The accounting policies have been consistently applied by the Group and except for the changes in accounting policy, discussed more fully below, and are consistent with those used in the previous year.

b) Principles of Consolidation

The Consolidated Financial Statements relate to the Punj Lloyd Group and have been accounted for in accordance with AS 21 (Consolidated Financial Statements), AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and AS 27 (Financial Reporting of Interests in Joint Ventures) issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements are prepared on the following basis-

i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.

ii) Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits/losses are eliminated to the extent of the Company’s proportionate share, except where cost cannot be recovered.

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

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

v) Investments in Associates are accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the Associate as at the date of acquisition of stake is identified as Goodwill and included in the carrying value of the Investment in the Associate. 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 stand alone 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, 2009.

viii) As per Accounting Standard Interpretation (ASI)-15 on Notes to the Consolidated Financial Statements, 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 a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

c) Use of estimates

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

d) Changes in accounting policies

Exchange differences on long term foreign currency monetary items

Upto December 31, 2008, the Company was charging off exchange differences arising on foreign currency monetary assets and liabilities to profit and loss account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences, in respect of accounting periods commencing on or after December 07, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result, such exchange differences in so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset, and in other cases, have been accumulated in Foreign Currency Monetary Item Translation Difference Account and would be amortized over the balance period of such long term asset / liability but not beyond, accounting period ending on or before March 31, 2011.

In current year, such exchange differences pertaining to accounting periods commencing on April 01, 2007 and ending on March 31, 2008 are transferred from General Reserve and to the extent they related to acquisition of depreciable capital assets are adjusted with the cost of such assets Rs.37,430 thousand (deducted from the cost of fixed assets) and in other cases, are transferred to the Foreign Currency Monetary Item Translation Difference Account Rs. 241,860 thousand.

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the Profit and Loss Account after tax for the current year would have been higher by Rs. 495,165 thousand, the net block of fixed assets would have been lower by Rs. 81,656 thousand and general reserve would have been higher by Rs. 243,622 thousand.

e) Fixed assets

Fixed assets are stated at cost, (other than some fixed assets which are stated at values as determined by the valuer), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs attributable to acquisition / construction of fixed assets are capitalized as per the policy stated in note (g) below.

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

f) Depreciation / Amortization

i) In respect of Indian Companies comprised within the Group, depreciation on the fixed assets is charged on straight line method, at the rates specified under Schedule XIV to the Companies Act, 1956, (except to the extent stated in Para ii, iii, iv and viii below), which are based on the estimated useful lives of the assets. In respect of the revalued assets, the difference between the depreciation calculated on the revalued amount and that calculated on the original cost is recouped from the Revaluation Reserve Account.

ii) Depreciation on the following fixed assets of the Project Division is charged on straight-line method at the rates, based on the estimated useful lives of the assets as follows, which are higher than the rates prescribed under Schedule XIV to the Companies Act, 1956:

Asset Description	Depreciation Rate
Plant and machinery	4.75% to 11.31%
Vehicles	9.5% to 25%

iii) Depreciation on the following fixed assets of Internet Service division is charged on straight-line method at the rates, based on the estimated useful lives of the assets as estimated by the management, which are equal to or higher than the rates specified under Schedule XIV to the Companies Act, 1956.

Asset Description	Depreciation Rate
Plant and machinery	10%
Networking equipment*	10%
Office equipment	10%
Vehicles	9.5% to 20%
Ducts and optical fiber cables*	4.75%

*Included under Plant & Machinery

iv) Depreciation on the following fixed assets of some foreign branches and foreign joint ventures is charged on straight line method at the rates, based on the estimated useful lives of the assets as follows, which are higher than the rates prescribed under Schedule XIV to the Companies Act, 1956:

Asset Description	Useful Lives of Assets
Plant and machinery	3 to 21 years
Furniture and fixtures	3 to 15 years
Office Equipments	5 to 6 years
Vehicles	4 to 10 years

v) No amortization is made for leasehold land, which are under perpetual lease.

vi) Individual assets costing up to Rs 5,000 are depreciated 100%.

vii) Leasehold improvements are depreciated over the period of the lease or six years whichever is lower.

viii) Depreciation on the Company's share in fixed assets of an unincorporated joint venture is provided on straight-line method at the following rates based on their useful lives as estimated by the management of the joint venture.

Asset Description	Depreciation Rate
Buildings	10%
Plant and Machinery	20%
Vehicles	20%
Furniture, fixtures & office equipments	20%

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

x) In case of foreign companies comprised within the Group, depreciation is provided for on straight-line basis so as to write off the assets over their useful lives, as estimated by the management, which range from 2 to 30 years. (45.37% of total Net Block of fixed assets at the Punj Lloyd Group as at March 31, 2009 and 38.68% of total depreciation / amortization expenses for the Punj Lloyd Group for the year ended March 31, 2009)

xi) **Intangibles**

Amortization of different softwares used by the Group is done using the straight line method based on the nature and estimated useful lives of these softwares as mentioned below:

(i) Softwares of project division are amortized over the period of license or six years whichever is lower.

(ii) Softwares of internet service division are amortized over the period of license or five years whichever is lower.

(iii) Softwares of an unincorporated joint venture are amortized over the period of license or three years whichever is lower.

g) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Profit and Loss Account

h) Preoperative Expenditure pending allocation

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

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

i) Impairment

i) The carrying amounts of fixed assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

j) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of such investments.

k) Inventories

i) Stock in trade (Equipments), Raw materials, Project Materials are valued at lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

ii) Scrap is valued at net realizable value.

iii) Work in progress related to projects is value at net realisable value.

iv) Scaffoldings (included in Project Materials) are valued at 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 to make the sale and estimated costs of completion.

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.

i) Revenue from long term construction contracts is recognized on the percentage of completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. However, profit is not recognized unless there is reasonable progress on the contract. In case the total cost of a contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the income statement of the year in which revisions are made. Contract revenue earned in excess of billing has been reflected under “Inventory” and billing in excess of contract revenue has been reflected under “Current Liabilities” in the balance sheet. The revenue on account of extra claims and the expenditure on account of liquidated damages on construction contracts are accounted for at the time of acceptance/ settlement by the customers due to uncertainties attached thereto. Similarly, insurance claims are accounted for on settlement with insurers.

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

iii) Internet Service revenues comprise of revenues from registration, installation and provision of Internet services. Registration fee and installation charges are recognized on the admission of customer and completion of services respectively. Service revenue from Internet access is recognized pro-rata, calculated on the basis of provision of services or time duration of contract, as may be applicable.

iv) Revenue from sale of equipments is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

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

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

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

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

ix) In respect of one of 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.

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

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

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

n) Foreign currency translation

Foreign currency transactions

i) **Initial Recognition**

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

ii) **Conversion**

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

iii) **Exchange Differences**

Exchange differences arising on a monetary item that, in substance, form part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

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

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

Translation of integral & non-integral foreign operations

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

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

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

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

o) Retirement and other employee benefits

i. Retirement benefits in the form of provident fund and pension are defined contribution scheme and are charged to Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

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 to cover the gratuity liability of the employees of project division and amount paid/payable in respect of present value of liability for past services is charged to Profit and Loss Account on the basis of actuarial valuation on the projected unit credit method made at the end of the financial year. In respect of employees of ISP division, gratuity liability is accrued and provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.

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

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

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

p) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act and in the overseas branches/companies as per the respective tax laws. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group entity has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

q) Lease transactions

Where a Group entity is the lessee

Finance Leases, which effectively transfer to the Group entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

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

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

Where a Group entity is the lessor

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

r) Accounting for Jointly Controlled Operations

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

s) Segment reporting policies

Identification of segments

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

Unallocated items

General corporate income and expense items are not allocated to any business segment.

t) Earnings per share

Basic earning per share is calculated by dividing the net consolidated profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the reported years is adjusted for the events of bonus issue and share split.

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

u) Provisions

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

v) Employee Stock Option

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. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

w) Cash and Cash Equivalents

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

x) Derivative Instruments

As per the Institute of Chartered Accountants of India Announcement, derivative contracts, other than those covered under Accounting Standard (AS-11) , are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

3. The Punj Lloyd Group comprises of the following entities:-

a) Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
Spectra Punj Lloyd Ltd.	India	98.09	98.09
Punj Lloyd Industries Ltd. (Formerly known as Spectra Infrastructure Ltd.)	India	100.00	100.00
Atna Investments Ltd.	India	100.00	100.00
Spectra Punjab Ltd.	India	100.00	100.00
PLN Construction Ltd.	India	100.00	100.00
Spectranet Ltd. (upto May 31, 2008)	India	-	73.34
Punj Lloyd International Ltd.	British Virgin Islands	100.00	100.00
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00	100.00
PT Punj Lloyd Indonesia	Indonesia	100.00	100.00
Punj Lloyd Pte. Ltd.	Singapore	100.00	100.00
Simon Carves India Ltd.	India	99.01	99.01
Punj Lloyd Infrastructure Ltd. (w.e.f. April 04, 2007)	India	100.00	100.00
Punj Lloyd Upstream Ltd. (w.e.f. April 04, 2007)	India	58.06	74.00
Punj Lloyd Aviation Ltd. (w.e.f. May 25, 2007)	India	100.00	100.00
Sembawang Infrastructure (India) Pvt. Ltd.	India	100.00	100.00
PL Engineering Pvt. Ltd. (w.e.f. October 23, 2008) @	India	100.00	-
Punj Lloyd Systems Pvt. Ltd. (formerly known as Indtech Constructions Pvt. Ltd.) (w.e.f. March 31, 2009)	India	100.00	-

b) Step down Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
Spectranet Holdings Ltd. (upto May 31, 2008)	India	-	73.34
Sembawang Engineers and Constructors Pte. Ltd.	Singapore	100.00	100.00
PT Sempec Indonesia	Indonesia	100.00	100.00
Sembawang Development Pte Ltd	Singapore	100.00	100.00
PT Indo Precast Utama	Indonesia	100.00	100.00
PT Indo Unggul Wasturaya	Indonesia	67.00	67.00
Sembawang (Tianjin) Construction Engineering Co. Ltd	China	70.00	70.00
Construction Technology Pte Ltd	Singapore	100.00	100.00
Contech Trading Pte Ltd	Singapore	100.00	100.00
PT Contech Bulan	Indonesia	60.00	60.00
Construction Technology (B) Sdn Bhd	Brunei	100.00	100.00
Sembawang (Hebei) Building Materials Co. Ltd	China	75.00	75.00

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
Sembawang Infrastructure (Mauritius) Ltd.	Mauritius	100.00	100.00
Sembawang-JTCI (China) Pte Ltd.	Singapore	51.00	51.00
Sembawang UAE Pte Ltd. (formerly known as Sembawang Construction Pte Ltd.)	Singapore	51.00	51.00
SC Architects and Engineers Pte Ltd.	Singapore	100.00	100.00
Sembawang (Malaysia) Sdn Bhd	Malaysia	100.00	100.00
Jurubina Sembawang (M) Sdn Bhd	Malaysia	100.00	100.00
Simon Carves Ltd.	United Kingdom	100.00	100.00
Sembawang Simon-Carves Ltd. De Mexico S.A. de. CV	Mexico	100.00	100.00
Sembawang Engineers and Constructors Middle East FZE	United Arab Emirates	100.00	100.00
Simon Carves (Singapore) Pte. Ltd. (w.e.f. April 16, 2007)	Singapore	100.00	100.00
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd. (w.e.f. August 28, 2007)	Malaysia	100.00	50.00
Sembawang Bahrain SPC (w.e.f. August 9, 2007)	Bahrain	100.00	100.00
Sembawang Precast System LLC (w.e.f. July 4, 2007)	United Arab Emirates	50.00	50.00
Technodyne International Ltd. (w.e.f. June 02, 2008)	United Kingdom	74.00	-
Punj Lloyd Engineers and Constructors Pte. Ltd. (formerly known as Abu Dhabi Engineers and Constructors Pte. Ltd.) (w.e.f. November 26, 2008)	Singapore	100.00	-

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, 2009	% of voting power held as at March 31, 2008
Thiruvananthpuram Road Development Company Ltd. (Refer Note No (iii) below)	India	50.00	50.00
Asia Drilling Services Ltd. (Joint Venture of Punj Lloyd International Ltd.)	Mauritius	50.00	50.00
Kaefer Punj Lloyd Ltd. (formerly Punj Lloyd Insulation Ltd. (Refer Note No. (iii))	India	49.00	49.00
Swissport Punj Lloyd India Pvt. Ltd. – Under Liquidation	India	49.00	49.00
Dayim Punj Lloyd Construction Contracting Company Ltd.	Saudi Arab	49.00	49.00
SYNA Petrochemical Engineering Company (Iran)	Iran	49.00	49.00
Ramprastha Punj Lloyd Developers Pvt. Ltd. (w.e.f. August 13, 2007)	India	50.00	50.00

ii) Jointly Controlled Operations

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
Punj Lloyd - Progressive Constructions JV	Refer Note No (i)	-	Refer Note No (ii)
Persys-Punj Lloyd JV (India)	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Punj Lloyd-PT Punj Lloyd Indonesia JV	Refer Note No (i)	-	Refer Note No (ii)
Punj Lloyd – Limak JV	Refer Note No (i)	-	50.00
Punj Lloyd – Sunil Hi-tech Engineers JV	Refer Note No (i)	-	Refer Note No. (ii)
Joint Venture of Whessoe Oil & Gas Ltd & Punj Lloyd Ltd	Refer Note No (i)	50.00	50.00
Punj Lloyd PT Sempec Indonesia	Refer Note No (i)	Refer Note No (ii)	Refer Note No (ii)
Total-CDC-DNC Joint Operation (Indonesia)	Refer Note No (i)	40.00	40.00
Kumagai-Sembawang-Mitsui Joint Venture (Singapore)	Refer Note No (i)	45.00	45.00
Kumagai-SembCorp Joint Venture (Singapore)	Refer Note No (i)	50.00	50.00

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
Philipp Holzmann-SembCorp Joint Venture (Singapore)	Refer Note No (i)	50.00	50.00
Kumagai-SembCorp Joint Venture (DTSS) (Singapore)	Refer Note No (i)	50.00	50.00
Semb-Corp Daewoo Joint Venture (Singapore)	Refer Note No (i)	60.00	60.00
Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture (Malaysia)	Refer Note No (i)	50.00	50.00
Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture (Malaysia)	Refer Note No (i)	50.00	50.00

d) Associates

i) Associate of the Company

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
Pipavav Shipyard Ltd. (w.e.f. September 17, 2007)	India	22.34	22.34

ii) Associates of Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
Gaitry Cable Network Pvt. Ltd. (Associate of Spectranet Ltd.) (upto May 31, 2008)	India	-	49.00
Air Works India Engineering Pvt. Ltd. (w.e.f. November 21, 2007)	India	33.33	33.33
Olive Group B.V. (w.e.f. August 18, 2008)	Netherland	26.00	-

iii) Associates of Step down Subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2009	% of voting power held as at March 31, 2008
City Vision Pvt. Ltd (upto May 31, 2008)	India	-	49.00
Shitul Engineering Pvt. Ltd (upto May 31, 2008)	India	-	49.00
Sunstar Network & Technologies Pvt. Ltd (upto May 31, 2008)	India	-	49.98
Dot Com Holdings Pvt. Ltd (upto May 31, 2008)	India	-	49.00
Satellite Vision Pvt. Ltd (upto May 31, 2008)	India	-	49.00
Reliance Contractors Pvt. Ltd.	Singapore	49.99	49.99
Ventura Development (Myanmar) Pte Ltd	Singapore	35.00	35.00
Regional Hotel Pte Ltd.	Singapore	23.32	23.32
System-Bilt (Myanmar) Ltd.	Myanmar	23.32	23.32
Realand Pte Ltd	Singapore	20.00	20.00
Reco Sin Han Pte Ltd	Singapore	20.00	20.00
Ethanol Ventures Grimsby Ltd. (w.e.f. February 27, 2009)	United Kingdom	22.90	-

@ The Company has been purchased during the year with an intention of disposal in near future, hence excluded from consolidation.

i) Country of Incorporation is not applicable, as these are Unincorporated Joint Ventures.

ii) As per the joint venture agreements, the scope & value of work of each partner has been clearly defined and accepted by the clients. The Company's share in Assets, Liabilities, Income and Expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are, jointly & severally, liable to clients for any claims in these projects.

iii) During the year ended March 31, 2009, management approved unaudited financial statements were considered for consolidation purposes. The consolidated Profit & Loss Account for the year ended March 31, 2009 includes profit of Rs. 13,478 thousand (previous year Rs 6,395 thousand) (being the proportionate share of the Punj Lloyd Group) from the entities.

4. Segment Information

Business Segments

The group's operating businesses are organized and managed separately according to the types of products/services provided. The identified reportable segment is engineering & construction business and the other segment include broadband services and cable TV operations (discontinuing). Segmental information is disclosed as under:

(Amount In INR '000)

	Engineering & Construction		Discontinuing Operations (Others)		Un-allocables		Total	
	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2008
Segment Revenue	119,058,337	77,892,767	62,002	407,312	-	-	119,120,339	77,529,249
Segment Results	2,841,493	6,298,105	8,449	50,860	-	-	2,849,942	6,348,965
Unallocated corporate expenses	-	-	-	-	(889,496)	(633,077)	(889,496)	(633,077)
Operating profit	-	-	-	-	-	-	1,960,446	5,715,887
Interest expense	-	-	-	-	(2,207,606)	(1,292,129)	(2,207,606)	(1,292,129)
Interest income	-	-	-	-	98,322	276,689	98,322	276,689
Other Income	-	-	-	-	800,655	534,017	800,655	534,017
Income taxes	-	-	-	-	(2,260,282)	(1,234,891)	(2,260,282)	(1,234,891)
Net Profit / (Loss)	-	-	-	-	-	-	(2,246,926)	3,599,943
Segment Assets	94,517,505	68,512,496	325,450	1,071,573	16,708,107	8,120,189	111,551,062	77,704,258
Segment Liabilities	43,989,300	31,523,175	80,000	111,172	42,216,898	18,415,088	86,286,198	50,049,435
Capital Expenditure	7,545,175	3,361,078	-	65,304	390,096	77,754	7,935,271	3,504,136
Depreciation/Amortization	1,730,290	1,347,007	13,802	81,495	26,673	33,792	1,770,765	1,462,294
Non-Cash Expenses	-	-	-	-	350,150	277,499	350,150	277,499

Reconciliation of Reportable Segments with financial Statements

(Amount In INR '000)

	Revenues		Results		Assets		Liabilities	
	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2009	For the year ended March 31, 2008
Total of Reportable Segments	120,019,317	78,711,155	(2,246,926)	3,599,943	111,551,062	77,704,258	86,286,198	50,049,435
Add: Share in profits of associates	-	-	(68,137)	(17,038)	-	-	-	-
Add: Share of losses transferred to minority	-	-	62,170	1,267	-	-	-	-
As per Segment	120,019,317	78,711,155	(2,252,893)	3,584,172	111,551,062	77,704,258	86,286,198	50,049,435
As per Financial Statements	120,019,317	78,711,155	(2,252,893)	3,584,172	111,551,062	77,704,258	86,286,198	50,049,435

Geographical Segments*:

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

The following table presents revenue and debtors regarding geographical segments for the year ended March 31, 2009 and March 31, 2008.

(Amount In INR '000)

	Income by Geographical Market		Debtors (including retention money) by Geographical Market	
	2008-09	2007-08	As at March 31, 2009	As at March 31, 2008
India	37,755,672	35,272,099	8,791,211	8,941,848
Other countries	82,263,645	43,439,056	17,895,177	11,959,486
Total	**120,019,317**	**78,711,155**	**26,686,388**	**20,901,334**

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

(Amount In INR '000)

	As at March 31, 2009		As at March 31, 2008	
	Punj Lloyd Limited & Subsidiaries	Joint Ventures	Punj Lloyd Limited & Subsidiaries	Joint Ventures
5. Capital Commitments				
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,210,409	458,000	4,103,738	516,795
6. Contingent liabilities to the extent not provided for :				
a) Bank Guarantees given by the Company	6,909,180	-	2,959,753	435,000
b) Liquidated damages deducted by customers not accepted by the Company and pending final settlement (Refer Note No. 9(a) below)*	508,835	-	501,725	-
c) Claims by parties/clients against subsidiaries not acknowledged as debt	8,377	-	8,377	79
d) Demand by custom authorities against import of Aircraft	722,400	-	-	-
e) Corporate Guarantees given on behalf of associates	4,290,465	-	70,342	-
f) Differential amount of customs duty in respect of machinery imported under EPCG Scheme	51,645	-	51,645	-

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

g) Estimated future investments in other companies in terms of respective shareholder agreements amounting in aggregate to Rs. 289,999 thousand (Previous year Rs. 289,999 thousand).

h) Uncalled money on partly paid shares, held as investment, for Rs. 469,068 thousand.

i) i) Sales tax demand of Rs. 52,173 thousand (Previous year Rs. 37,432 thousand) on the material components of the works contracts pending with Sales Tax Authorities and High Court.*

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

iii) Sales tax demand of Rs. 4,201 thousand (Previous year Rs. 4,201 thousand) for disallowance of deduction on purchases.*

iv) Sales Tax liability of Rs. 84,946 thousand (Previous year Rs. 38,413 thousand) for purchases against sales tax forms not accepted by department.*

v) Entry Tax liability of Rs. 32,806 thousand (Previous year Rs 18,856 thousand) against entry of goods into the local area not accepted by department.*

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

vii) Sales Tax Liability of Rs. 36,958 thousand (Previous year Rs. 20,278 thousand) against disallowance of deductions.*

viii) Penalty for late deposit of Service Tax of Rs. 108,068 thousand (Previous year Rs. Nil). *

ix) Sales tax demand in respect of Internet Service Division regarding taxability of internet services Rs. 41,762 thousand (Previous year Rs. 41,762 thousand). The same is contested by the Company in view of similar matter decided by the Hon'ble Supreme Court of India in the case of Bharat Sanchar Nigam Ltd. & another Vs Union of India & others wherein it was held that internet services are not taxable as goods. *

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

7. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense recognised under personnel expenses (Amount In INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2008-09	2007-08	2008-09	2007-08
Current service cost	23,091	16,372	27,745	66,971
Interest cost on benefit obligation	5,280	3,422	153,344	161,191
Expected return on plan assets	(3,487)	(3,023)	(126,266)	(159,802)
Net actuarial(gain) / loss recognized in the year	12,973	11,399	324,520	(288,843)
Past service cost	-	1,730	-	497
Net benefit expense	**37,857**	**29,900**	**379,343**	**(219,986)**
Actual return on plan assets	2,245	3,710	(122,273)	106,869

Balance sheet

Details of Provision for gratuity (Amount In INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2008-09	2007-08	2008-09	2007-08
Defined benefit obligation	103,614	72,256	2,175,608	3,096,660
Fair value of plan assets	(38,440)	(40,100)	(1,979,941)	(2,482,792)
	65,174	32,156	195,667	613,868
Less: Unrecognized past service cost	-	-	(41)	-
Plan assets/(liability)	**65,174**	**32,156**	**195,626**	**613,868**

Changes in the present value of the defined benefit obligation are as follows: (Amount In INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2008-09	2007-08	2008-09	2007-08
Opening defined benefit obligation	72,256	45,204	3,096,660	3,417,140
Translation Difference	-	-	(685,264)	(225,312)
Interest cost	5,280	3,422	188,235	171,255
Current service cost	23,091	16,372	28,985	71,133
Benefits paid	(5,078)	(5,055)	193,409	(99,761)
Employee Contributions	-	-	14,328	28,179
Actuarial (gains) / losses on obligation	8,069	12,313	(660,786)	(265,974)
Closing defined benefit obligation	**103,618**	**72,256**	**2,175,567**	**3,096,660**

Changes in the fair value of plan assets are as follows: (Amount In INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2008-09	2007-08	2008-09	2007-08
Opening fair value of plan assets	41,273	34,295	2,482,792	2,506,958
Translation Differences	-	-	(210,335)	(165,349)
Expected return	3,487	3,022	152,272	169,856
Contributions by employer	-	7,766	80,634	106,055
Employee Contributions	-	-	14,328	28,179
Benefits paid	(5,078)	(4,497)	(193,423)	(99,761)
Actuarial gains / (losses)	(1,242)	(687)	(279,788)	(63,146)
Closing fair value of plan assets	**38,440**	**41,273**	**2,046,480**	**2,482,792**

The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date as required by para 120 (o) of the Accounting Standard – 15 (Revised) on Employee Benefits are not disclosed.

The Group has subsidiaries outside India where expected rate of return on assets depend on the local environment, due to which, rate of return on assets cannot be disclosed.

Amounts for the current periods are as follows: (Amount In INR '000)

	Gratuity (Parent and Indian Subsidiaries)		Retirement Benefits (Foreign Subsidiaries)	
	2008-09	2007-08	2008-09	2007-08
Defined benefit obligation	103,613	72,256	2,175,608	3,096,660
Plan assets	38,440	40,100	2,046,481	2,483,054
Surplus/ (deficit)	(65,173)	(32,156)	(129,127)	(613,606)
Experience adjustments on plan liabilities	-	-	-	-
Experience adjustments on plan assets	-	-	-	-

One of the foreign subsidiary of the Company is having actuarial gain of Rs. 209,467 thousand (previous year Rs. 220,713 thousand), which has been included in personal cost

This being the second year of application of Accounting Standard 15 (revised), the information in relation to the actuarial valuation of gratuity for previous three annual periods as required by Para 120(n) (i) is not provided.

8. Leases

a) Assets taken under Finance Lease

The Group has acquired Project Equipment under hire purchase, the cost of which is included in the gross block of Plant & Machinery under Fixed Assets. The lease term is for 3 years to 5 years, after which the legal title will pass on to the Company. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no sub leases:

(Amount In INR '000)

	2008-09	2007-08
Gross block at the end of period	1,688,248	932,808
Written down value at the end of period	1,372,717	652,216
Details of payments made during the period:		
- Principal	72,171	71,487
- Interest	49,632	53,021

The break-up of minimum lease payments outstanding as at March 31, 2009 is as under

(Amount In INR '000)

	As at March 31, 2009		
	Principal	Interest	Total
Payable within one year	160,048	51,172	211,220
Payable after one year but before end of fifth year	487,253	117,115	604,368
	647,301	**168,287**	**815,588**

	As at March 31, 2008		
	Principal	Interest	Total
Payable within one year	72,171	49,632	121,803
Payable after one year but before end of fifth year	560,628	258,305	818,933
	632,799	**307,937**	**940,736**

b) Assets taken under Operating Lease

Certain Project Equipments and Office premises are obtained on operating leases. There are no contingent rents in the lease agreements. The lease terms are for 1-3 years and are renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases and all the leases are cancellable in nature.

c) Assets given on Operating Lease

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

(Amount In INR '000)

	Year ended	
	March 31, 2009	March 31, 2008
Uncollectible minimum lease payments receivable at the Balance Sheet date	-	-
Future minimum lease payments		
Not later than one year	14,959	16,747
Later than one year and not later than five years	56,497	63,715
Later than five years	-	-
Total	**71,456**	**80,462**

9. (a) The Company had executed a pipeline project at Dahej- Vijaypur for Gas Authority of India Ltd. (GAIL) in an earlier year. GAIL had withheld Rs. 433,467 thousand (Previous year Rs. 416,343 thousand) as liquidated damages, the customer had also not certified the final bill amounting to Rs. 31,455 thousand (Previous year Rs. 31,455 thousand) which is being carried forward under accrued income and Rs. 40,441 thousand (Previous year Rs. 40,441 thousand) towards other deductions, which the Company is disputing. Also, the Company has filed some other claims with GAIL amounting to Rs. 999,004 thousand (Previous year Rs. 999,004 thousand). These claims have not been accounted for in the books. The Company had gone into arbitration against GAIL for recovery of amount withheld as liquidated damages & other deductions and claims of the Company. Pending outcome of arbitration, amount withheld for liquidated damages & other deductions are being carried forward under sundry debtors. The Company has been legally advised that there is no justification in imposition of liquidated damages and other deductions by GAIL and hence the above amount is considered good of recovery.

(b) The Company had executed a pipeline project for Petronet MHB Ltd. in an earlier year. The customer had withheld Rs.4,440 thousand (Previous year Rs 4,440 thousand) from the running bills, which are being carried forward under sundry debtors. The customer had also not certified the final bill amounting to Rs.64,000 thousand (Previous year Rs.64,000 thousand) which is being carried forward under accrued income. The Company had raised claims for Rs.517,387 thousand (Previous year Rs.517,387 thousand), which are not accounted for in the books. For recovery of the said amounts, which are being disputed by the customer, the Company has initiated Arbitration proceedings. The outstanding amounts are considered good of recovery.

(c) The Company had executed a pipeline project at Pune – Solapur for Hindustan Petroleum Company Ltd. (HPCL) in an earlier years. HPCL has withheld Rs 32,874 thousand as reduction in the contract price and Rs. 12,707 thousand towards other deductions, which the Company is disputing. Also the Company has filed certain claims for Rs 31,437 thousand for additional work. These claims have not been accounted for in the books. The Company has gone into arbitration against HPCL for recovery of amount withheld as reduction in contract price & other deductions and claims of the Company. Pending outcome of arbitration, amount withheld for reduction in contract price & other deductions are being carried forward under sundry debtors. The Company has been legally advised that there is no justification in reduction of contract price & other deductions by HPCL and hence the above amount is considered good of recovery.

(d) The Company had executed a pipeline project at Mundra - Delhi for Hindustan Petroleum Company Ltd. (HPCL) in an earlier years. HPCL has withheld Rs 36,139 thousand as reimbursement of service tax, which the Company is disputing. The company has gone into arbitration against HPCL for recovery of amount withheld as reimbursement of service tax and the award has been pronounced in favour of the Company in earlier years. HPCL has challenged the arbitration award and filed a petition against this award in Bombay High Court. The Company has been legally advised that there is no justification in non reimbursement of service tax by HPCL and hence the above amount is considered good of recovery.

(e) The Company had executed a Highway / Carriageway project at Jaipur bypass for National Highway Authority of India (NHAI) in an earlier years. NHAI has withheld Rs 45,015 thousand towards additional work as agreed with NHAI, which the Company is disputing. The Company had gone into arbitration against NHAI for recovery of amount for additional work and the award has been pronounced in favour of the Company for Rs. 4,509 thousand in an earlier years, which has not been accepted by the Company. The Company has challenged the arbitration award and filed a petition against this award in Delhi High Court. The Company has been legally advised that there is no justification in non payment for additional work as agreed by NHAI and hence the above amount is considered good for recovery.

10. The disclosures as per provisions of Clause 38, 39 and 41 of Accounting Standard 7 issued by Institute of Chartered Accountants of India are as under:

(Amount In INR '000)

		As at March 31, 2009	As at March 31, 2008
a)	Contract revenue recognised as revenue in the period (Clause 38 (a))	117,237,053	76,110,552
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on Contracts under progress (Clause 39 (a))	223,666,002	156,890,577
c)	Advance received on Contracts under progress (Clause 39 (b))	14,258,108	9,012,191
d)	Retention amounts on Contract under progress (Clause 39 (c))	2,839,878	1,515,952
e)	Gross amount due from customers for contract work as an asset (Clause 41(a))	34,830,653	18,913,119
f)	Gross amount due to customers for contract work as a liability (Clause 41 (b))	792,271	1,506,605

11. Current Assets include Rs. 4,225 thousand (previous year Rs. 4,225 thousand) recoverable pursuant to agreements for sale of 128,400 shares of Panasonic Energy India Company Ltd. (Formerly known as Panasonic Batteries India Company Ltd.) entered into on March 27, 1992, which are subject matter of a dispute in the Honorable High Court at Mumbai, wherein the Company has been restrained from transferring these shares till the final disposal of the suit. These shares remain in the possession of the Company and the market value thereof at close of the year is Rs. 4,102 thousand (previous year Rs. 8,667 thousand).

12. During an earlier year, the Company had entered into agreements to sell its investments in the shares of certain companies of the cost of Rs. 111,974 thousand and had received advances representing consideration for the future sale of shares (as defined in the above agreements) in these companies, including all accretions thereto till the date of sale. Through the above agreements to sell, the Company had agreed to give all the powers and rights in these shares to purchasers. In terms of the above arrangement, the Company in that previous year had accounted for Rs. 20,300 thousand, being the amount received in excess of book value of shares (for all the companies) as income on transfer of the powers and rights in the underlying shares to purchasers and the balance consideration of Rs. 111,974 thousand equivalent to the amount of investment in above shares appearing in the books is shown as deposit under Current Liabilities to be adjusted against the sale of shares in the above companies on the date of sale.

13. (a) Donations include an amount of Rs. Nil (Previous year Rs. 20,000 thousand) paid to a political party, Bhartiya Janta Party.

(b) The Company has made a commitment to make contributions to Indian School of Business, Mohali, Punjab amounting to Rs. 500,000 thousand in a phased manner over a period of three years vide a resolution passed in the meeting of Board of Directors dated May 30, 2008. Out of above, the Company has contributed Rs. 50,000 thousand till the close of the year.

14. Earning per Share

Basic Earnings		2008-09	2007-08
a)	Calculation of weighted average number of equity shares of Rs. 2 each		
	Number of equity shares at the beginning of the year	303,446,081	261,260,335
	Equity shares at the end of the year	303,482,055	303,446,081
	Weighted average number of equity shares outstanding during the year	303,469,082	283,358,553
	(taking into consideration split of equity shares in terms of para 24 of AS-20)		
b)	Net Consolidated Profit after tax available for equity share holders (Rs in thousand)	(2,252,894)	3,584,172
c)	Basic earning per share of Rs. 2 each	(7.42)	12.65

Diluted Earnings		2008-09	2007-08
a)	Calculation of weighted average number of equity shares of Rs. 2 each		
	Number of equity shares at the beginning of the year	303,446,081	261,260,335
	Equity shares at the end of the year	303,482,055	303,446,081
	Weighted average number of equity shares outstanding during the year	311,555,312	299,815,360
	(taking into consideration split of equity shares in terms of para 24 of AS-20)		
b)	Net Consolidated Profit after tax available for equity share holders (Rs in thousand)	(2,252,894)	3,584,172
c)	Diluted earning per share of Rs. 2 each	(7.42)*	11.95

* Diluted earnings for the current year is anti-dilutive in nature, hence basic EPS is reported.

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

Description	2008-09	2007-08
Weighted average number of equity shares considered for Basic Earnings	303,469,082	283,358,553
Add: Equity shares deemed to be issued on conversion of foreign currency convertible bonds	8,086,230	16,456,807
Weighted average number of equity shares considered for Diluted Earnings	311,555,312	299,815,360

15. The Company has provided various share based payment schemes to its employees. During the year ended March 31, 2009, the following schemes were in operation:

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

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

	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	1,698,606	126	3,056,290	126
Granted during the year	-	-	-	-
Exercised during the year	16,244	126	258,619	126
Expired during the year	30,421	-	1,099,065	126
Outstanding at the end of the year	1,651,941	126	1,698,606	126
Exercisable at the end of the year	1,494,518	126	545,467	126

The weighted average share price at the date of exercise for stock option was Rs. 126

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

	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	358,763	235.99	771,040	235.99
Granted during the year	-	-	-	-
Exercised during the year	-	-	10,132	235.99
Expired during the year	25,530	235.99	402,145	235.99
Outstanding at the end of the year	333,233	235.99	358,763	235.99
Exercisable at the end of the year	221,154	235.99	66,924	235.99

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

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

	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	1,150,705	154.46	1,491,050	154.46
Granted during the year	-	-	-	-
Exercised during the year	19,730	154.46	65,725	154.46
Expired during the year	68,430	154.46	274,620	154.46
Outstanding at the end of the year	1,062,545	154.46	1,150,705	154.46
Exercisable at the end of the year	361,860	154.46	83,380	154.46

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

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

	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	30,000	299.90	-	-
Granted during the year	-	-	30,000	299.90
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	30,000	299.90	30,000	299.90
Exercisable at the end of the year	-	-	-	-

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

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

	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	40,000	310.35	-	-
Exercised during the year	-	-	-	-
Expired during the year	20,000	310.35	-	-
Outstanding at the end of the year	20,000	310.35	-	-
Exercisable at the end of the year	-	-	-	-

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

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

	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	30,000	90.40	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	30,000	90.40	-	-
Exercisable at the end of the year	-	-	-	-

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

For the purpose of valuation of the options granted upto year ended March 31, 2009 under ESOP 2005 and ESOP 2006, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method is Nil .

In March 2005 the Institute of Chartered Accountants of India (ICAI) has issued a guidance note on “Accounting for Employees Share Based Payments” applicable to ‘employee share based plan’ the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Since the enterprise used the intrinsic value method and the management has obtained fair value of the options at the date of grant from a valuer, using the ‘Black Scholes Valuation Model’ at “Rs. Nil” per option, there is no impact on the reported profits and EPS.

16. Foreign Currency Convertible Bonds

a. During an earlier year, the Company had issued at par, 5 years and 1 day Zero Coupon US $ denominated Foreign Currency Convertible Bonds (FCCB) aggregating to US $ 125,000 thousand (Rs. 5,543,750 thousand as on the date of issue) comprising 1,250 bonds of US $ 100,000 each to invest in capital goods, repayment of international debts, possible acquisitions outside India, investment in BOOT projects, any other use as may be permitted under applicable law or by the regulatory bodies from time to time. The bond holders have an option of converting these bonds into equity shares. For the purpose, the number of equity shares to be issued shall be determined taking the initial conversion price of Rs. 1,362.94 per equity share (Face value Rs 10) and a fixed rate of exchange conversion of Rs 44.35 = US $ 1.00, at any time on or after July 1, 2006 and prior to close of business on March 24, 2011, unless redeemed, repurchased and cancelled or converted. This rate is used to determine dilutive Equity Shares against outstanding bonds.

b. Subsequent to the issue of these FCCBs, the Company during the year ended March 31, 2008, sub-divided the face value of equity shares from Rs. 10 to Rs. 2.

c. During the year, FCCB of USD Nil (Previous year USD 75,300 thousand) with carrying value of Rs Nil (Previous year Rs. 2,965,550 thousand) have been converted into Nil equity shares of Rs.2 each (Previous Year 12,251,270 equity shares of Rs 2 each) and balance amount of Rs Nil (Previous Year Rs 2,941,048 thousand) has been transferred to Securities Premium Account.

d. Zero Coupon Convertible Bonds due on 2011 amounting to USD 49,700 thousand (Rs. 2,520,287 thousand) (Previous year USD 49,700 thousand (Rs. 1,988,994 thousand)) are pending for redemption as on March 31, 2009. Unless these Bonds have been previously converted, redeemed, repurchased and cancelled, the Company will redeem these Bonds at a redemption premium equal to 125.86% of the outstanding principal amount on the maturity date. The Company as a matter of abundant caution has provided for redemption premium of Rs. 370,445 thousand and adjusted the same against Securities Premium Account in pursuance of section 78 of the Companies Act, 1956. The bonds are considered monetary liability. The bonds are redeemable only if there is no conversion of the bonds earlier.

17. The Company has exercised the option as per the Companies Accounting Standard Rules, 2009. As per the option exchange differences related to long term foreign currency monetary items in so far as they relate to the acquisition of a depreciable capital assets are capitalized and depreciated over the useful life of the assets and in other cases, have been transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities but not beyond accounting period ending on or before 31st March 2011. The unamortized balance in this account is Rs. 495,166 thousand.

18. The Company has reviewed its branch operations in Middle East and North Africa and based on its review and also advice given by independent consultants, have decided to give these branch operations more autonomy and independence. Accordingly, the management announced and implemented certain policies and took certain steps affecting the functioning of the overseas branches which were completed by October, 2008. In view of the above changes, the management is of the view that with effect from October 01, 2008, the operations of the branches should be considered as non-integral instead of integral as considered hitherto. As a result, exchange differences arising on translation of financial statements of the overseas branches for the six months period ended March 31, 2009 have been transferred to foreign currency translation reserve account instead of taking the same to profit and loss account, resulting in profit for the year being higher by Rs. 340,645 thousand

19. The Company has entered into an agreement to sell its Internet Services Division (ISP) with Citycom Networks Private Ltd. As per terms of agreement effective from June 01, 2008, the operations and controls of ISP division have been transferred to the acquirer and all profits/losses that have arisen after that date are to the account of the acquirer.

The Company has accordingly not included the results of operation of ISP Division in its financial statement from June 01, 2008.

For implementation of sale, the company has filed a Scheme of arrangement and demerger under Sections 391-394 and other relevant provisions of the Companies Act, 1956 with the High Court of Delhi, for demerger of the ISP division of the company and vesting of the same in PL Engineering Private Ltd., its wholly owned subsidiary, with effect from the appointed date i.e. June 01, 2008. Pending approval of High Court and consequent completion of this transaction, the Company has shown “Net Assets held for sale” amounting to Rs. 325,450 thousand under other current assets in the financial statements.

a. The following statement shows the position of assets and liabilities of ISP division as at the date of demerger.

Amount in INR '000

Assets / Liabilities	As At May 31, 2008	
Loan Funds		
Secured Loan	2,393	
Unsecured Loan	100	
		(2,493)
Fixed Assets		
Gross Block	1,297,724	
Less : Accumulated Depreciation / Amortisation	1,049,261	
Net Block	248,463	
Capital Work in progress (including Capital Advances)	5,020	
		253,483
Investment		8,000
Current Assets		
Inventories	28,296	
Sundry Debtors	52,802	
Cash Bank Balance	53,478	
Other Current Assets	27	
Loans & Advances	195,320	
	329,923	
Less Current Liabilities and Provisions		
Current Liabilities	(118,852)	
Provisions	(4,143)	
	(122,995)	
Net Current Assets		206,928
Net Asset Value		465,918
Loss on Sale of ISP Division		(145,918)
Assets held for Sale (selling price)		320,000
Demerger expenses reimbursable from Citycom		5,450
Net Assets held for Sale		325,450

b. Profit and Loss from discontinuing operation for the period April 01, 2008 to May 31, 2008

Profit & Loss Account	For the period ended May 31, 2008	
Income		
Sales and Contract Revenue	61,877	
Other Income	5,203	
Total Income		67,080
Expenditure		
Material Consumed and Cost of Goods Sold	1,305	
Operating and Administrative Expenses	43,432	
Financial Charges	114	
Depreciation	12,069	
		56,920
Profit before tax		10,160
Fringe Benefit Tax		285
Profit After Tax		9,875

c. Net cash flows attributable to the discontinuing operation of ISP division for the period April 01,2008 to May 31, 2008

Cash Flows	For the period ended May 31, 2008
Cash Flow from	
Operating Activity	23,774
Investing Activity	(7,215)
Financing Activity	(11,875)

20. During the previous year, the Company had issued warrants to a promoter Group company of Rs 2,540,000 thousand to be converted into 10,000,000 equity shares @ Rs 254 per share under chapter XIII of SEBI (DIP) Guidelines 2000 as amended from time to time, against which, the Company had received Rs 254,000 thousand. The said warrants were exercisable within a period of eighteen months from the date of allotment i.e. on or before February 9, 2009. The warrants stand lapsed and the amount of Rs. 254,000 thousand received by the Company as advance has been forfeited and credited to Capital Reserve.

21. During the current year, in one of the projects being executed by the Company, consequent to revision in estimates of the project, costs and revenue on the projects has gone up by Rs. 3,614,427 thousand and Rs. 1,459,574 thousand respectively. The Company has filed claims with the customer amounting to Rs. 5,071,000 thousand against the increase in cost estimates. Pending acceptance, these claims have not been accounted for in the books.

22. One of the projects executed by one of the subsidiary of the Company has incurred a significant increase in cost estimate by Rs. 2,462,150 thousand. During the year, the customer terminated the contract with the subsidiary of the Company and subsequently encashed, a performance bond of Rs. 1,058,805 thousand (GBP 13,500 thousand) and advance payment guarantee of Rs. 1,176,450 thousand (GBP 15,000 thousand). The loss incurred on the encashment of the two bonds and increase in costs has been appropriately recognised in the book of account. Despite the adverse decision of an early adjudication process, based on legal opinion obtained by the Company, the management believes that the Company has good chances of success in the case. The Company is now preparing its claim to be filed in the High Court of United Kingdom (UK).

23. Finance Act 2007 requires payment of Fringe Benefit Tax (FBT) on ESOP benefit provided to employees. FBT is payable on the date when ESOP is exercised by employees based on fair market value on the date of vesting. The management view is that the obligating event occurs at the date of exercise and hence FBT on ESOPs will be paid / provided for, as the case may be, at the date of exercise when the liability arises.

24. Deferred Tax Liability (Net) (Amount In INR '000)

Components of Deferred Tax Liability (Net)	Deferred Tax Asset/ (Liability) as at April 01, 2008	Current Period (Charge)/ Credit	Deferred Tax Asset/ (Liability) as at March 31, 2009
Differences in depreciation in block of fixed assets as per Income Tax and Financial Books	(636,888)	(390,531)	(1,027,419)
Effect of expenditure not debited to Profit and Loss account but allowable in Income Tax	(169,276)	(76,379)	(245,655)
Unrealised foreign exchange on purchase of fixed assets	(5,627)	445	(5,182)
Difference in carrying value of Scaffolding as per Income Tax & Financial Books	287	(56,140)	(55,853)
Exchange fluctuation on foreign currency monetary items translation difference account	-	(272,843)	(272,843)
Effect of expenditure debited to Profit and Loss Account in the current year but allowable in following years under Income Tax	286,031	10,839	296,870
Deduction u/s 35D	(2,514)	-	(2,514)
Employee Retirement Benefits	(125,588)	102,578	(23,010)
Provision for Doubtful Debts & Advances	1,187	(1,187)	-
Unabsorbed Losses/Carried Forward Losses	10,591	(4,640)	5,951
Others	(113,028)	(40,706)	(153,734)
Foreign currency translation	6,652	-	1,285
Deferred Tax Liability (Net)*	**(748,173)**	**(728,564)**	**(1,482,104)**

*After setting off Deferred Tax Assets aggregating Rs. 259,525 thousand in respect of certain Group companies.

25. Related Party Disclosures

Names & Description of Related Parties

i) Joint Ventures of the Company

a) Jointly Controlled Entities

1) Thiruvananthpuram Road Development Company Ltd.
2) Asia Drilling Services Ltd.
3) Swissport Punj Lloyd India Pvt. Ltd. – Under Liquidation
4) Dayim Punj Lloyd Construction Contracting Company Ltd.
5) Kaefer Punj Lloyd Ltd. (Formerly known as Punj Lloyd Insulations Ltd.)
6) Ramprastha Punj Lloyd Developers Pvt. Ltd. (w.e.f. August 13, 2007)
7) SYNA Petrochemical Engineering Company (Iran)

b) Jointly Controlled Operations

1) Persys-Punj Lloyd JV
2) Joint Venture of Whessoe Oil and Gas Ltd. and Punj Lloyd Ltd.
3) Total-CDC-DNC Joint Operation (Indonesia)
4) Kumagai-Sembawang-Mitsui Joint Venture (Singapore)
5) Kumagai-SembCorp Joint Venture (Singapore)
6) Philipp Holzmann-SembCorp Joint Venture (Singapore)
7) Kumagai-SembCorp Joint Venture (DTSS) (Singapore)
8) Semb-Corp Daewoo Joint Venture (Singapore)
9) Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture (Malaysia)
10) Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture (Malaysia)
11) Punj Lloyd PT Sempec Indonesia

ii) Associate of the Company

1) Pipavav Shipyard Ltd. (w.e.f. September 17, 2007)

iii) Associates of Subsidiaries

1) Gaitry Cable Network Pvt. Ltd. (upto May 31, 2008)
2) Air Works India Engineering Pvt. Ltd. (w.e.f. November 21, 2007)
3) Olive Group B. V. (w.e.f. August 18, 2008)

iv) Associates of Step down Subsidiaries

1) City Vision Pvt. Ltd. (upto May 31, 2008)
2) Shitul Engineering Pvt. Ltd. (upto May 31, 2008)
3) Sunstar Network & Technologies Ltd. (upto May 31, 2008)
4) Dot Com Holding Pvt. Ltd. (upto May 31, 2008)
5) Satellite Vision Pvt. Ltd. (upto May 31, 2008)
6) Reliance Contractors Pvt. Ltd.
7) Ventura Development (Myanmar) Pte Ltd
8) Regional Hotel Pte Ltd.
9) System-Bilt (Myanmar) Ltd.
10) Realand Pte Ltd
11) Reco Sin Han Pte Ltd
12) Ethanol Ventures Grimsby Ltd. (w.e.f. February 27, 2009)

v) Key Managerial Personnel of the Punj Lloyd Group

1)	Atul Punj	Chairman
2)	V.K. Kaushik	Managing Director
3)	Luv Chhabra	Director Corporate Affairs
4)	P.K.Gupta	Director
5)	Sandeep Garg	Chief Operating Officer
6)	Navina Punj	Director
7)	Sanjay Goel	Chief Executive Officer
8)	Rohit Kapur	Chief Executive Officer (upto March 31, 2008)
9)	Asghar Ali	Chief Executive Officer (upto February 06, 2008)
10)	P C Sinha	Chief Executive Officer (upto December 18, 2008)

vi) Relatives of Key Managerial Personnel

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

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

1. Punj Business Centre – owned by father of Chairman
2. Collectible @ The Inside Story – Owned by Sister of Chairman
3. Spectra Punj Finance Pvt. Ltd. – Shareholding of Chairman
4. Cawdor Enterprises Ltd. – Shareholding of Chairman
5. Uday Punj (HUF) – HUF of brother of Chairman
6. K.R.Securities Pvt. Ltd. – Shareholding of Brother of Chairman
7. Punj Lloyd Systems Pvt. Ltd. (Formerly known as Indtech Construction Pvt. Ltd.) – Shareholding of Chairman (upto March 31, 2009)
8. Atul Punj (HUF) – HUF of Chairman
9. Vishwadeva Builders and Promoters Pvt. Ltd. – Shareholding of sister of Chairman
10. PTA Engineering and Manpower Services Pvt. Ltd. – Shareholding of Chairman
11. PLE Hydraulics Pvt. Ltd. - Shareholding of Chairman
12. Special Steel Forgings Pvt. Ltd. – Shareholding of Chairman
13. Indo Pacific Aviation Ltd. – Shareholding of Chairman (upto August 31, 2007)
14. Petro IT Ltd. – Shareholding of Brother of Chairman

Related party disclosures

(Amount In INR '000)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Income										
Rent										
Kaefer Punj Lloyd Ltd (Formerly known as Punj Lloyd Insulations Limited)	595	1,053							595	1,053
Swissport Punj Lloyd India Pvt. Ltd.	102								102	-
Airworks India Engineering Pvt. Ltd.			238						238	-
Hire Charges										
Airworks India Engineering Pvt. Ltd.			5,650						5,650	-
Consultancy Charges										
Kaefer Punj Lloyd Ltd (Formerly known as Punj Lloyd Insulations Ltd.)	3,364	536							3,364	536
Other Income										
Kaefer Punj Lloyd Ltd (Formerly known as Punj Lloyd Insulations Ltd.)	221	432							221	432
Airworks India Engineering Pvt. Ltd.			200						200	-
Swissport Punj Lloyd India Pvt. Ltd.	113								113	-
Expenditure										
Contractor Charges										
Kaefer Punj Lloyd Ltd (Formerly known as Punj Lloyd Insulations Ltd.)	95,276	9,493							95,276	9,493
Petro IT Ltd.								301	-	301
Material Purchased										
Kaefer Punj Lloyd Ltd (Formerly known as Punj Lloyd Insulations Ltd.)	8,935	20,057							8,935	20,057
Rent										
V K Kaushik					6,600	1,375			6,600	1,375
Travelling & Conveyance										
Airworks India Engineering Private Ltd			20,112	5,630					20,112	5,630
Managerial Remuneration										
Atul Punj						37,125			-	37,125
V.K. Kaushik					24,034	38,588			24,034	38,588
Luv Chhabra					16,414	30,200			16,414	30,200
PT. Punj Lloyd Indonesia										
Atul Punj					13,812	12,006			13,812	12,006
Simon Carves India Ltd										
Sanjay Goel					12,143	12,379			12,143	12,379
Punj Lloyd Aviation Ltd.										
Rohit Kapur						5,293			-	5,293
Swissport Punj Lloyd India Pvt. Ltd.										
Asghar Ali						3,955			-	3,955
P C Sinha					2,345	240			2,345	240

Related party disclosures

(Amount In INR '000)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Dividend Payment										
Punj Lloyd Systems Pvt. Ltd. (formerly known as Indtech Construction Pvt. Ltd.)							8,461	6,346	8,461	6,346
Cawdor Enterprises Ltd.							30,277	22,707	30,277	22,707
Spectra Punj Finance Pvt. Ltd.							328	528	328	528
Atul Punj					573	429			573	429
S.N.P.Punj					4,151	3,305			4,151	3,305
Indu Rani Punj					4,147	3,469			4,147	3,469
Uday Punj/Mangalam Punj					2,433	1,218			2,433	1,218
Mangalam Punj/Uday Punj						2,099			-	2,099
Uday Punj (HUF)					432				432	-
Arti Singh					193				193	-
Jyoti Punj					201				201	-
Magalam Punj					2,800				2,800	-
Others					12	577	1	1,130	14	1,707
Rent										
Punj Business Center							13,680	15,532	13,680	15,532
PTA Engineering and Manpower Services Pvt. Ltd.								1,500	-	1,500
Sweat Equity Shares Issued										
Sanjay Goel						500			-	500
ASSETS										
Fixed Assets Purchased										
Collectible @ The Inside Story								4,316	-	4,316
Investment made during the year										
Swissport Punj Lloyd India Pvt. Ltd.		10,486							-	10,486
Ramprastha Punj Lloyd Developers Pvt. Ltd.		50							-	50
Kaefer Punj Lloyd Ltd. (formerly known as Punj Lloyd Insulation Ltd)	36,015	0							36,015	-
Pipavav Shipyard Ltd.				3,492,762					-	3,492,762
Others										
Security deposits Given During the Year										
V K Kaushik						1,650			-	1,650
Bank Guarantees redeemed during the year										
Swissport Punj Lloyd India Pvt. Ltd.		2,940							-	2,940
Thiruvananthapuram Road Development Company Ltd.		12,500							-	12,500
Corporate Guarantees Issued during the year										
Pipavav Shipyard Ltd.			4,290,465						4,290,465	-
Kaefer Punj Lloyd Ltd. (formerly known as Punj Lloyd Insulations Ltd.)		95,039							-	95,039
Dayim Punj Lloyd Construction Contracting Company Ltd.		457,476							-	457,476

Related party disclosures

(Amount In INR '000)

	Joint Ventures		Associates		Key management personnel or their relatives		Enterprises over which relatives of Key Managerial Personnel are exercising significant influence		Total	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Balance Outstanding as at March 31, 2009										
Receivable / (payables)										
Kaefer Punj Lloyd Ltd (Formerly known as Punj Lloyd Insulations Ltd.)	(20,406)	(5,278)							(20,406)	(5,278)
Swissport Punj Lloyd India Pvt. Ltd.		(50)							-	(50)
Dayim Punj Lloyd Construction Contracting Co. Ltd.	(12,376)	(4,911)							(12,376)	(4,911)
Collectible @ The Inside Story								4,316	-	4,316
Security Deposits										
V K Kaushik						1,650			-	1,650
Salary / Commission Payable										
Atul Punj						37,125			-	37,125
V.K. Kaushik					1,867	19,132			1,867	19,132
Luv Chhabra					1,319	17,967			1,319	17,967
Security Deposit										
Punj Business Center							5	5	5	5
Atna Investments Ltd.										
Punj Business Center							5	5	5	5
Share application money										
Thiruvananthapuram Road Development Company Ltd.	1	1							1	1
Investments										
Kaefer Punj Lloyd Ltd (Formerly known as Punj Lloyd Insulations Ltd.)	18,898	2,552							18,898	2,552
Thiruvananthapuram Road Development Company Ltd.	130,250	130,250							130,250	130,250
Dayim Punj Lloyd Construction Contracting Co. Ltd.	11,795	11,795							11,795	11,795
Swissport Punj Lloyd India Pvt Ltd.	10,535	10,535							10,535	10,535
Ramprastha Punj Lloyd Developers Pvt. Ltd.	50	50							50	50
Shitul Engineering Pvt Ltd.				607					-	607
Dotcom Holdinngs Pvt Ltd				5					-	5
Pipavav Shipyard Limited			3,492,762	3,492,762					3,492,762	3,492,762
Corporate Guarantees outstanding										
Kaefer Punj Lloyd Ltd. (Formerly known as Punj Lloyd Insulations Ltd.)	120,764	120,764							120,764	120,764
Dayim Punj Lloyd Construction Contracting Co. Ltd.	650,721	457,476							650,721	457,476
Pipavav Shipyard Ltd.			4,290,465						4,290,465	-

Notes :

1. Exchange difference arising on the reinstatement are not reflected in the balances as mentioned above.

26. Details of the Company's share in Joint Ventures included in the Consolidated Financial Statements are as follows: (Amount In INR '000)

Particulars	As at March 31, 2009	As at March 31, 2008
Sources of Funds*		
Reserves & Surplus	(89,466)	8,272
Loan Funds		
Secured Loans	410,227	395,922
Unsecured Loans	17,500	32,500
Deferred Tax Liability	209	-
Total	**338,470**	**436,694**
Application of Funds		
Fixed Assets Net Block	556,308	550,999
Capital Work In Progress Including Capital Advances	36,195	10,641
Preoperative Expenditure Pending Allocation	74,065	60,662
Deferred Tax Assets	-	474
Current Assets, Loans & Advances		
Inventories	20,242	8,800
Sundry Debtors	325,827	116,675
Cash and Bank Balances	115,936	118,978
Other Current Assets	26,304	17,408
Loans and Advances	1,573,591	424,847
	2,061,900	**686,708**
Less: Current Liabilities & Provisions		
Current Liabilities	734,131	338,576
Net Current Assets	1,327,769	348,132
Total	**1,994,337**	**970,908**

* After elimination of Share Capital, Inter Company transactions and balances and adjustment of accounting policies aggregating Rs. 163,986 thousand (Previous year Rs. 158,551 thousand)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Income		
Sales & Contracts Revenue	903,430	239,187
Other Income	2,209	1,380
Total	**905,639**	**239,567**
Expenditure		
Materials Consumed and Cost Of Goods Sold	219,161	86,371
Project and Administrative Expenses	669,615	130,765
Financial Charges	46,133	11,230
Depreciation /Amortization	45,048	9,979
Preliminary Expenses	-	93
Total	**979,957**	**238,438**
Profit / (Loss) Before Tax	(74,318)	2,129
Current Tax	17,149	2,164
Fringe Benefit Tax	991	184
Deferred Tax	490	(14)
Loss After Tax	**(92,948)**	**(1,205)**

27. Previous year comparatives

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

b) Figures pertaining to Subsidiaries, Joint Ventures and Associate companies have been reclassified wherever considered necessary to bring them in line with the holding Company's financial statements.

As per our Report of Even Date

For S.R. Batliboi & Co.
Chartered Accountants
Per Raj Agrawal
Partner
Membership No. : 82028

Place : Gurgaon
Date : May 18, 2009

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

V.K. Kaushik
Managing Director

Atul Punj
Chairman

Dinesh Thairani
Company Secretary

Raju Kaul
President

Ravi Keswani
President

NOTES

REGISTERED OFFICE

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

CORPORATE I

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

CORPORATE II

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

REPRESENTATIVE OFFICES

Sembawang Engineers and Constructors Pte Ltd
460 Alexandra Road
#27-01 PSA Building
Singapore 119 963
Tel: +65 6305 8788
Fax: +65 6305 8568
bd@sembawangenc.com

Punj Lloyd Ltd
21 – 22, Grosvenor Street
London WIK4QJ
United Kingdom
Tel +44 207 495 4143
Fax +44 207 495 7937
farah@punjlloyd.com

Simon Carves Ltd
Sim Chem House, Warren Road
Cheadle Hulme, Cheadle
Cheshire SK8 5BR UK
Tel +44 161 486 4000
Fax +44 161 486 1302
info@simoncarves.com

ASIA PACIFIC

PT. Punj Lloyd Indonesia
Wisma GKBI, 17th Floor, Suite 1708
Jl. Jend, Sudirman No. 28
Jakarta 10210, Indonesia
T +62 21 5785 1944
F +62 21 5785 1952
info@ptpli.com

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

Punj Lloyd & Gas (Malaysia) Sdn Bhd
Suite 1006, 10th floor, Menara, Amcorp
18 Jln. Persiaran Barat
46200 Petaling Jaya, Selangor
Malaysia
Tel +60 3 7955 5293
Fax +60 3 7955 5290
asiapacific@punjlloyd.com

Punj Lloyd Pte Ltd
60 Alexandra Terrace #09-01
The Comtech (Lobby A)
Singapore 118 502
Tel +65 6309 9040
Fax: +65 6820 7652
asiapacific@punjlloyd.com

Punj Lloyd Ltd
6th Flr., 68 Hoang Dieu Street
Ward 12, Distt 4, Ho Chi Min City
Vietnam 115 093
T +8 49024 10951
jaskaransingh@punjlloyd.com

CASPIAN

Punj Lloyd Kazakhstan LLP
Plot No. 7 “A”, Atyrau Dossor Highway
DSK Area
Atyrau 060 000
Republic of Kazakhstan
T +7 7122 395 021/42
F +7 7122 395 038
plk@punjlloyd.com

MIDDLE EAST

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

Punj Lloyd Ltd
PO Box # 55174, #6, 2nd Floor
Hussain Fikri and Sons Building
C Ring Road
Doha, State of Qatar
T +974 431 1802
F +974 427 0822
pllme@punjlloyd.com

Punj Lloyd Ltd
PO Box 704, Postal Code 133
Al Khuwair, Sultanate of Oman
T +968 24 459 7728
F +968 24 459 7493
pllme@punjlloyd.com

Punj Lloyd Ltd
P O Box 50082, Mukkalla
Republic of Yemen
Tel +967 5 384 386
Fax +967 5 212 022
pllme@punjlloyd.com

AFRICA

Punj Lloyd Ltd
P O 3119, Goth Alshaal Alwahda Area
Tripoli - G.S.P.L.A.J, Libya
Tel / Fax + 218 21 438 5545
ksaha@punjlloyd.com

Punj Lloyd

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

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